

30 years of the European Single Market New visions for a green Europe

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ABSTRACT

2023 marks the 30th anniversary of the European Single Market. To celebrate this occasion, and to develop new ideas for the future of European integration, Heinrich-Böll-Stiftung's European Union office asked its partners for their visions for the future of the Single Market. This collection of brief essays shows the diverse views on the European Single Market, whilst unveiling green visions for the next 30 years. What unifies these different takes – ranging from environmental and consumer standards, Brexit, lobbying and more – is the understanding that the European Single Market remains a cornerstone of European Integration.

FOREWORD

The European Single Market is a cornerstone of the European integration process. The promise of opening borders, a common economic space with shared standards, and strong and democratic institutions that govern the Single Market are key to this integration dynamic. With the legal basis laid in 1986, the Single Market came into being in January 1993. Thirty years later, the EU office of the Heinrich-Böll-Stiftung decided to take stock of the criticisms that have accompanied the creation and integration of the Single Market. In this publication, we have collected ideas from different stakeholders regarding how the Single Market can develop to become a tool for the socio-ecological transformation in Europe, stronger common (economic, financial and social) policies, and ultimately an ever-stronger political union.

Throughout the last three decades, the Single Market project has been discussed controversially: for some, it is the idea of a united Europe working together, whereas for others it is an elite-driven process that leaves many behind. However, the last three decades have shown that the reality of the Single Market has to be more nuanced. Europe has become one of the most ambitious setters of environmental and social standards in the world, with many aspiring to (re-)join, whilst European citizens enjoy, more than ever, the freedoms of the Single Market. Consumer standards help protect Europeans from harmful goods and practices, whilst enterprises can benefit from a joint market.

Yet, the Single Market is facing multiple threats and challenges: the implications of Russia's war of aggression against Ukraine, the consequences of the pandemic, the energy and economic crises, and, last but not least, the urgently needed transformation towards a carbon neutral and circular economy to tackle the climate crisis.

However, the Single Market – for the green movement – never was a means in itself. It was part of the promise to ensure the economic and social inclusion of Europeans, and a critical building block to an ever-closer European Union. Discussing the future of the Single Market therefore also means discussing the future of European integration as a whole.

We therefore asked several stakeholders how they hope the European Single Market will develop, and what steps are needed to get these visions implemented. The authors come from a broad range of backgrounds – media, politics, civil society and academia – highlighting different aspects of the Single Market and European integration.

We would like to thank the authors for their insightful contributions to this publication and visions of how the European Single Market could evolve to support the decarbonisation of Europe's economy, secure the highest standards of environmental and consumer protection, and to tackle the structural issues of European economic integration.

Developing a green vision of the Single Market will be a crucial step to work towards furthering European integration, and we hope that the essays collected here will inspire readers to think differently about the policy field of internal market politics.

December 2022

Eva van de Rakt, Director, Heinrich-Böll-Stiftung European Union, Brussels Anton Möller, Head of Programme, Green Economic and Social Policy in the EU, Heinrich-Böll-Stiftung European Union, Brussels

ANNA CAVAZZINI, MEMBER OF THE EUROPEAN PARLIAMENT (GREENS/EFA) AND CHAIR OF THE EUROPEAN PARLIAMENT'S COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION

It is time to update our Green vision on a circular market that delivers for citizens

Twelve years ago, former EU Commissioner Mario Monti presented his new strategy on the Single Market. In the context of the financial crisis, he stated that there was dwindling political and social support for market integration in Europe. Citizens regarded the internal market with suspicion, unease and sometimes even hostility. To promote further integration, he suggested creating a digital Single Market and unlocking the potential of green growth. Now, more than a decade later, we celebrate the 30th anniversary of the Single Market. Again, we are facing multiple crises that demand taking a closer look at where we stand. Undoubtedly, policy makers have been busy working on completing the Single Market, creating a digital single market with landmark legislation, such as the Digital Services and the Digital Markets Acts, and updating consumer protection for the digitized world.

Compared to Monti's report, however, I would argue that our green analysis has always been much sharper: for us, there has never been a doubt that the climate crisis is fuelling other crises. Our linear economy's dependency on raw material imports is the root cause for supply shortages; it exceeds the planetary boundaries and resources, and it leaves European citizens and businesses extraordinarily vulnerable. For Greens, the answer to these overlapping crises has always been to speed up the green transition towards a fully circular economy. I would argue that the current crises have the potential to mainstream this debate but, to my mind, based on a much more positive conception of the Single Market than in 2010. So let us think about how to turn the Single Market into a life jacket for businesses and consumers – specifically, by transforming it. We have to move on from market creation and market completion to embeddedness, and to integrate ecological, social and digital goals into the internal market.

