

# Key role of Single Market in Europe 2020 Strategy



*In March, the Commission presented its proposal for a European strategy for economic growth and jobs in the coming decade. The 'Europe 2020 Strategy' advocates a focus on structural reform measures to turn the EU into a smart, sustainable and inclusive economy, delivering high levels of employment, productivity and social cohesion. With this Strategy, the Commission seeks to take the economic crisis as an opportunity to advance much-needed reforms to improve the competitiveness of the EU economy. An improved functioning of the Single Market will play a key role in making this strategy a success.*

## Smart, sustainable and inclusive growth

The Europe 2020 Strategy sets out a vision for Europe's social market economy over the next decade with a focus on three priority themes:

- Smart growth: developing an economy based on knowledge and innovation;
- Sustainable growth: promoting a low-carbon, resource-efficient and competitive economy;
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

The Strategy is the Commission's response to structural weaknesses that have been exposed by the economic crisis, including low structural economic growth, low employment levels and demographic ageing. In the words of Commission President Barroso: 'Europe 2020 is about what we need to do today and tomorrow to get the EU economy back on track. The crisis has exposed fundamental issues and unsustainable trends that we can not ignore any longer. Europe has a growth deficit which is putting our future at risk.'

## Key role for the Single Market

A stronger, deeper and extended Single Market is seen as one of the key instruments to achieve the Europe 2020 triple objective of smart, sustainable and inclusive growth. The Strategy therefore calls for a renewed political commitment to re-launch the Single Market, and includes the following elements:

- > Tuning public procurement policies more towards promoting green and innovative goods and services, while ensuring open and competitive procurement markets.
- > Improving framework conditions for businesses to innovate, including the effective and efficient protection of intellectual property rights through the introduction of the single EU patent and a specialised Patent Court (see page 14, for article on patents).
- > Creating an open Single Market for services on the basis of the Services Directive, while at the same time ensuring access to quality services for all consumers.
- > Stepping up the process of adapting Single Market policies and legislation to the digital era, including creating a true Single Market for online content and services and empowering consumers to buy online.



- > Improving SMEs' access to the Single Market, e.g. by further simplifying company law and improving access to finance.
- > Putting into place a new strategy to promote corporate social responsibility.
- > Reforming the financial system to ensure a solid, stable and healthy financial sector supporting the real economy. Implementing supervisory reforms, filling regulatory gaps and strengthening prudential, accounting and consumer protection rules will all be important elements. Strengthening the governance of financial institutions and designing policies to prevent and better manage possible future financial crises also form part of the new strategy proposed.

#### Making it work

Special attention will be given to improving the application of Single Market measures across policy areas and their enforcement in Member States. Equally important, the Commission will press ahead with its smart regulation agenda, including market monitoring, ex-post evaluations of the effects of EU legislation, administrative simplification and enhanced cooperation between national administrations.

As with the preceding Lisbon Strategy, the success of the Europe 2020 Strategy will depend on Member States' support, as many of the required reforms must be undertaken at national level. The Strategy therefore calls for a renewed political commitment by Member States to the required reforms and includes governance elements designed to support and to monitor these reforms.

#### Info

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