

# ACHIEVEMENTS AND CHALLENGES OF THE **SINGLE MARKET**



**S&D RESPONSES** TO **CITIZENS'** TOP 10 CONCERNS



Group of the Progressive Alliance of  
**Socialists & Democrats**  
in the European Parliament

“

The European economic model must be based on three principles: competition which stimulates, co-operation which strengthens, and solidarity which unites.

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*Jacques Delors, former President of the European Commission*

“

For us the single market is a key tool in uniting Europe. But it is a practical tool, not an ideology in itself. Therefore we need to strengthen the social dimension of the single market and make sure that the European social model is an integral part of it.

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*Hannes Swoboda, S&D Group President*

In 2012 we celebrate the 20th anniversary of the European Union's single market. Today, 500 million Europeans benefit from this huge marketplace without borders.

## **HAS IT REALLY HELPED CITIZENS?**

The single market has brought tangible benefits to businesses and consumers in many ways – greater choice and lower prices due to a more competitive market, opportunities for travelling and working across the EU, access to an enormous market for businesses and better consumer protection.

**But many improvements are still needed and various challenges remain unanswered.**

At the request of the European Parliament, the European Commission produced a list of the top 20 concerns of citizens and businesses, based on the results of a public consultation. But the Commission has failed to provide any realistic answers.

In this document, the S&D Group answers to the 10 key concerns from citizens. We want to provide half a billion people with a modern and successful consumer policy.

Our strategy focuses on four main issues:

- consumer safety
- consumer information and education
- consumer rights
- redress and enforcement

The S&D Group believes we need strong leadership and vision from the European institutions and political ownership from the member states to restore the credibility of and confidence in the single market.

In our understanding of the new social Europe, we strive for a political approach that puts people first, not the markets. We are convinced that the single market still offers great untapped potential for economic growth and social cohesion, but we want to change the perception that the single market is just about economics. Therefore, our responses to these key concerns put citizens at the heart of the single market and this should be the goal of all EU institutions.





## ‘POWER TO THE PEOPLE’ OR HOW TO MAKE SURE CONSUMERS DON’T LOSE OUT

Citizens often encounter problems when they purchase goods and services, especially if they do so in another country. It is estimated that consumers lose up to €50 billion in such cases every year (roughly 0.4% of Europe’s GDP). Consumers need protection and will only feel confident buying goods and services if they can rely on national and European rules to solve disputes with traders. Without enforcement, consumers’ rights cannot be protected. Clear rules on ‘collective redress’ (settling disputes as a group of claimants) and alternative dispute resolution (resolving disputes without going to court) benefit both consumers and businesses.

### WHO DOES IT AFFECT?

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Everyone!

### WHAT DO WE PROPOSE?

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To function properly, the single market needs confidence of consumers. And to achieve this, consumers need to know they have fair and cheap solutions in case they have disputes with traders.

The current systems in Europe to file claims and to resolve disputes out of court have had limited success. Therefore we want the Commission to propose an EU law for a **Europe-wide scheme to guarantee an affordable, rapid and accessible system of ‘collective redress’**.

We strongly support the Commission’s proposal for an **alternative dispute resolution** (ADR) and have successfully advocated during the legislative process for a **time limit of 90 days** within which the consumer must receive a solution to his dispute with a trader. We also support the introduction of **an electronic platform for online dispute resolution** (ODR). This should be easily accessible to all consumers wishing to buy goods and services in their home country and across the EU.





## OPENING A BANK ACCOUNT: STOP THE NIGHTMARE!

When moving abroad, many people have problems opening a bank account in their new host country, as there are often conditions concerning their residence and/or employment status. This frequently affects students but also those moving abroad to work. At the same time, legal residents and temporary workers from outside the EU find it almost impossible to get access to a basic bank account.

Without a bank account, many fundamental daily transactions such as receiving a salary or social entitlements and paying rent or bills are more difficult or expensive.

### WHO DOES IT AFFECT?

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All consumers within the EU, both citizens of EU member states and residents from third countries.

### WHAT DO WE PROPOSE?

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It's simple: The S&D Group believes that **access to a basic payment account should be a universal right**. This will help tackle social and financial exclusion in our society, and improve the integration and mobility of workers and students in a market without borders. It will also offer a boost to e-commerce.

We want a specific piece of legislation to establish this right for all legal residents in the EU. A basic payment account should guarantee access to all basic banking transactions, provide a payment card and preferably be offered free of charge.





## CREDIT AND MORTGAGES: MORE TRANSPARENCY PLEASE!

Consumers struggle to make sound decisions about the increasingly complex and risky financial products offered over the counter by their banks.

