Making the EU Single Market work

Single Market Forum 2014:
20 conferences and workshops across Europe in 2014
1 concluding conference event in Spring 2015

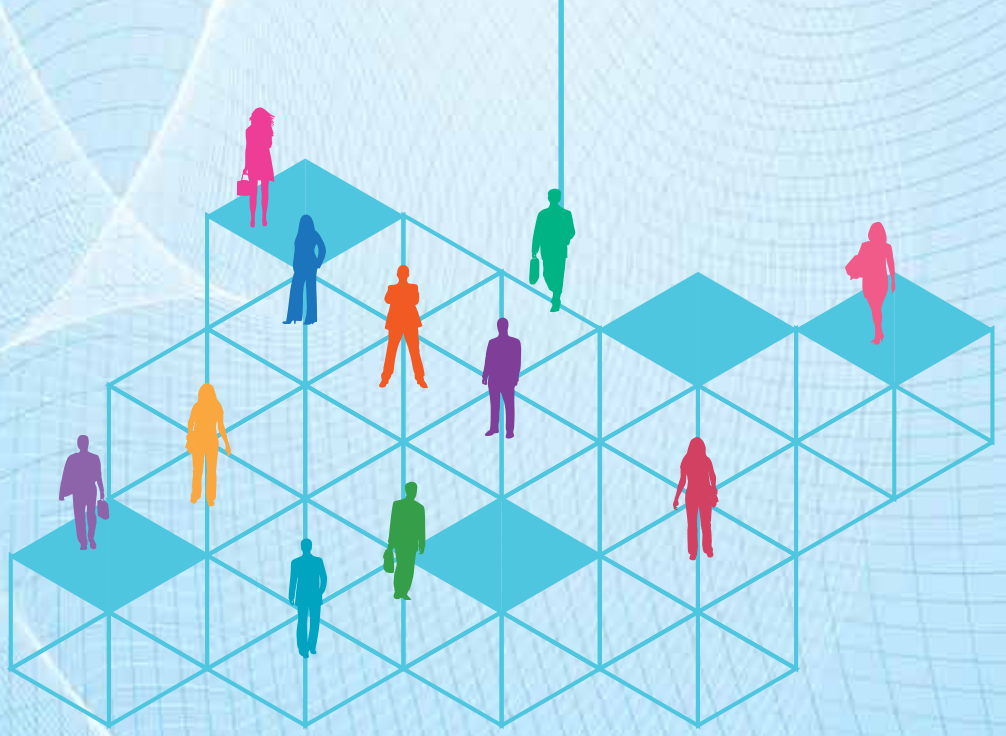
http://ec.europa.eu/internal_market/forum/2014/

European Commission

SINGLE MARKET FORUM 2014

Riga,
26 March 2015

SNAPSHOT OF WORKSHOP RESULTS



Latvian Presidency of the Council of the European Union
EU2015.LV

Concluding conference

Context of this conference

Today's event is the concluding conference for a series of 20 stakeholder workshops, across Europe, that examined the remaining barriers to the good functioning of the EU's Single Market.

Established for the free movement of people, goods, services and capital across borders in Europe, the Single Market allows professionals to offer their services in other EU countries, consumers to buy goods and services from abroad more easily, public authorities to get cheaper quotes for public works from foreign companies, and so on.

But how well is it working on the ground?

With the support of the European Parliament, Member States and local partners, the Commission carried out 20 stakeholder workshops on different policy areas throughout 2014 and early 2015. The objective of these workshops was to increase understanding of the remaining barriers in the Single Market and to share best practice regarding structural reforms in some of the services related policy areas. Close to 600 businesses and organisations participated in the events, raising many different experiences of the single market.

Single Market Forum 2014 was:

- 20 workshops and conferences
- across 16 cities in Europe
- tackling the topics of:
  the digital single market
  services
  professional qualifications
  public procurement
  intellectual property rights
  crowdfunding

What barriers were reported?

Please note: the stories in speech bubbles are paraphrased and based on the evidence of stakeholders during Single Market Forum 2014 local events. The conference organisers have not investigated the legal situation.

Points of Single Contact and other sources of information

The implementation date of the EU regulation on food labelling is fast approaching, and I still don't know how it will be applied in the countries where I do business. Who do I go to for this information?