Within the framework of the EU Green Deal, the Single Market is slowly turning into a tool to fight the climate crisis. In recent years, more and more legislation with regard to a circular economy has become law, enabling the green transition. But I believe we have to do more. We have to fundamentally rethink our narrative of the Single Market, its role in the world and its way of delivering for the people. If we sketch a common vision of a single market, one that is sustainable, digital and fair, we have a clear direction in which to push in the upcoming years, although a number of questions need to be addressed. What legislation is needed to manage the transition to a fully circular economy based on digitization? How do we uphold and further develop our consumer protection standards? And what role does the Single Market play in a changing global context?

I am very happy to see the European Commission, the European Parliament and the EU Council organize events, expert roundtables and public exchanges on these very questions. With this article, I want to contribute to the ongoing discussion on the future of the Single Market out of a particular Green perspective.' Therefore, I would like to highlight a few points that seem very important to me to structure this debate.

First, we need to take a fresh look at the Single Market. Too often, our political exchanges have ended quickly due to a focus on removing barriers to the freedom of movement, services and goods in order to complete the Single Market. From a progressive standpoint, this discussion is not leading anywhere. Instead, it serves conservative and neoliberal political actors to argue in favour of further deregulation that limits the right of national and local authorities to regulate for climate, environmental or social objectives. Internal market rules should never limit the capacity to act at regional and local levels, for example regarding social housing or sustainable procurement. There is no doubt that the internal market still suffers from some bureaucratic hurdles that prevent frictionless cross-border business, like specific forms to fill in or a lack of points of contact for businesses. Therefore, I would argue that we should clearly and concretely define what we want to improve in order to shape a policy that truly supports businesses and workers in the transition and that protects consumers, the climate and the planet. For me, this also requires that we measure the internal market's successes and achievements beyond GDP, beyond price and beyond numbers, by looking at its social and environmental impacts, as well as the quality of life it is able to deliver.

Second, cooperation in the Single Market has always been the engine at the core of European integration. And with every crisis, it has evolved. I believe the Single Market can compensate for the strengths and weaknesses of Member States by enhancing cooperation, and by enabling citizens to live, work and love across borders. Especially at a time of such global insecurity, we must further develop the internal market in terms of its governance, crisis preparedness and reaction capabilities so that everyone benefits from it. I would also like to invite us all to reflect on the Single Market in the context of the ongoing debates on the future of Europe, on treaty change and on citizen participation. This opens a window to balance social aspects with the market's predominance. This can also contribute to the European project as a whole, where short-sighted national egoism has no opportunity to thrive.

Third, there is one overarching goal to me: a transition to a circular economy as fast as possible, as we have no time to waste given the climate crisis. The green transition is ultimately a question of survival that other Single Market policy objectives have to support. For me, digitization needs to serve the green transition and has itself to be based on high sustainability standards. Furthermore, consumption and consumer protection have to be understood as protecting the consumer in a circular economy, where products and services are rented, used, shared and reused – not bought, used and thrown away. For this, we need not more information for already overburdened consumers but rules that make the choice of consumers automatically the most sustainable one. Lastly, in order to make the transition work, enforcement is key. Currently, the best rules are useless when there is an absence of enforcement due to a lack of resources and cooperation. But European businesses deserve a level playing field, with our high standards applied to imports. This includes, in my opinion, the completion of the Customs Union. Moreover, businesses deserve legal security, so that they can depend on decision makers to support them on their journey towards green business models. In turn, they will profit from European standards that will become a global yardstick. We need to be aware of the global implications of our Single Market policy and make use of it. The Single Market's high social and environmental standards, as well as those standards relating to the digital sphere, are spilling over and expanding across the world. We have to use this power more, integrating it into our trade policy and cooperating further with like-minded partners around the world, so as to be able to prove that our green model of economy is competitive.

PHILIPPE POCHET, GENERAL DIRECTOR OF THE EUROPEAN TRADE UNION INSTITUTE (ETUI) AND PROFESSOR AT UNIVERSITÉ DE LOUVAIN

A Single Market 2.0 for the future: more social, more environmental and with a place for open strategic autonomy¹

The Single Market has been at the heart of European integration since its inception. Its revival in the mid-1980s, with the adoption of the Single European Act and the White Paper on the completion of the internal market, represented a major milestone. This, however, was more than 30 years ago. It is now time to look to the future and ask ourselves what a more social and environmental internal market could look like in the context of open strategic autonomy (OSA). Before looking into the future, let's quickly take stock of the current internal market.