The markets for personal financial products such as credits, mortgages and current accounts are among the worst in terms of transparency, comparability, trust, dealing with complaints and ease of switching to a new provider. Surveys regularly show that this is an area of real concern for consumers.

Effective regulation, information and redress are essential to protect the basic economic interests of consumers but helps also to direct private savings into sound investments that benefit the real economy.

### WHO DOES IT AFFECT?

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All consumers who use banking, financial and insurance services. Some groups are particularly affected, for example workers investing in voluntary pension schemes and consumers taking out a mortgage to buy a property.

### WHAT DO WE PROPOSE?

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The S&D Group believes that the single market needs **specific regulation of retail financial services, including a ban on very complex and risky products for ordinary consumers.**

We also want to see **harmonised and standardised rules on clear and accessible information** for consumers about retail financial products. This must take into account the vulnerability of the average consumer in the financial sector.

We believe there is a need for EU legislation in this field to protect consumers by allowing citizens to file a collective complaint – both at national and EU level – where they have experienced the same damage or loss.





## ACADEMIC AND PROFESSIONAL SKILLS MUST BE RECOGNISED ACROSS THE EU

Professionals moving within the European Union can face significant obstacles as many qualifications are not automatically recognised under different national rules. At the same time, students wishing to study elsewhere in the EU can also face difficulties.

To allow professionals, researchers and students to move around freely and to foster employment opportunities and growth, we need a reliable and easy system of professional recognition across Europe.

### WHO DOES IT AFFECT?

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All EU professionals and students wishing to work or study in another EU member state.

### WHAT DO WE PROPOSE?

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The S&D Group has called for a thorough revision of the existing EU legislation on recognising professional qualifications. The first objective remains the creation of **an effective system of automatic recognition of professional qualifications** – based on harmonised and mutually recognised standards – creating job opportunities for professionals across Europe.

However, when automatic recognition is not possible, we strongly support the introduction of a voluntary **European professional card** to provide the relevant information and ease the circulation of professionals across Europe. This will enhance employment opportunities, particularly for young professionals.

For such a system to work there must be effective support for students studying abroad. Discrimination regarding fees, financial support and recognition of qualifications has to cease in order to let students move freely and improve education and innovation. Research grants, for instance, should not stop at national borders, but students should be available to use them in any other country.





## PASSENGERS' RIGHTS

Passengers, whether travelling by plane, boat, bus or train, are in a very uncomfortable position when faced with delays or luggage problems. Despite efforts from the EU to inform passengers about their rights and monitor enforcement, passengers' rights are often ignored.

The full package of rights is not yet completely and correctly implemented and national authorities still apply the law in different ways, which confuses passengers and distorts the market. In addition, the procedures for complaints and compensations are often complex and inadequate.

### WHO DOES IT AFFECT?

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Everybody who travels in Europe.

### WHAT DO WE PROPOSE?

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We support the Commission's efforts to promote **joined-up, competitive and green public transport** and encourage them to continue their work to create passenger-friendly networks. With the EU's leading role on fighting climate change, we also want to **encourage more citizens to switch to public transport**.

Passengers should be able to expect a transport service that works for everyone and treats them with respect, assistance in case of problems with their journey, transparent rules on travel conditions, and their contracts fully respected.

We want to see **passenger rights legislation at an EU level** to make sure all passengers have fair and equal access to decent public transport and to improve the system for complaints.

The S&D Group is particularly concerned about **protecting vulnerable passengers**. We strongly believe that transport should be free from discrimination and passengers with disabilities or reduced mobility should have equal access from the moment they buy tickets till the end of their journey. It is unacceptable that there are currently wide variations in the assistance available and the extra costs to passengers with reduced mobility.





## PENSIONS AND SOCIAL SECURITY RIGHTS ACROSS THE EU

Currently only a small percentage of workers take the step of moving to another member state, partly because it can be complicated and expensive and workers currently risk losing social security and pension rights. Complex rules, obstacles and discrimination in access to social security and pension rights make it hard to enforce citizens' individual rights in this area.

Making it easier to move around within the single market would boost opportunities for employment and growth.

### WHO DOES IT AFFECT?

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All EU citizens and workers wishing to live and work in another member state.

### WHAT DO WE PROPOSE?

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The S&D Group believes that helping workers move freely within the EU benefits citizens and the economy. But we have to make sure workers can be covered by social security and pensions wherever they go.

To achieve this, we want to see new legislation from the EU to **harmonise rules so that citizens can have access to the benefits they have built up, wherever they live in Europe – what's known as the right of 'portability'**. At the same time we believe better use of online administration systems and e-certification would help to make the whole system more efficient.





