

SINGLE MARKET FORUM

Krakow, 3-4 October 2011

THE KRAKOW DECLARATION

The first Single Market Forum gathered together European businesses, social partners, non-governmental organisations, think tanks, journalists, national Parliaments, European institutions and public authorities at various levels of government (central, regional and local).

We, the participants of the first Single Market Forum, recognise that the Single Market has brought tremendous benefits to the men and women of Europe. It has brought prosperity and jobs. However, in the current economic crisis European Governments must recognise its potential for further growth. As citizens and consumers, we also have a part to play. Our understanding and support for the Single Market is critical for its success.

Together we examined the different barriers to the Single Market. We took note of the Report on citizens' and businesses' main 20 concerns, the EU-wide competition "Tell us your story" and the Declaration from Polish Youth which all pointed to problems which we – citizens, businesses, workers, and public authorities – experience in our daily lives.

While we recognise that the Single Market has brought many benefits we do not always see them in our day to day lives. Sometimes there is a discrepancy between what people expect the Single Market to do, and what they experience in practice. We want better two-way communication and effective tools to make use of our rights.

EU law should be implemented and correctly applied in all Member States. We need to learn from the exchange of best practices between Member States. Our rights can only be ensured uniformly across Europe if the application of EU law is taken seriously.

Both as workers and entrepreneurs, we need more cross border provision of services and increased mobility of workers. It should be made easy for companies to do business in another Member State. That should go hand in hand with guaranteeing an adequate and appropriate level of protection for the workers posted to another Member State to provide these.

As professionals, we enjoy the fundamental right of free movement within the EU. Such mobility is in the interest of us all and deserves a proper European avenue to speed up national recognition processes. A European professional card could promote such cross-border mobility; it could give more certainty to professionals and enhance trust among authorities in the Member States.

As consumers and entrepreneurs, we are aware that e-commerce has enormous potential to satisfy our needs. It enhances business opportunities, especially for small business, and creates much needed jobs. But it needs to be made safe and predictable.

When things go wrong we consumers want to solve problems without necessarily going to court. For this reason it is crucial to create an efficient system of alternative dispute resolution.

As taxpayers, our money must be used in an efficient and effective way. Public procurement rules should be fair and simple and Member States should ensure that these rules are enforced while contracting authorities must take responsibility for making the best use of the tools available and ensuring a high level of professionalism in their procurement practice.

As businesses, we need the full development of online one-stop-shops to remain competitive in the services sector. All EU countries must simplify their procedures radically to help us start up, move and expand across Europe. It is high time to deliver truly integrated, user-friendly and effective online services.

The fruit of our discussions confirmed the mismatch between what people expect from the Single Market and what they get in practice. We believe that this can be solved and we call on:

- EU Heads of State and Government at their next summit to commit to a speedy implementation of the Single Market Act;
- European Institutions to adopt measures in order to bridge the gaps we have identified as a matter of urgency;
- National governments, regional and local entities, businesses, trade unions and non-governmental organisations to cooperate to ensure that Single Market rules work effectively on the ground for citizens and businesses;
- All the partners to involve citizens more closely in the development of the Single Market; to do so by providing clearer information; by fostering dialogue and communication with citizens in order to better understand their expectations and by helping business and citizens exercise their rights and obligations.

This Forum has highlighted the value of working together to find ways to make the Single Market work better for all of us. This has been a very useful experience that should be repeated.

Krakow, 4 October 2011

See annex for more details of workshop conclusions

OPERATIONAL CONCLUSIONS

In the framework of the different workshops held in the Single Market Forum, the participants have reached the following conclusions:

1. The added value of a European Professional Card

In the context of a modernisation of the currently existing EU rules on the recognition of professional qualifications the Commission is considering the potential of a European professional card for speeding up recognition procedures and further facilitating temporary mobility. The Single Market Forum supported the need for such a tool to be safe and flexible. It should operate in conjunction with IMI (Internal Market Information system). Data protection is an important aspect to be taken into account.

The Single Market Forum welcomed a number of case studies recently published on the efficiencies that the card, in synergy with IMI, could bring to several particular professions, such as doctors, engineers, nurses, physiotherapists and others.

A European professional card could help promote cross-border mobility in the EU, in particular by speeding up and simplifying recognition procedures, giving more certainty to professionals and enhancing trust among national authorities. The development of the technology for a European professional card should always be subject to the ultimate objective of facilitating free movement of citizens.

It would be up to the European Institutions to clarify which authority can deliver such a card, which degree of harmonisation on the contents and conditions for such card is necessary and how to deal with a situation where a profession is not regulated in a home Member State. Several participants at the workshop suggested launching a pilot project involving IMI and several Member States.

2. Alternative Dispute Resolution and Online Dispute Resolution - the future

- **Filling the gaps:** the focus should be on ensuring that European consumers buying goods and services (be it online or offline, cross-border or domestically) have access to efficient, inexpensive and simple means of resolving their disputes with traders.
- Any EU initiative on Alternative Dispute Resolution needs to take into account the **diversity** of the different national Alternative Dispute Resolution systems while ensuring that they adhere to a set of core **quality** criteria.
- **Awareness:** increasing citizens' and businesses' knowledge and understanding of Alternative Dispute Resolution schemes throughout Europe is essential. The information needs to be well-targeted. All market participants can play a role.
- A simple and efficient **Online Dispute Resolution system** is crucial for improving confidence in the online Single Market.

