

Statement by the  
Committee on Industry  
and Trade  
2018/19:NU10

## The Commission's communication on the Single Market in a Changing World

### Summary

The Committee has examined the Commission's communication "The Single Market in a Changing World" and proposes that the Riksdag file the statement.

In the statement, the Committee emphasises that the objective of a well-functioning internal market must be to ensure that various types of obstacles are phased out, that no new obstacles are created and that maximum use is made of the internal market's potential. Nor may further developments of the EU's internal market be allowed to lead to protectionist tendencies in relation to the rest of the world. The Committee also stresses how important it is to strengthen the connection between different policy areas to promote the functioning of the internal market. The Committee would also like to highlight the importance of enhancing the efficiency of the services market. In addition to this, in the view of the Committee, a continued adjustment to the digital economy is of central importance.

Furthermore, it is the Committee's opinion that it is important that a transition to a climate-neutral economy does not occur too late or to an insufficient extent, which would run the risk of having a detrimental influence on competitiveness. The Committee also recalls how important it is that measures that are already agreed are implemented correctly and at the right time in all member states, so as to avoid the risk of distorted competition. The Committee also emphasises that EU cooperation must continue to develop and improve in a way that respects the principle of subsidiarity and where the national competence of the member states is not undermined, particularly in the area of tax and labour law.

The statement contains one explanatory reservation (Sweden Democrats) and one separate statement of opinion (Left Party).

#### *The examined document*

The Single Market in a changing world – A unique asset in need of renewed political commitment (COM(2018) 772)

### **The position of the Committee**

#### *Introduction*

The Committee explains its position under the following headings:

- General comments about the internal market
- The area of taxation policy
- The area of labour law
- Further information about the Commission's proposal to promote the internal market.

#### *• General comments about the internal market*

In order to strengthen competitiveness, growth and employment for the benefit of companies, employees and consumers in the whole of the EU, it is essential that the internal market functions smoothly. In general, the Committee considers that the objective of a well-functioning internal market must be to ensure that various types of obstacles are phased out, that no new obstacles are created and that maximum use is made of the internal market's potential. One of the objectives of Swedish trade policy has for a long time been an effective internal market and transparent trade policy in the EU. It is therefore important for the Committee to point out that further development of the EU's internal market should not lead to protectionist tendencies in relation to the rest of the world. Sweden should continue to be a clear voice in the EU for transparent, free and fair trade and combat various forms of protectionism.

However, trade barriers and other restrictions still have a detrimental effect on free movement for goods, services, capital and people. The Committee therefore welcomes the Commission's communication and believes that it provides a good foundation for both the member states and EU institutions for continued analysis of the obstacles that remain. Furthermore, the Committee welcomes concrete improvement measures to increase competitiveness both inside the EU and globally and would like to stress that it is important to strengthen the connection between various policy areas and promote the functioning of the internal market.

In this context, the Committee would also like to highlight the importance of enhancing the efficiency of the services market and creating a more effective internal market for both goods and services. In addition to this, a continued adjustment to the digital economy is of central importance in efforts to improve the functioning of the internal market. The whole of the EU needs to be digitised; digital gaps both inside and between member states should be combated to enable the digital internal market to be of benefit to both companies and consumers all over Europe. Here, the Committee would also like to recall that the digital market is a global one, and for this reason the rules must be adjusted to a market that stretches beyond the EU's borders.

A well-functioning internal market also requires effective supervision of competition. If competition is distorted, there is a risk that the right conditions for sustainable economic growth cannot be created. In this connection, the Committee would like to emphasise how important it is that the shift to a climate-neutral economy does not happen too late or to an insufficient extent, which in turn would run the risk of having a detrimental effect on competitiveness both inside the EU and globally.

The Committee thus recommends that the Riksdag file the statement for this part.

#### *The area of taxation policy*

The Commission notes in the communication that the internal market is considerably underdeveloped as regards taxation matters and points out that the member states must take decisive measures to adopt the most important proposals that are under consideration and which concern the EU's future competitiveness. Since the member states have difficulties reaching unanimity in the Council on important proposals in the area of taxation, the Commission states that the possibility should be considered of going over to a qualified majority when voting on certain questions in the area of taxation.

