



Obstacles to the European Single Market

Findings of the Single Market Observatory (SMO)
Status: July 2012 A



European Economic and Social Committee

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Foreword by Staffan Nilsson, EESC president

The 1957 Treaty establishing the European Economic Community made it possible to abolish customs barriers within the Community. In the 1970s, other trade barriers hampered the completion of the common market. Technical rules, health and safety standards, national regulations on the right to practise certain professions and exchange controls all restricted the free movement of people, goods and capital.

In June 1985, the European Commission, under its then President, Jacques Delors, published a White Paper seeking to abolish, within seven years, all physical, technical and tax-related barriers to free movement within the Community.

However, a number of challenges remain to this day. Essentially, these are physical barriers (the Schengen Agreement is currently being called into question), technical barriers (mutual recognition is a prerequisite for worker mobility) and tax barriers (for example in relation to the common corporate tax base).

After 20 years of existence, the Single Market is still a work in progress. While a number of barriers have been abolished, new ones have appeared. It is therefore important to track developments in this area, take stock of the remaining obstacles and set up a road map for the Single Market to operate smoothly in the interest of all.

The Committee's interest in this particular area is based on the fact that its members represent organised end-users of the Single Market. This pluralist set-up allows for consensual feedback to the EU legislator, coupled with practical recommendations.



Staffan Nilsson
President of European Economic and Social Committee

Introduction

This contribution renders the Committee's pluralist set-up. Its members are representatives in the context of a public hearing held in June 1994, the Single Market Observatory (SMO) launched a survey using a questionnaire to list the obstacles¹ to the Internal Market. The results of this survey were published in a brochure entitled "Report 1994 – Internal Market Forum"² Revealing that in 1995 61 obstacles impacted on the four freedoms of the Single Market.

In the meantime, the European Economic and Social Committee (EESC) has been working on a number of issues mentioned in the overview. The SMO reviewed these obstacles in 2004. The main findings were that:

- One third of them had been removed;
- One third had been only partly lifted (e.g. mutual recognition, intellectual property, services and public procurement) and one third still needed to be worked on (e.g. taxation);
- New obstacles had appeared in spite of major overall progress.

In 2006 the SMO decided to update the list and identified 62 obstacles, 28 of them dealing with the free movement of goods, 10 with the free provision of services and the right of establishment, 12 with the free movement of people and 12 with the free movement of capital.

In 2008 the SMO identified 104 obstacles. This time the SMO changed its approach and decided to take out the resolved obstacles (26). 40 new obstacles impacting on the following areas were identified:

- Freedom of capital: 6 new obstacles (Small European Business act, insurance guarantee schemes, PPE, late payment etc.);
- Freedom of goods: 14 new obstacles (health care, medicaments/ food/ toy safety, VAT; increase of fuel prices/ airport charges;
- Freedom of services: 16 new obstacles (number portability for consumers, high roaming/ Internet surfing fees, financial services, consumer credit etc.);
- Freedom of persons: 4 new obstacles⁴ (working conditions for temporary agency workers).

In the context of the EESC's major event on EU2020 on 25 September 2012, the Single Market Observatory deemed it necessary to update its list and review existing barriers to a well-functioning Single Market 20 years after the concept was launched by Commission President Jacques Delors. One might well ask oneself "When will it really be 1992?"³ in view of the number of remaining obstacles and of the complexity of removing them (see e.g. the some 40 year long debate on the European patent!).

The European Commission sketches out the current state of the Single Market by pinpointing 3 basic types of obstacles⁴ to which the SMO would add a number of barriers:

¹ On barriers to the Single Market see <http://www.euractiv.com/priorities/eu-single-market-still-hampered-ton-barriers-ge-boss-news-493690>.

² Ref. CES-95-001-EN.

³ A very appropriate title of a publication by the Dutch Employers' Federation: <http://www.eesc.europa.eu/?i=portal.en.self-and-co-regulation-literature.3244>.

⁴ More on the Single Market and obstacles to its achievement: http://europa.eu/abc/12lessons/lesson_6/index_en.htm.

Physical barriers

All border controls within the EU on goods have been abolished, together with customs controls on people. Random spot checks by police (part of the fight against crime and drugs) still take place when necessary. The Schengen Agreement⁵, which was signed by a first group of EU countries in 1985 and later extended to others (although Ireland, the United Kingdom, Cyprus, Bulgaria and Romania do not participate while Denmark opted for an individual approach), governs police cooperation and a common asylum and immigration policy, so as to make it possible to completely abolish checks on persons at the EU's internal borders (see Chapter 10, "Freedom, security and justice"). In its exploratory opinion on "Key actions towards a Single Market Act II" (CESE 1547/2012), the Committee "is also concerned about the recent Council decision to renationalise the Schengen Agreement, allowing the establishment of new obstacles to the free movement of citizens within the Union and reintroducing border controls in places where they had been abolished. This is a flagrant breach of the fundamental principles of the Treaty and creates more difficulties for the completion of the Single Market." The Council decision of 7th June 2012 to change the legal basis of the rules governing the evaluation of Schengen from Article 77 of the Treaty on the Functioning of the EU to Article 70, deprives the European Parliament of its right to exert its powers in any decision in this matter⁶.