The revival of the internal market in 1985 can generally be understood as a product of the desire to create a European form of capitalism. This project was supported at the time by some 40 major industrial leaders, who formed the Round Table of Industrialists, an episode well chronicled in the analyses of Professor Bastiaan Van Appeldoorn (2003). It was also the project pursued by the President of the European Commission, Jacques Delors. This period saw a form of compromise between the political forces of the left and the right on the internal market, as well as the emergence, to a certain extent, of a social dimension; this was illustrated, for example, by the establishment of the European social dialogue, as well as by the Community Charter of the Fundamental Social Rights of Workers and the accompanying social programme (1989).

However, as globalisation progressed, the project of European integration gradually evolved to become a mere link in this greater process, which ultimately subsumed European autonomy. This is also well-illustrated by Van Appeldoorn's work, which shows how, in the mid-1990s, the Round Table of Industrialists became dominated by Anglo-Saxon multinationals whose goal was to focus production in the world's three major economic regions: Asia, Europe and North America. It was at this time that China became the factory of the world.

¹ The contribution is a revised and extended version from 'A single market for the future' (Pochet, 2022).

Against this backdrop, social compromise was replaced by the deregulation of social protections at a national level, the Bolkestein Directive (2005) and the Laval et al. rulings of the Court of Justice (2008) being the most notable examples. These decisions were compounded by a pressure to deregulate that resulted from the economic crisis, as well as the first (2004-2009) and, in particular, second (2009-2014) Barroso Commissions. It was in this context that Mario Monti (2010) wrote a concise and strategic report that, while positive about the successes of the internal market, was also critical about its shortcomings (in part social and environmental).

By the mid-2010s, the situation had once again begun to change. China was becoming a technological and political power (a systemic competitor) and the idea of a rising tide of globalisation lifting all boats was fading. At the same time, populist movements critical of European integration and the internal market were on the rise. The most significant example was the radical change that took place in the United Kingdom, when conservative elites advocated with success for a withdrawal from the Single Market.

Beginning in 2020, the Covid crisis opened up a new debate, with the initially disorganised European response calling into question the commitment to freedom of movement and highlighting the fragility of the supply chain, now deemed "strategic" (see, for example, European Parliament, 2021). Autonomy and strategic sovereignty became the new mantra, with France, and later Germany, leading the way. Considering both the Covid and environmental crises, many have questioned excessively long value chains and called for better integrated and more local production. Recycling and product quality (through high environmental standards) have become essential during this transition. The Russian invasion of Ukraine and the ensuing energy crisis have highlighted the new global geopolitics and, as with Covid, called into question pillars of the internal market, such as state aid or competition rules.

On the other hand, this new environmental (and social) taxonomy and reporting, along with the analyses of the environmental stability of banks and of companies in general by the European Central Bank, indicate a change in the outlook of financial markets and companies. It is now considered that supply chains should be made shorter in order to reduce CO_2 emissions and that there is a need for reshoring part of the strategic production of goods. As major investments are being made in this transition, we are seeing changes in state aid, competition rules and the Stability and Growth Pact. The "Alibaba" model – perhaps the best symbol of the way the internal market developed after 1992, i.e. providing the consumer with ever cheaper products from further and further away without any real regard for social concerns – has become outdated.

What can we conclude from this? Firstly, the long cycle that began with the creation of the internal market, whose first phase brought opportunities for the social dimension but which ultimately led to global integration, resulting in a long period of anti-social policies, has come to an end. We are now entering into a new period, in which the rules of the internal market are changing in response to the need for environmental sustainability and strategic autonomy. The question now is what place the social dimension will occupy in this new architecture.

This is the subject of a study we carried out for the Belgian Ministry of the Economy as part of Belgium's preparations for its presidency of the Council of the EU in the first

half of 2024 (Akgüç et al., 2022). The study proposes three scenarios for each dimension (social-internal market, environment-internal market and open strategic autonomy-internal market). On this basis, five global and coherent scenarios have been outlined, each including the three dimensions but with differences, for example in the intensity of the social dimension.