There are too many sources of information – the PSC for the Services Directive, the PSC for Posting of Workers, the one-stop-shop for VAT... It makes it hard to see the bigger picture!

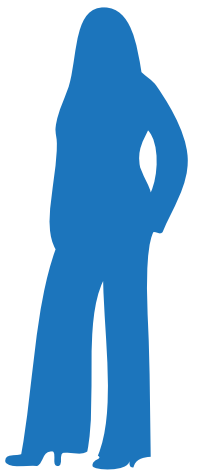
Many stakeholders reported problems finding the right information to do business in another country. Member States are required by the Services Directive to operate 'Points of Single Contact' (PSCs) to give businesses the information they need to set up a services business or temporarily provide services in that country, but often the PSCs were difficult to understand or weren't translated into the languages of neighbouring countries or into English. Businesses could not find 'information about information' – they often didn't know where to look to provide information about particular areas of legislation or about market conditions.

Registration and authorisation

There are 12 different authorisation procedures I need to go through before I can undertake a construction project!

When I try to do business in other countries, I am required to present documents and certificates which aren't used in my country. And my national authorities find it difficult to issue these documents, because they don't know exactly what they should include.

Businesses told us that they face many registration and authorisation requirements when they want to provide services in other Member States – this applies to professionals who need to register before they can practise, as well as other service providers who need a licence for a specific activity. Authorities often have burdensome documentation requirements, asking for multiple copies (on paper, not online) and certified translations, and require service providers to go through arduous processes to demonstrate the equivalence of their qualifications with local qualifications.



Fragmented regulation

I am a business providing tourism services. I struggle to provide comprehensive solutions including accommodation, food, security and conference services because regulation is so different in each of those areas.

Even EU legislation – such as the Working Time Directive – works differently in different countries, which makes it complicated to manage my workforce.

For many stakeholders, the variation of regulation was a barrier to the free movement of services – one business called it the 'patchwork of regulation'. Understanding and complying with many different (and sometimes incompatible) sets of rules was considered burdensome. Participants reported problems because regulation was so different not just between Member States (including when implementing EU legislation), but also between regions in the same country, and between industries.

Sector-specific regulation

A project manager has to be on the construction site at all times in one particular country, which limits the amount of work my company can take on.

We need a level playing field between on-line and off-line shopping. For example, a customer has different rights if they buy the same product from the same retailer on-line, or in a brick and mortar store!

Existing legislation was just not drafted with innovative solutions like crowdfunding in mind. The result is that national authorities each apply EU and national laws in different ways to the different business models.

Businesses also mentioned sector-specific regulation as a barrier. The examples were varied – in some cases the problem was the administrative burden and time delays, in others the activity was banned or restricted – and included sectors as varied as e-commerce, veterinary medicine, construction, bricks-and-mortar retail, tourism, healthcare, transport, and more.

Sector-specific Standards & certification

My company sells clothing, and the variety in sizing standards across the EU is huge, and very problematic for us. I also think our industry would benefit from EU-wide Trustmarks, so that customers have more trust in foreign products.

I have a construction company and I'd like to undertake cross-border projects. I understand why standards are different (e.g. there is an earthquake risk in some countries and not in others), but it's too expensive to find out what they are in other countries.

Could we have an EU-wide "transparency label" for crowdfunding, in order to have a more standardised and comparable set of information disclosed than is currently the case?

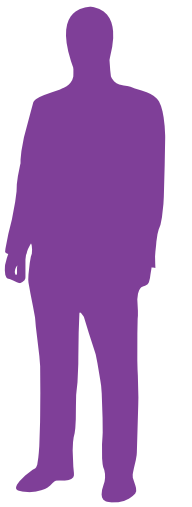
Different standards in different countries were a problem for stakeholders, especially in the construction sector. Businesses found that their certifications were not recognised in other Member States, and it was difficult to find information about the applicable standards. In some cases, national standards were required even where European or international standards were available.
Other industries called for EU-wide labels and logos in their sector, which would signal common standards and enhance consumer trust.

Insurance

In one country, it is possible to use foreign insurance, but the recognition procedure is difficult. There are costs from producing and translating documents, and there is a long time delay.