Technical barriers

For the majority of products, EU countries have adopted the principle of mutual recognition of national rules. Any product legally manufactured and sold in one member state must be allowed to be placed on the market in all others.

Even if positive achievements have been reached in the services sector thanks to mutual recognition or coordination of national rules concerning access to or practice of certain professions, there is still much to do. Out of 800 professions just 7 are subject of automatic recognition. Obstacles still hinder people from moving to another EU country or doing certain types of work there. In fact, moving across borders, European citizens still have to face heavy bureaucratic burdens⁷, uncertainties on their pensions' portability and difficulties with the recognition of their qualifications. Action has been taken to improve worker mobility, and particularly to ensure that educational diplomas and job qualifications (for plumbers, carpenters, etc.) obtained in one EU country are recognised in all the others.

The opening of national services markets has brought down the price of national telephone calls to a fraction of what they were 10 years ago. Helped by new technology, the Internet is being increasingly used for telephone calls. However this Market will not reach its full potential if Net neutrality will not be assured. As well as cross-border shopping and trade have not yet taken off due to the Digital Single Market not being completed and deficiencies in the implementation of the Services directive. E-procurement, e-invoicing, e-signature and e-authentication as well as e-government services also represent a fundamental step in making the EU a real space of competitiveness and integration. Competitive pressure has led to significant falls in the price of budget airfares in Europe.

Tax barriers

Tax barriers have been reduced through the partial alignment of national VAT rates. Taxation of investment income was the subject of an agreement between the member states and some other countries (including Switzerland) which came into force in July 2005. The so-called CCTB (Corporate Common Tax Base) is another issue that is still being debated upon and that needs to be finalised. However, double taxation and a lack of cross-border compensation for losses still affect intra-European professional and individual activities.

⁵ http://europa.eu/legislation_summaries/justice_freedom_security/free_movement_of_persons_asylum_immigration/l33020_en.htm.

⁶ See also <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2F%2FEP%2F%2FTEXT+IM-PRESS+20120613STO46767+0+DOC+XML+V0%2F%2FEN&language=EN>.

⁷ See the draft conclusions of the European Council of 25 June 2012 ("Compact for growth and jobs", pt. 2) (e).

Natural barriers

It is certainly worth mentioning “natural” barriers such as language and distance that keep the market segmented. An integrated network infrastructure is the backbone of a fully functioning Single Market. This has to exist physically, but legislation has to make it integrated. In other words, switching between different means of transport should not require different documents, but it should be allowed on the basis of a single transport document. Another barrier that is in a way linking up to the next (see pt. 5 below) is the difference in terms of vision or perspective between national and European politics. The first have a scope that is determined by the next elections while the latter, being a strategy, have a much longer term stance (see the EU2020 Strategy or even the Commission’s 2050 roadmap). The lack of ownership that derives from our national preferences is another issue that requires sustained efforts in terms of communication.

Legislative barriers

Basically, this is about Member States not or only partially transposing and implementing EU laws – even at times over-implementing them (especially directives) - to the detriment of European citizens and businesses. The Services Directive is just one example of that. This could in a way be the result of another “natural” barrier, namely the differences between Member States in terms of political and administrative traditions and culture (see pt. 4 above).

On the occasion of the first Single Market Forum in Krakow (Poland) from 2 to 4 October 2011, the European Commission’s DG MARKET had launched a video competition under the heading “Tell us your story”. The idea was to illustrate concrete cases of how European citizens experience the Single Market: http://ec.europa.eu/commission_2010-2014/barnier/headlines/news/2011/09/20110914_en.htm. The cases highlighted in the videos deal for example with e-invoicing, online shopping or cross-border parcels costs.

The current catalogue of obstacles to the Single Market now consists of 90 obstacles.

Main findings

Background

- 89 obstacles were found: 25 in the freedom of goods movement; 15 in the services area; 14 related to the free movement of persons; 19 regarding the capital market. In addition to these four main categories, two more were added: cross-border activities, consisting of 10 horizontal problems, and SMEs with 13 obstacles related to their competitiveness;
- Initiatives regarding around 40 obstacles have already been taken. However, they are at the initial stage of proposals and they still need to pass through the legislative process and to be implemented. Ultimately, the effectiveness of the single actions will remain to be assessed;
- The Commission is about to release a second edition of the Single Market Act. This communication, due in the autumn of 2012, will stress a number of specific issues that will be the next priorities towards a more integrated Single Market. As mentioned before, the EESC has already adopted its exploratory opinion on this issue⁸. The obstacles mentioned both in the following list and in the Committee's exploratory opinion on "Key actions towards a Single Market Act II" (CESE 1547/2012) are marked with an asterisk;
- 25 obstacles have been successfully tackled and removed from our 2008 list.