3. Doing business made easier: the "Points of Single Contact"

The "Points of Single Contact" (PSC) should facilitate life for entrepreneurs and help them complete administrative formalities online, be it in their own country or in other EU Member States. Making the provision of services easier across the continent will enhance Europe's growth and create additional jobs. A "first generation" of PSC portals already exists in most EU countries, but more needs to be done to make PSCs more attractive and useful for entrepreneurs.

The Single Market Forum calls on EU countries to improve the availability, quality and user-friendliness of their PSCs. To facilitate and promote trade across borders, Member States must simplify access and use of the PSC for entrepreneurs from other EU countries.

To achieve this goal, the Single Market Forum urges national administrations to:

- Go beyond the scope of the Services Directive to meet the needs of businesses. This requires developing the PSCs into fully-fledged e-Government centres allowing entrepreneurs to deal with all administrative formalities online, including tax and social security procedures
- Overcome the technical barriers to the cross-border use of the PSCs, in particular by improving the interoperability and mutual recognition of electronic IDs, electronic signatures and electronic documents
- Offer personalised assistance and guidance to entrepreneurs and make information available in a complete and user-friendly manner. The most important formalities should be made available in languages other than the national one(s)
- Increase efforts to promote and communicate the existence and benefits of the PSCs with the general public

4. E-commerce: perspectives and challenges

Key to further growth of e-commerce is increased confidence by both consumers and business, especially SMEs. Educational and information efforts are needed to empower all actors in e-commerce and to enhance innovation in the sector.

More specifically, participants confirmed the need to:

- provide consumers with effective mechanisms to solve their problems when shopping on-line;
- create more legal clarity concerning the liability of intermediaries;
- update European legislation on data protection;
- create an efficient and up to date system of copyright in Europe;
- eliminate of barriers resulting from 27 different national laws, and better enforce existing legislation in order to avoid discrimination based on the country of origin of consumers.

5. Posting of workers and fundamental social rights

Cross border provision of services and mobility of posted workers are essential elements of the internal market raising controversial issues. Facilitating the temporary provision of services by companies in another Member State should go hand in hand with guaranteeing an adequate and appropriate level of protection for any workers posted to another Member State to provide services. Those two can and should be reconciled.

Posting of workers should be about effective use of the opportunities offered by the Single Market, creating a climate of fair competition, improving working conditions of posted workers across the EU, providing access to information of terms of condition of employment as well as effective fight against disrespect of posted workers' rights.

In order to avoid abuse and circumvention of the rules, those should be transparent and clear and, if necessary, clarified, while the implementation, application and enforcement in practice of the Posting of Workers Directive should equally be improved.

Social partners, and in particular trade unions, have an important role in protecting posted workers and their workers' rights.

The combined efforts should guarantee that working together creates benefits for both, good decent working conditions for the workers concerned and new opportunities for growth for companies.

6. Improving the functioning of EU public procurement legislation

Good design and proper implementation of Public Procurement rules is a matter of primary public policy importance. Therefore there is a need

- to professionalize the public procurement sector through improved training
- to confirm procurement objectives and explore possibilities to achieve other policy objectives (green, social, innovation)
- to reinforce implementation of public procurement rules by the Member States
- to ensure stability and predictability of the legal framework

7. Bridging the gap between citizens and the Single Market

The workshop participants have discussed how to meet citizens and business expectations of the Single Market. They recognised the existence of gaps which are at the source of the specific problems: information and communication gap (citizens and authorities fail to understand EU rules and the concrete rights they bring for them); implementation gap (European laws are often not properly transposed or/and applied, which prevents citizens from making use of the Single Market. It is difficult to get solutions in case problems arise), a “legislative gap” - the EU legal framework itself does not live up to people's expectations. An involvement gap – Citizens do not feel the ownership of the Single Market and therefore they do not take the responsibility for building the Single Market.

The workshop participants propose actions in the following fields:

- **Education:** Better civic education allowing citizens to better understand their rights as Europeans operating on the single market.
- **Information:** Citizens need a single gateway to access easily all relevant information. Therefore, the your Europe portal should be further developed together with member states, so that people find all practical information and help in a structured way. It should be broadly promoted.
- **Consultations:** Consultations should be more proactive, organised in partnership with national and local stakeholders (authorities), also with NGOs, trade unions, media and other multipliers. They should be organised in all national languages and should be understandable to an average citizen. The citizens should know that their opinions are taken into account and the decisions deriving from the consultations are fully explained.
- **Communication:** Promotion of information and help in finding solutions should be organised with more involvement of all existing networks and it should be closer to the citizens. The potential of media and particularly the social media should be further used. The commission representations and the European Parliament information offices should be more involved and should act as link to local civil society.

8. Implementing single market rules

The success of the single market can only be reached if the full impact of Single Market rules is realised and felt by all involved: citizens and businesses. Therefore, there is a need to focus on the implementation, application and enforcement of these rules.

- The Single Market Rights can only be guaranteed if there is necessary political will – strong commitment to make them effective and efficient. In particular, Internal Market Directives have to be timely and correctly transposed as a matter of political priority. We should aim at reducing the transposition and compliance deficit further to 0,5%.
- The exchange of best practices between Member States is very fruitful and should be enhanced. The Commission should work closely with Member States to promote the exchange of best practices in a more systematic way. Recognising the difficulties faced by authorities at different governance levels, we should encourage close cooperation on all Single Market issues between EU, national, regional and local civil servants. Workshops on the Services Directive can serve as a good example.
- National judges, as the prominent enforcers of EU law, need correlation tables to be able to apply Single Market rules correctly.
- We should also promote the enforcement of Single Market rules by private parties, using all available means, including problem solving tools such as SOLVIT. Practical solutions matter to citizens and businesses. SOLVIT offers a practical, cheap and fast way of solving concrete cases.