Here, the Committee would like to refer to what the Riksdag has previously put forward on the importance of protecting member states' taxation sovereignty. As the Riksdag has previously pointed out, it should also continue to fall within the competence of every member state to safeguard welfare by levying and using tax revenues in an appropriate way. An excessively extensive application of the rules providing the Union with legislative competence may eventually lead to an erosion of the sovereignty of the member states when it comes to levying tax and retaining sufficient tax revenues to finance welfare. Furthermore, corporate tax should be designed in such a way that there is scope for each individual member state to take into account special preconditions as regards the structure of the business sector (statement 2017/18:NU8, ytr.2017/18:SkU4y).

The Committee also notes the Commission's communication on more efficient and democratic decision-making in EU tax policy (COM(2019) 8), which has been referred to the Committee on Taxation for examination, and here would like to point out that the Riksdag will thus return to the proposed measures in the above-mentioned communication.

The Committee thus recommends that the Riksdag file the statement for this part.

#### *The area of labour law*

The Commission also refers in its communication to proposals that it has presented within the European pillar for social rights, which are considered to promote the functioning of the internal market, two of which are the proposed regulation for a European labour authority, with the aim of improving free movement for employees by means of cross-border cooperation between national authorities and mediation in cross-border disputes, and the proposed directive on clear and predictable working conditions in the European Union. The Committee notes that an agreement has been reached in both of these cases between the European Parliament and the Council.

As the Committee has previously mentioned, it is important to have strengthened cooperation between different policy areas in order to improve the internal market. In this context, the Committee would however like to recall what the Riksdag has previously said regarding issues concerning labour law (statement 2017/18:AU11). A cornerstone of the Swedish labour market is the fact that it is the parties to the labour market in the form of the employee and employer organisations who bear the primary responsibility for regulating the conditions of the labour market. The Swedish labour market model with partners who take responsibility has been beneficial for Sweden and has resulted in a labour market and economy that has developed well over time, where the regulations for conditions in the labour market are settled by means of collective agreements at corporate level, sectoral level or national level. The Committee would

therefore like to underline how important it is that different forms of EU decisions respect how Sweden has chosen to regulate its labour market.

For Sweden, it is thus crucial for the authority of member states as regards labour law to be safeguarded in EU work. The Committee would also in this context like to recall that the Swedish position has been and continues to be opposed to going from unanimity to a qualified majority for more decisions connected to such areas as social issues, something that the Commission has announced in its Work Programme for 2019 prior to the informal meeting of the European Council in May 2019 (statement 2018/19:UU4).

The Committee thus recommends that the Riksdag file the statement for this part.

*Further information about the Commission's proposal to promote the internal market.*

During the last four years, the Commission has presented a large number of proposals for measures aimed at further deepening the internal market by means of the strategy for the internal market, the Capital Markets Union, the Bank Union and the strategy for the internal digital market. The Committee notes, as does the Commission, that it has only been possible for a third of the proposals that the Commission has presented thus far to be adopted by the European Parliament and the Council. This means that a majority of the proposals submitted for various reasons still have to be processed in the institutions before they can be adopted. Here, the Committee would also like to emphasise that EU cooperation must continue to develop and improve in a way that respects the principle of subsidiarity and where the national competence of the member states is not undermined. All the legislative proposals have been subject to subsidiarity checks by the Riksdag, and in certain cases, the Riksdag has been of the opinion that the proposals were not in line with the principle of subsidiarity. Here, the Committee would like to refer to the reasoned opinions that the Riksdag has submitted to the Presidents of the European Parliament, the Council and the Commission (statement 2015/16:CU26, 2016/17:TU7, 2016/17:TU8, 2016/17:FiU38, 2017/18:NU26, 2017/18:NU28, 2017/18:FiU31 and 2017/18:CU33). In this regard, the Committee would like to recall what the Riksdag has previously put forward on the importance of maintaining respect for the member states' constitutional freedoms and rights and powers regarding budgets, taxes and labour market and social policy (statement 2015/16:CU26, 2017/18:NU8, 2017/18:NU26).

Finally, the Committee would also like to recall how important it is that measures that are already agreed are implemented correctly and at the right time in all member states, so as to avoid the risk of distorted competition in the internal market.

The Committee thus recommends that the Riksdag file the statement for this part.