Current situation

- Cross-border activities (items 1-10): these obstacles are related to the necessity of having proper infrastructure throughout the EU and more integration in the justice and taxation sectors. Double taxation and double non-taxation still affect several sectors: enterprises' activities, cross-border work and cross-border inheritances. However, a uniform application of EU VAT rules (and declaration) is still lacking;
- SMEs (items 11 – 23): SMEs are facing difficult times and need a competitive environment. The European Small Business Act (SBA) launched the "think small first" concept, but there are still deficiencies. In 2008, the proposal for a European Private Company (SPE) was tabled, in the hope that it would ease administrative burden related to cross-border activities, though it has not yet been approved. SMEs face problems in accessing public procurement because of undue stringent requirements and un-harmonised rules related to tenders' publication. E-procurement and e-invoicing would simplify current procedures and improve the competitiveness and the integration of the market⁹;
- Free movement of goods (items 24 – 49): Cross-border trade in goods is generally functioning well. However, more integration of the different means of transport (i.e. networks) is needed if we are to bring about a Single European Transport Area. Cross-border shopping could be a great resource but consumer confidence must be boosted as well as the convenience and security of cross-border purchasing. Helping consumers comparing prices through web-based platforms and allowing them to make informed choices by extending the Ecolabel should be a priority;
- Free movement of services (items 50 – 66): Several sectors of the Internal Market for services have yet to be opened and freed from barriers while the complete and correct implementation of the Services Directive is not an option anymore. Postal services are the best example of how the Single Market for Services is to become a reality. Studies show that published cross-border prices for packets, parcels and express products are significantly higher than domestic prices in the vast majority of countries¹⁰, which indicates that there is still a 'border effect' 20 years on. Reaching integrated European postal services is a prerequisite for cross-border selling activity in general. The new ways of distributing artistic works imply a review of the current EU copyright framework. Action in these fields will reverberate on cross-border shopping and consumers' confidence. In this regard, bold steps should be taken towards EU-wide collective actions;

⁸ EESC exploratory opinion on Key Actions toward a Single Market Act II – CESE 1547/2012 fin.

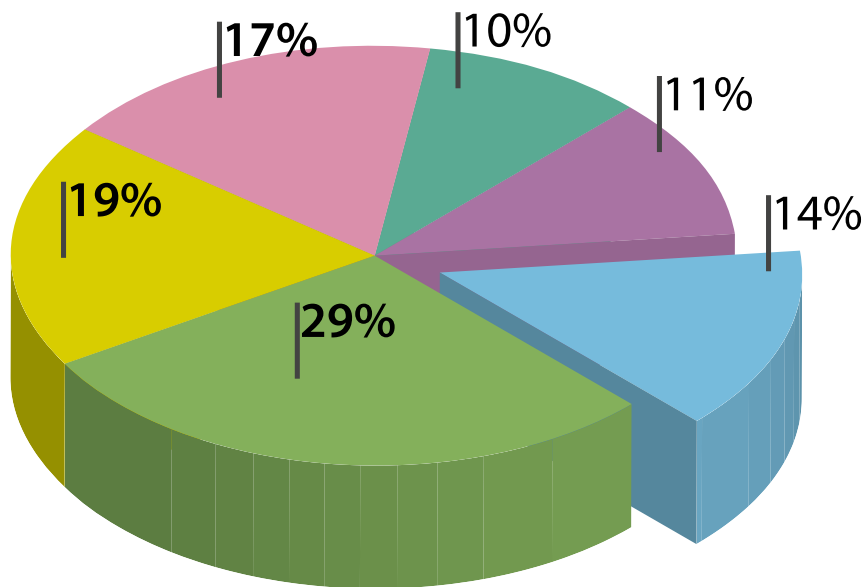
⁹ See also: <http://www.youtube.com/watch?v=1Qj3iOBLQbY>.

¹⁰ See also: <http://www.youtube.com/watch?v=g22ydMKWLxU&feature=relmfu>.

- Free movement of persons (items 67 – 80): As more and more people move across the EU, different problems show up. It is necessary to speed up the circulation of official documents: administrative burden is one of the main obstacles to the full enjoyment of the rights of free circulation and establishment across the EU. Cross-border successions also lack harmonization. In fact, even if a new proposal aims at clarifying the legal regime that should be applied in case of succession, problems due to the different national treatments could still arise. Out of more than 800 professions, only 7 are actually enjoying automatic recognition; this is a major obstacle standing in the way of enhanced cross-border labour mobility. The portability of complementary pensions represent a great concern to whoever decides to move across the EU since the current legislation goes back to 1998 and needs to be reviewed;
- Free movement of capital (items 80 – 89): The realisation of the Single Euro Payments Area (SEPA) that will make all electronic payments across the euro area as easy as domestic payments is a major achievement. However, the markets remain fragmented and further efforts are needed before retail financial services can be bought and sold across European Union borders without hindrance. The mortgage credits market is still characterized by a lack of transparency and other deficiencies that are detrimental to consumers.