## HIGH-QUALITY, AFFORDABLE PUBLIC SERVICES

Universal and affordable access to public services – such as water and energy supplies, health services, banking, electronic communications, postal services and transport – is a basic right for all EU citizens and residents. To make our society more inclusive and balanced, we need laws at European level to guarantee everyone has access to high-quality public services.

### WHO DOES IT AFFECT?

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All EU citizens and legal residents from third countries.

### WHAT DO WE PROPOSE?

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The S&D Group has always stressed that **public services are vital for the well-being of citizens and need to be guaranteed by law**. This should ensure citizens get **high-quality services, equal treatment and prices that are clear and reasonable**. In our view the social dimension of the single market is crucial and we want the Commission to draft a totally new law to **set universal service obligations in terms of access and affordability**.

We need a **practical framework** to guarantee quality, for example protecting and developing health and social services which are vital for social cohesion, for citizens and for the sustainability of the European economy.

We want to **keep the system of in-house provision of services**. It should be clear that public authorities, at all levels, have the power to decide how far they want to provide services themselves, using their own resources and in co-operation with other public authorities.





## A COMMON POLICY FOR CHEAPER ENERGY

High fuel costs are putting more and more financial pressure on households. Europe is increasingly dependent on gas and oil imports and this makes us vulnerable to external influences. Sustainable, secure and affordable energy is one of the big challenges that must unite Europeans in the 21st century. Yet energy policy has progressed slowly, with limited resources at European level and this has a big impact on consumers' energy bills.

### WHO DOES IT AFFECT?

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Households and businesses.

### WHAT DO WE PROPOSE?

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Significant efforts are needed to modernise and expand Europe's energy infrastructure and to link networks across borders. The S&D Group welcomes the Commission's proposal on the **'Connecting Europe Facility', which provides €40 billion to fund priority energy, transport and digital infrastructure** – of which €9.1 billion will be spent on energy.

This will be hugely important for upgrading the internal energy market and delivering the **EU's energy policy and climate goals**. The investments involved will also create jobs and economic growth.

Nevertheless we strongly believe that **energy efficiency is of vital importance**. The effects of the recently passed **Energy Efficiency Directive** should also be taken into account in planning future infrastructure.

We advocate a stronger role for the EU in co-ordinating and integrating national efforts, which are crucial if we want to achieve our ambitious goals by 2020: a 20% reduction in greenhouse gas emissions, a 20% of energy from renewable sources and a 20% increase in energy efficiency.





## FAIR INTERNET ACCESS FOR ALL AND A BOOST FOR E-COMMERCE

European consumers still face many obstacles to buying online and cannot always take full advantage of the wider choice and lower prices available. Boosting e-commerce in goods alone would create a new market of around €11.7 billion. But there is still a lack of fair internet access for many citizens and low levels of trust in online purchasing which jeopardise these potential benefits.

### WHO DOES IT AFFECT?

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Consumers who wish to use the internet and buy online.

### WHAT DO WE PROPOSE?

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It is no surprise that the S&D Group supports **fair access to the internet for all citizens**. For us, this is a service that should be available to all citizens.

To reassure consumers, we must provide them with **accurate and transparent information** on buying online in their home country and from other member states. We must also provide information to retailers wishing to sell online and promote a system for fast, efficient and affordable online dispute resolution. We also want to see **further harmonisation of European consumer law** to make sure consumers are fully protected when buying anywhere in the EU.





## SAFE PRODUCTS, ESPECIALLY FOR OUR CHILDREN

If we want consumers to trust the single market, we need to be able to guarantee the safety and quality of the products being sold. Existing rules must be enhanced and enforced to protect the public. Special attention is needed for products designed for vulnerable consumers – particularly children.

### WHO DOES IT AFFECT?

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All consumers, but especially children.

### WHAT DO WE PROPOSE?

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We advocate a 'global' approach to **protect vulnerable consumers and children through the highest quality standards.** The S&D Group has led the campaign for more stringent legislation to protect consumers, particularly from dangerous substances in toys and other products. We urge the Commission to continuously monitor the very latest scientific research and update the 'red list' of chemicals which are banned in the production of toys. **Under no circumstances should we risk children being exposed to substances which may damage their health.**

But even the best legislation cannot protect consumers if it is not properly enforced in all EU member states. EU-wide **market surveillance** is needed to improve co-ordination with national quality-control systems. We therefore want to see a European system that includes effective monitoring, the exchange of best practice and information campaigns for citizens.

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