I am an architect, and in my country I am not required to have professional indemnity insurance. In other countries it is very difficult to get insurance cover for cross-border projects.

Stakeholders had problems with insurance requirements in different Member States. In some cases, multiple insurance policies were required, causing administrative difficulties and high costs. Companies reported difficulties with the fact that different Member States required different types of professional indemnity insurance, and in some cases the required insurance presented a very high cost or was difficult to obtain. Some professionals found it difficult to have their existing insurance recognised by the authorities in other countries.



Recognition of professional qualifications

In one country, professional qualification requirements in the health and safety field vary greatly across regions, making it very difficult and costly for my qualifications to be recognised.

Differences in types of engineering qualifications really hinder getting those qualifications recognised abroad.

Stakeholders reported difficulties getting their qualifications recognised. For some, the problem was the red tape: the administrative paperwork and the time delay. For others, there was a more fundamental problem recognising equivalence between different qualifications from different countries. Where the regulation of qualifications was regional rather than national, there were further difficulties.

Posting of workers & related issues

Posted workers need to carry many paper documents, which are checked in on-the-spot controls. This is anachronistic and many of the documents are actually issued by the host country, so they could keep an electronic record instead.

In one country, posted workers have to register in person, waiting in line to sign papers.

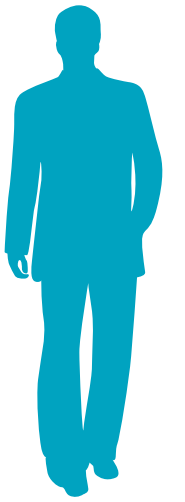
Another barrier discussed by stakeholders was the rules surrounding posting of workers and, relatedly, social security. This was especially the case in the construction sector. Administrative problems, such as paperwork, fees, and the need to register each worker separately, figured prominently. Businesses also had difficulties even understanding the rules and knowing when workers were covered by which social security regime.

Tax

The rules are completely unclear for the taxation of online businesses.

Agreements for the avoidance of double taxation are concluded bilaterally (so vary across the EU) and often don't work very well. Some of the agreements are completely out of date, too.

Many businesses had problems with tax when trying to do business in another country – including income tax, business tax, and VAT. They reported finding it difficult to get the right information, and had difficulties reconciling different taxation regimes in their host and home countries (avoidance of double taxation agreements often did not work well). Some found the cost of taxation to be too high.



Public procurement

My company spent thousands of euros participating in a tender in another country – there was a huge cost in translating documents into a regional language, and obtaining certification.

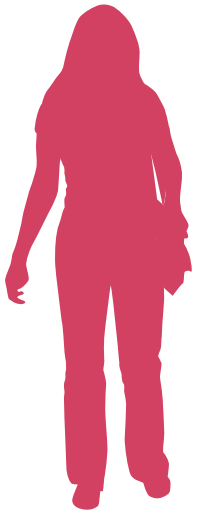
It's just too expensive for SMEs to participate in burdensome procedures, so as a result the big companies tend to get the public contracts.

Many businesses report problems not just with regulation per se but also with the requirements set out by authorities putting public sector contracts out to tender. The administrative burden to even participate in the tender was considered heavy, with SMEs in particular struggling to access public contracts. In addition, the requirements to use particular national standards and to have particular nationally-issued certificates were a barrier.

Lack of funding

As a struggling start-up, if I want to do business across borders in the EU, I need to spend resources that I simply don't have exploring the legal environment of another country. More financial support would help.

For start-ups in particular, lack of financial support is a significant obstacle to operating successfully in the Single Market, as start-ups have to build a sustainable business in the first place before tackling the complexities of doing business cross-border.

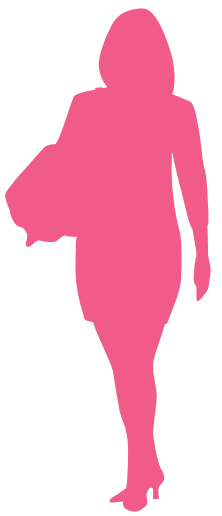


Barriers of language, culture and tradition

I have many workers employed on construction sites in other countries. I think foreign workers are not positively perceived and sometimes are suspected of working illegally.