Overview of current obstacles			
Type/Sector	Obstacle number	Type/Sector	Obstacle number
Infrastructures	1-2-3-24-25-26-27-28-29-31	Energy	46-47-48-49
Circulation of documents	4-67-68-71	Services	50-51-52-65
Debt	5-6	Copyright	55-56-57
Taxation	7-8-9-21-44-45-46-47-64-70-74-88	Digital Europe	18-20-21-53-54-58
SMEs	11-12-13-22	Financial services	59-60-61-85-86-89-90
Public Procurement	14-15-16-17-18-19	Health	63-64
E-invoicing	20-21	Circulation of people	69-72-73-75-76-80-81
Consumers	23-62	Workers	77-79
Cross-border shopping	23-40-41-42-43-52		

The obstacles to the Single Market split by sector



- Cross-border activities
- SMEs
- Goods
- Services
- People
- Capital

CATALOGUE OF OBSTACLES TO THE SINGLE MARKET¹¹

	Areas	Objectives	Sector ¹²
Obstacle to cross-border activities			
1	Single European Transport Area*	Ease the movements of citizens and freight, reduce costs and enhance the sustainability of European transport.	TEN
2	Trans-European networks*	It made little sense to talk of a big market, with freedom of movement within it for goods, persons and services, unless the various regions and national networks making up that market were properly linked by modern and efficient infrastructure.	TEN
3	Single European Railway Area*	The area where bottlenecks are still most evident is the internal market for rail services.	TEN
4	Circulation of judgments	To a free circulation of people shall correspond a free circulation of judicial decisions. The exequatur procedure can last, on average, from 7 days to 4 months, or more if the application is incomplete.	INT
5	Recovery of cross border debts	Current fragmentation of national rules on enforcement severely hampers debt collection within the EU.	INT
6	Faster cross-border insolvency proceedings*	If companies and individuals with business activities or economic interests in EU countries other than where their core activities are located become insolvent, there may be direct implications on the proper functioning of the internal market.	ECO
7	Double taxation*	In the absence of common corporate tax rules, the interaction of national tax systems often leads to over-taxation and double taxation.	ECO

¹¹ The full version of the Catalogue can be found on the SMO website.

¹² Relevant Section of the European Economic and Social Committee.

Obstacle to cross-border activities

8	Double non-taxation	Double non-taxation deprives Member States of significant revenues and creates unfair competition between businesses in the Single Market.	ECO
9	Cross border relief	Relief for losses sustained by companies and groups is limited to the profits realised in the Member State in which the investment was made, meaning that companies and groups may have to pay tax on an amount in excess of their real results at EU level.	ECO
10	Financial havens*	Europe's internal market, the well-being of the financial and commercial market and the sound development of an economy that keeps to the common rules adopted in order to safeguard the general interest must face up to the huge amounts of money salted away in areas and countries of convenience.	INT

Obstacles affecting SMEs

11	Implementation of the Small Business Act (SBA)	The SBA brings the full weight of Europe behind SMEs - enlisting all the resources of Europe to help small business in their daily business and to clear the path for those that want to create more jobs and grow in Europe and beyond.	INT
12	European Private Company (SPE)*	Problems related to setting up and doing business abroad, in particular language barriers and cultural differences as well as differences in company law, tax and labour systems create difficulties and generate costs for SMEs to the extent that they discourage entrepreneurs from expanding their business to other Member States.	INT
13	Difficulties of SME in setting up branches in some EEA countries*	Accessing cross-border markets is still problematic for SMEs due to the high number of different administrative and regulatory burden they have to face.	INT/ECO
14	Obstacles for SMEs accessing to public procurement	There are in the market deep differences between small-micro-enterprises and medium-big enterprises regarding access to public procurement.	INT
15	Difficulty to respond to public tenders in other MS within the prescribed period due to translation problem	The lack of common rules for the publication of public tenders notices prevent enterprises to respond.	INT
16	Stringent and disproportionate pre-qualification requirements for SMEs in other Member States	The absence of clear rules about requirements that a State can impose for the participation to a public tender can hinders SMEs to participate to public procurement competition.	INT
17	Complex bureaucratic requirements for contract below the thresholds*	Access to public contracts remains difficult in practice, because of high administrative burdens and sometimes disproportionate requirements set up by contracting authorities.	INT
18	E-procurement*	The economic case for e-procurement is compelling and the enabling technologies for e-procurement are now widely available. Nevertheless, a number of barriers continue to hamper the transition towards full e-procurement in the EU.	INT

Obstacles affecting SMEs

19	Complaints about short delays between publication date and tender date	Many stakeholders claim that procedures should give contracting authorities more leeway, in particular by permitting negotiations and providing less strict time limitations.	INT
20	A simpler and more standardized e-invoicing*	To the detriment of consumers and enterprises alike, the existing rules that govern e-invoicing in Europe are still fragmented along national lines and most of the potential of e-invoicing is still untapped.	INT
21	VAT and rules on electronic invoicing	Through the options available to Member States, the legal provisions currently in force on VAT regarding e-invoicing within the EU have produced a disjointed set of requirements. This has created complexity for trading parties wishing to use e-invoicing solutions, especially for enterprises which operate across borders.	ECO
22	Late payment in commercial actions	Late payment by another business or by public authorities is a real curse for enterprises, especially for SMEs. Although the goods are correctly delivered or the services well performed, the corresponding invoices remain unpaid or are paid well after the deadline. Late payments lead to cash-flow difficulties and to a decreasing competitiveness.	INT
23	Fragmentation of EU consumer legislation	The current patchwork of laws with an EU-wide set of rights for the consumers create a complex and unpredictable environment for businesses and lead to a reluctance of traders, in particular SMEs, to consider selling cross-border.	INT

Free movements of goods

24	No Single Market for maritime transport	Customs formalities for ships travelling between two European ports remain subject to custom formalities identical to the ones foreseen for international maritime transport.	TEN
25	Multi-modal transport	Legal, administrative and technical barriers still prevent the inter-modal circulation of goods: different modes of transport require different documentation.	TEN
26	Railway interoperability*	Even if railway interoperability advanced both in terms of regulatory framework and of progress on the railway market, an integrated rail network is still far from reality.	TEN
27	Ensure a high level of railway safety and equal conditions for all railway undertakings	As a considerable number of common requirements have now been enacted at EU level, it is timely to review and clarify the scope that remains for national safety rules in the Member States.	TEN
28	Variations in aircraft noise limits	The social costs of traffic, rail and road noise across the EU was recently estimated amount to €40 billion a year. The wide range of limit, trigger and guideline values still fragment the framework all over the EU.	NAT/TEN
29	Personal importation of vehicles hindered due to obstacles created by dealers/ manufacturers	Total technical harmonisation has already been achieved in many vehicle categories (light and heavy duty vehicles, motorcycles and some agricultural and forestry tractors) and will soon be extended to other vehicle categories (other tractors and their trailers and towed equipment).	INT
30	Motor vehicle registration problems	Citizens and businesses purchasing a motor vehicle in another country and taking it back with them to the country where they live usually face complex and burdensome registration procedures and time-consuming demands for extra paperwork. As a result, motor vehicle registration problems have negative impacts on the free movement of goods.	INT

Free movements of goods

31	Efficient customs union	An efficient customs union is a vital prerequisite for European integration in order to ensure uniform and EU-wide efficient, safe and transparent free movement of goods with maximum consumer and environmental protection and effective combating of fraud and counterfeiting.	INT
32	Different testing requirements in the Member States	In the field of industrial standards and conformity assessment, the Europe Agreements aim to achieve the candidate countries' full conformity with Community technical regulations and European standardisation and conformity assessment procedures.	INT
33	Lack of harmonization and standardization (interoperability) of military products	The European defence market is highly regulated at a national level and Europe's defence-related industries largely operate outside the internal market. Fragmented markets create red tape, hamper innovation and lead to duplication of defence programmes and research.	INT
34	Necessity of an export license for intra-EU transfers of military equipment.	National systems to control the transfer of defense equipment to another Member State did not distinguish between exports to third countries and transfers between Member States. Heterogeneous national licensing regimes hampered the security of supply between Member States and cost over €400 million a year.	INT
35	Food Safety	The Regulation 97/258, set up a new instrument to ensure the free movement of safe food products. However, the passing of time have highlighted a number of aspects that need to be improved in order to ensure a high level of public health protection and the free movement of goods and to establish efficient authorisation mechanisms that help businesses to innovate. Moreover, there have been some misinterpretations about the definition of novel food and about the scope of the Regulations.	NAT

Free movements of goods

36	Medicine safety: risk of counterfeit medicines	Counterfeiting medicines for human use is an increasing threat to public health and safety. Shipments of counterfeited goods on EU borders represent a threat to the EU economy and internal market.	INT
37	Falsified medicines	The phenomenon of falsified medicines is on the increase, with more and more medicines now being falsified. These include expensive medicines, such as anti-cancer medicines, and medicines in high demand, such as antivirals.	INT
38	Medicine safety: Information to patients on medicinal products	Based on a common basic principle that advertising to the public is prohibited for prescription-only medicines, evidence shows that the rules and practices on what information can be available still vary significantly among Member States.	INT
39	Lack of transparency and harmonisation in medicinal pricing and funding	National measures to control the funding of medicines and manage their consumption in the framework of healthcare systems are susceptible to create barriers to trade as they affect the capacity of pharmaceutical companies to sell their products in domestic markets.	INT
40	Cross-border shopping	To remedy the shortcomings chaining the Internal Market we must give the single market the opportunity to develop its full potential. To this end, a proactive and cross-cutting strategy should be developed. This means putting an end to market fragmentation and eliminating barriers and obstacles to the movement of services, innovation and creativity. It means strengthening citizens' confidence in their internal market and ensuring that its benefits are passed on to consumers.	INT