Other problems concerned the distrust of foreign workers and companies; different market conditions (and the lack of information about them); the need to sign collective agreements with trade unions; and most of all, the language barrier.

Trade unions try to negotiate salaries for individual construction sites, which is very difficult for a foreign company.



What reforms were analysed?

Regulating access to professions

The decision on whether or not to regulate a profession is a very delicate one, and the choices of national legislators have to be respected.

Why regulate access to professions? For consumer protection, usually. But then why regulate occupations where health and safety risks are low? Why not let consumers decide?

A plethora of requirements restrict access to professions and can vary significantly across the EU. Different regulatory regimes may make it difficult for qualified service providers to establish or provide services in other Member States. Furthermore, it is often complicated for young graduates or qualified workers from other Member States to know exactly what conditions must be met to enter a specific profession. Countries regulate access to professions for different general interest reasons, such as consumer protection, health and safety, etc. But are these restrictions still necessary and adapted to the current situation? EU countries are now engaged in a mutual evaluation of regulated professions to try and determine this, and this is why we met with the stakeholders in Warsaw and Berlin: to discuss the reforms done in the past and the ongoing ones – to see what makes them successful, what doesn't, and what lessons can be learned.

Need for economic analysis based on robust methodology and reliable data

We lack robust, systematic data and understanding of each member state's occupational regulation regime. We need evidence-based policy making.

Economic studies on crafts reform in Germany 2003/2004 come to diverging conclusions: negative effects of crafts reform on longevity of craft enterprises for deregulated professions and the willingness to provide training versus positive welfare effects because substantial increase in the number of firms entering the market means firms have to offer better quality, additional products or lower costs in order to be competitive; effects on training have to be seen against the backdrop of generally declining demand for crafts apprenticeships and a shift towards university education.

Views from other EU countries regarding crafts and liberal professions were also presented: Dutch tax advisors who do not regulate and have not seen a decline in quality of the services provided, UK government which deregulated legal services, Polish government, currently implementing the last phase of the deregulation reform the effects of which on employment can already be seen (legal services: the number of lawyers and solicitors doubled between 2010 and 2014) and French government which has just embarked on reforms of a number of professions.

Summary of Single Market Forum 2014 stakeholder events:

Topic	City	Date	Local Partner
Regulatory and non-regulatory barriers in services	Thessaloniki	10 September 2014	Greek government
Regulatory and non-regulatory barriers in services	Frankfurt/ Oder	23 September 2014	Local chamber of commerce, German government
Crowdfunding in the EU	Brussels	25 September 2014	no local partner
Regulatory and non-regulatory barriers in services	Verona	7 October 2014	Italian Presidency of the EU
Regulatory and non-regulatory barriers in services	Vilnius	9 October 2014	Local chamber of Commerce, Swedish, Lithuanian and Finnish governments
Start-ups in the online world	Hamburg	9-10 October 2014	Finmar
Single Market Forum: Modernising access to professions	Warsaw	17 October 2014	Polish government
Regulatory and non-regulatory barriers in services	Ljubljana	20 October 2014	Slovenian government
Regulatory and non-regulatory barriers in services	Copenhagen	27 October 2014	Danish Construction Association
Regulatory and non-regulatory barriers in services	Brussels	28 October 2014	Belgian, Dutch, and Luxembourgish governments
Regulatory and non-regulatory barriers in services	Oporto	31 October 2014	Portuguese government
Crowdfunding in the EU	Brussels	3 November 2014	no local partner
Regulatory and non-regulatory barriers in services	Paris	5 November 2014	French government
Omni-channel retailing in a cross border context	Vienna	6-7 November 2014	Local chamber of commerce
Single Market Forum: Modernising access to professions	Berlin	14 November 2014	German confederation of skilled crafts
Multichannel commerce	Bilbao	19 November 2014	ACES and @Digital
The European Professional Card	Rome	1 December 2014	Italian Presidency of the EU
IPR Infrastructure conference for SMEs	Milan	29 January 2015	Italian Presidency of the EU
Toward a strategic implementation of the new public procurement directives	Rome	13 February 2015	Italian Presidency of the EU
Crowdfunding in the EU	Brussels	4 March 2015	no local partner