Free movements of goods

41	Price comparison websites and products test	In order to allow consumers to really profit from the Internal Market, progress should be made in the regulation of independent intermediaries, such as price comparison websites and products test, to ensure that consumers identify the best quality and prices across the EU.	INT
42	Warranty in cross-border sales	When a consumer makes a cross-border purchase, the warranty conditions usually imply that in case of problems they must refer to the customer care and assistance of the State where the product was purchased. This eventuality discourages consumers to buy cross-border.	INT
43	Establish a Single Market for green products: -Ecolabel	From its raw materials to manufacturing, packaging, distribution and disposal, EU Ecolabel products are evaluated by independent experts to meet criteria that reduce the effects a product has on the environment. The EU Ecolabel is an easy way to make an informed choice about the products you're buying.	INT
44	Large differences in VAT rates and declaration form across EU*	Different application of the EU VAT rules is clearly seen as the most serious obstacle to benefiting from the single market. These different applications stem firstly from the numerous derogations in the VAT Directive and secondly from the discretion left to Member States in its implementation and application.	ECO
45	Cross-border VAT fraud	VAT fraud represents a major challenge for the EU, as every year it costs member states billions of euros in lost revenues. VAT fraud is often organised on a cross border basis, in particular so-called carousel schemes where goods are traded amongst several operators in different member states without paying VAT to the tax authorities.	ECO
46	Different rates of excise duties on fuels used in the production proces	Variable excise duties prevent free movement and facilitate improper use of certain petroleum products.	TEN

Free movements of goods

47	Wide variations in taxation on biofuels in adjacent Member States	In spite of the growing market relevance of renewable fuels, their tax treatment under the ETD still relies on old rules. The lower energy content of renewable fuels is not taken into account, and thus the same tax rate leads to a comparatively higher burden compared to the competing fossil fuels.	TEN
48	Monopolies of electricity and gas supply and distribution	The implementation of the rules on unbundling of networks and of new rules on the functioning of retail markets is of great importance. Also the new rules on the independence and powers of national regulators are indispensable for a proper functioning of markets, and national regulators must be equipped with sufficient resources to fulfil their role notwithstanding budget austerity that may exist in certain Member States.	TEN
49	Differences in treatment of public and private energy-suppliers vis-à-vis competition from third countries	Liberalisation is designed to secure the competitiveness of Europe by delivering competitive, secure and sustainable energy Markets. The EC and the ACER should monitor the functioning of the energy markets and the application of the EU law, opening infringement procedures when a violation is detected.	TEN

Free movements of services

50	Services in the Single Market*	The results of implementation, even if still under completion, constitute a major step forward in terms of removing barriers and the modernisation/simplification of legislation. However several sector of the Internal Market for services are still to be open and freed from barriers. Is primordial to make the free circulation of services a reality, in particular as it represents a huge resource to tackle with the current economic crises.	INT
51	Postal services	Delivery barriers to cross-border e-commerce are related to three factors: prices; concerns about quality of services and lack of information on the quality of delivery, complaint procedures and returns. Lack of information and concerns about quality of service mine consumer confidence and lower demand. The same factors impact the supply of e-commerce, with small retailers being disproportionately affected.	TEN
52	High price for intra-EU delivery	One of the main advantages of e-commerce is that it does not depend on location, allowing retailers residing in more peripheral areas and countries to participate in a larger market. These retailers, however, are the most expensive for parcel operators to service: they use the national postal operators. If they are charged cross-border delivery prices that are too high, they may decide not to participate in the cross-border market.	TEN
53	Net neutrality*	The benefits of the Internet and of the wide range of services that it provides will not be delivered until Internet service providers (ISP) guarantee that the citizen is free to connect to the public Internet without restrictions from governments or network operators on the content, sites, platforms, the kinds of equipment that may be attached, and the modes of communication allowed.	INT

Free movements of services

54	Barriers to online retailing – barriers to the Single Market on the internet	“Internet Europe” is still a patchwork of different laws, rules, standards and practices, often with little or no interoperability. This hinders the development of online services and undermines the confidence of existing or future users on both the supply and the demand side.	INT
55	Community patent	Today patent protection in Europe is fragmented. While the European Patent Office (EPO) ensures uniformity in granting patents under the European Patent Convention (EPC), the need for a coherent system of patent protection in the internal market has been apparent for decades. It is essential for eliminating the distortion of competition, which may result from the territorial nature of national protection rights; it is also one of the most suitable means of ensuring the free movement of goods protected by patents. The translation issues partly remain to be solved.	INT
56	EU copyright law*	There has been significant harmonisation of the copyright law to reduce barriers to trade and to adjust the framework to new forms of exploitation. However the current approach does not keep the pace with new technologies and with new ways of distributing artistic works.	INT
57	EU framework for orphan works	When the relevant copyright owner cannot be identified or found the works in question are known as orphan works. Consequently, the necessary authorisations to make available works online cannot be obtained. Libraries or other institutions that make works available online to the public without prior authorisation risk infringing copyright.	INT
58	E-signature*	Interoperability barriers hinder cross-border use of electronic signature, mining confidence in cross-border transaction and preventing the full development of an Internal Digital Market.	INT

Free movements of services

59	Access to financial services	Millions of Europeans face an increased risk of social exclusion through lack of access to basic financial services. 2 in 10 adults in EU-15 and almost half in EU-10 (47%) do not have a bank account while many more have no savings and lack access to credit.	INT
60	Consumer credit*	Even if there are still existing deficiencies in the implementing national legislation; it may be concluded that the transposition of the Directive - generally speaking - is satisfactory. Nevertheless facts demonstrate that further steps are necessary to cope, first of all, with the lack of transparent and comparable information.	INT
61	Integration of retail banking services, improve the transparency of bank fees to ensure the availability of standardised and comparable information for retail financial products and to facilitate customer mobility	In the last years, a number of initiatives have been taken at national level to cope with the areas where consumers experience difficulties. However, such initiatives followed different approaches and had varying degrees of success. Consequently, consumers in different countries enjoy different levels of protection and the resulting patchwork of rules and codes of conduct renders cross-border mobility of market actors more difficult.	ECO
62	Collective actions system and Community consumer law*	There is a need for the EU to take action in this field since such action may make a decisive contribution towards removing obstacles hampering the operation of the internal market which are brought about by the divergences in the various national legal systems; action by the EU would thus give consumers a renewed confidence in the benefits of the single market and also provide the requisite conditions for genuine, fair competition between enterprises.	INT

Free movements of services

Free movements of services			
63	Single Market for health services	<p>As crossborder healthcare is more and more common several are the challenges the EU has to face:</p> <ul style="list-style-type: none"> - Providing clear rules and reliable information regarding access and reimbursement; - Meeting patients' expectations of the highest quality healthcare; - Ensuring EU countries work closer together in the interest of patients; - Clearing up years of legal uncertainty. 	INT
64	Cross border health-care: reimbursement issues	Over the last decade, the EU Court of Justice has issued rulings confirming the right for patients to be treated outside their home country and reimbursed under certain conditions, but the applicable rules were still not entirely clear.	INT/SOC
65	High tariffs for Internet surfing via a mobile connection (roaming)	Wholesale price caps for data roaming have been in place since July 2009, but savings have not been passed on to the consumer. Even if the prices for data roaming have also fallen, the consumers are not yet enjoying fully the reductions seen at wholesale level.	INT/TEN
66	Fragmentation in the gambling sector	<p>Moral claims and national interests (revenues) have kept gambling out of the single market integration.</p> <p>However, thanks to new technologies a wide range of gambling activities are accessible from all over the EU. So for both on-line and "on-place" gambling harmonised rules and an open market is envisaged.</p>	INT

Free movements of citizens

67	Free circulation of official documents	EU countries' registries and administrative systems vary considerably, resulting in heavy and costly formalities (translation, additional proof of authenticity of documents, etc.). These problems make it difficult for citizens to fully enjoy their rights within the EU.	INT
25	Mutual recognition of the effects of civil status records	Of all public documents, civil status records give rise to a specific problem linked to their effects. It should be possible to guarantee the continuity and permanence of a civil status situation to all European citizens exercising their right of freedom of movement.	INT
26	Cross-border successions	<p>The lack of rules at EU level means that settling a given cross-border succession may prove highly complex and the outcome may be difficult to predict. The rules governing jurisdiction and the law applicable vary considerably from one EU country to another. The result is great legal uncertainty and often distress:</p> <ul style="list-style-type: none"> - for heirs, who find themselves involved in legal and administrative difficulties when inheriting property in another EU country; - but also for people wanting to plan their own succession. 	INT
27	Cross-border inheritance tax obstacles within the EU	The problems of Inheritances received across borders consist mainly of double taxation and discriminatory tax treatment. The snapshot of citizens' and businesses' concerns in the Internal Market published in August this year confirmed that inheritance taxes feature among the 20 top problems faced by citizens and businesses when active across borders.	ECO
28	Enhanced cooperation on a regulation on the applicable law, jurisdiction and enforcement of judgments covering matrimonial property regimes	Marriage and registered partnerships follow different rules in each EU country. Citizens expect a clear set of rules to know which court is competent for dealing with their case and which law should apply to their properties.	INT

Free movements of citizens

29	Extend automatic recognition of qualifications*	Automatic recognition of qualifications applies only to seven out of more than 800 professions. In the other cases, administrative (mal) practices, delays in recognition processes and corporatist resistances at national level add to the cost and difficulty of exercising abroad and effectively increase barriers to entry into regulated professions. This is a major obstacle standing in the way of enhanced cross-border labour mobility.	SOC
30	Posting of workers	The evaluation by the Commission on the implementation and application of the Directive identified several deficiencies and problems of incorrect implementation and/or application of the Directive in specific Member States. Again in 2007 several shortcomings were highlighted as regards the way controls were carried out in some Member States and the poor quality of administrative cooperation and access to information.	SOC
	Remove tax obstacles to cross-border work	Neighbouring MS with many persons crossing borders to work often agree special rules for cross-border workers. Since these rules reflect the special situation between two MS and are the result of negotiations between them, it follows that these rules vary from one double taxation convention to another.	SOC
	Social security status	A key pre-condition for the free movement of workers is that the person moving within the EU does not see his/her social security status adversely affected.	SOC
	Portability of complementary pensions and health insurance rights*	The Directive 98/49/EC does not cover, what is often called "portability" of supplementary pensions and a lack of portability could have a serious effect on worker mobility.	SOC

Free movements of citizens

Free movements of citizens			
	Working time	<p>The large majority of employees in the EU work under working time rules that respect EU law. However there remain problems with the implementation of core elements of the Directive, such as:</p> <ul style="list-style-type: none"> - the definition of working time (including 'on-call' time), and the rules on equivalent compensatory rest; - the situation of workers with multiple contracts; - the situation of specific groups of workers (particularly in public defence and security services; and the so-called 'autonomous workers'); - the lack of proper monitoring or enforcement of the conditions attached to the opt-out. 	SOC
	Temporary agency workers	<p>On December 2011 Eurociett stated that a number of Member States were not on course to meet the transposition deadline and that there has been an imbalance in implementation with the equal treatment provisions of the Directive transposed into national law. UNI-Europa also has expressed concerns about possible abuses, noting that Article 5.1 of the Directive allows for a qualifying period before the principle of equal treatment is applicable.</p>	SOC
	Language barriers	<p>The ET 2020 policy set out that to enable citizens to communicate in two languages in addition to their mother tongue should be a priority. At present, it is obligatory to learn at least one foreign language in compulsory education in all Member States (except Ireland and Scotland); a second foreign language is often optional.</p>	SOC
	Integrated railway booking website	<p>In case of journeys across several EU countries, consumers are forced to refer to different national railway websites, not always easily accessible, in particular for not-English-speakers.</p>	INT

Free movements of capital

Free movements of capital			
67	Absence of a single currency	The euro is not the currency of all EU Member States. Two countries (Denmark and the United Kingdom) agreed an 'opt-out' clause in the Treaty, while the remainder (many of the newest EU members plus Sweden) has yet to meet the conditions for adopting the single currency.	INT
25	Single European Payment Area (SEPA)*	The Member States properly implemented the Directive. Nevertheless, national legislation includes additional requirements with a view to providing a comprehensive framework for payment services. Not all of them are viewed as compromising full harmonisation.	INT
26	Fragmentation of government bond markets	A modern and developed financial system would reinforce the strengths of the Single Market, underpin the euro as a global currency and support the smooth functioning of the EU economies.	ECO
27	Retail financial services	In spite of the significant progress that has been made in recent years, both in terms of consumer protection and of integration, the markets remain fragmented, and further efforts are needed before retail financial services can be bought and sold across European Union borders without hindrance.	INT
28	Mortgage credits	Several areas of direct relevance to responsible lending and borrowing (e.g. pre-contractual information, advice, assessment of creditworthiness, early repayment and credit intermediation) act as barriers to the efficient functioning of the single market. These barriers prevent the pursuit of business or raise the cost of doing business in another Member State and lead to consumer detriment through low consumer confidence, higher costs and reduced customer mobility, both domestically and cross-border.	INT
	Legislation to regulate financial services, such as clearing and settlement	The current fragmented national monopolies in trading infrastructures such as exchanges, clearinghouses and securities depositories create high costs for the EU economy and represent significant impediments to efficient cross-border trading in the EU.	INT

Free movements of capital

	Discrepancies in the taxes levied on insurance policies	Even if prices and cost of using infrastructure providers are coming down, analysis indicates that trading and post-trading services can still be more expensive when purchased for cross-border transactions.	ECO
	Motor insurance: differences in compensation levels and limitation periods for cross-border victims	Financial and insurance services are generally exempt from VAT but the exemption dates from 1977 and the legislation has not kept abreast of developments since then. Today, the exemption is not applied uniformly by the Member States and thus frequently the European Court of Justice has been asked to fill the legislative gap and clarify the correct interpretation.	INT
	Insurance guarantee schemes	The differences in compensation levels are not straight forward enough to clearly determine which Member State would provide higher compensation than the other. Compensation levels in each Member State depend on the nature and degree of the injury or loss. Some Member States will provide the highest levels of compensation for certain injuries whilst for others they provide levels of compensation that are among the lowest. Further, not all types of losses are recognized by all Member States.	INT
		Only a few Member States have insurance guarantee schemes in place. The lack of Community harmonisation in this area may create problems for the protection of policyholders in case of winding-up of an insurance undertaking. This may lead to a loss of consumer confidence in the relevant markets and may ultimately put at risk market stability. It may also impede the functioning of the internal insurance market by distorting cross-border competition.	INT



NOTES

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