There is not enough room here to elaborate on these scenarios or to present the proposed associated changes to legislation or policy direction. What is important to stress is that there are choices to make regarding the future of the internal market, which will depend on the preferences of national and European actors.

For the purposes of this article, I would like to instead propose a more global view. The environmental challenges and the fulfilment of the Paris commitments will put the issue of value chains and the reduction of their length and complexity at the centre of the agenda. This discussion on corporate value chains is also at the centre of the OSA debate. The war in Ukraine has shown that simple but essential products, such as cables used in car manufacturing, whose production had been relocated to the country, can bring entire production segments to a halt.

This reconfiguration of production models, combined with the development of the circular economy, calls for us to refocus away from price (after all, an Indian or Vietnamese subcontractor will always be cheaper than a German or Scandinavian subcontractor) and towards product quality. A perfect example is that of batteries. The objective is to have high standards that allow a good recycling rate (and therefore additional jobs) relative to the manufacturing rate. In other words, a product defined by its quality and not just its price. High standards, it should be noted, was one of the explicit objectives of the 1992 internal market. Meanwhile, product quality is consistent with environmental issues, and a "circular economy" replaces the central concept of price.

But this quality must be accompanied by social quality and employment. This is the objective of creating and developing quality jobs that make sense, which are the opposite of David Graeber's (2018) "bullshit jobs". This is what happens in Germany, for example, in the Mittelstand, which consists of small- and medium-sized enterprises producing quality goods with good working conditions and worker participation. This is just one example, but it represents the objective: quality of work combined with quality of products.

Finally, this new perspective can only take shape if we go beyond an approach to wealth as it is currently measured, using indicators such as GDP. In this respect, there are many debates on alternative indicators. But here too the objective is clear: to move from a monetary evaluation to a measurement of the quality of life. This is a decisive step in the redefinition of well-being in a low-carbon society.

As stated in the introduction, a paradigm shift, such as those that the internal market project underwent in the 1980s and 1990s, opens up space for the negotiation of agreements between opposing interests. We are clearly in this situation again today. In this context, Europe must redefine its project and therefore its very core, which until now has been the internal market. A new social pact could be envisaged, involving employers interested in quality products, workers and trade unions concerned with the quality of work, and all NGOs and citizens advocating a better quality of life. Of course, this is an extremely ambitious vision, which obviously raises many difficult questions. What kind of industrial and competition policy would this necessitate? Isn't there a risk that the larger Member States and their companies would be the big winners? It thus requires us to engage in debates that are both open and complex. At its heart, though, such a vision paves the way for a profound reflection on the fundamental objectives of European integration and Europe's place in the world – and opens up the possibility for real change.

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Let's undo the damage caused by the Single Market

In 2023, we will celebrate 30 years, a full generation, since the European Single Market was established. What does the future hold for it? In order to agree on where we want to go from this point on, particularly between the French and the Germans, we must first agree on the results of its implementation.

The Single Market was based on a clear foundation: the uncontested domination of the ordoliberal ideology in the Europe of Helmut Kohl, François Mitterrand (post 1983) and Margaret Thatcher in 1986, when the Single Act preparing it was adopted. What Europeans needed were strict rules to strengthen competition and strong institutions to enforce them. There was no need for a bigger common budget, nor for common fiscal and social rules: if the rules guaranteeing competition were put in place and respected, the European economy would be boosted and the well-being of Europeans would increase.

The last 30 years have shown how wrong and damaging this vision was for Europe and its citizens. The Single Market has weakened the European economy and strengthened a deep Euroscepticism that today endangers the very survival of the European project, as the victory of Giorgia Meloni in Italy or the longevity of Viktor Orbán in Hungary attest.

The implementation of the Single Market has in fact led to the elimination of national industrial policies. This was a logical development: in a single market where trade in goods, services and capital was liberalized, it was no longer acceptable for one state or another to subsidize an activity to the detriment of economic actors in other countries of the Union. However, as no European industrial policy has taken over from these disappeared national industrial policies, it is hardly surprising that European players have missed the boat on all the industrial revolutions that have taken place over the last 30 years, unlike their Korean, Chinese or American counterparts, who have been actively supported in these emerging fields by their respective states. This has happened to the point that today Europe hardly exists in any high-tech sector.

One might have imagined that the Single Market would at least facilitate the emergence of truly European industrial giants through the consolidation of the various pre-existing national champions. However, this has not been the case in most sectors. On the one hand, globalization has pushed these national champions to seek their growth relays outside the Union, and on the other hand, the EU's DG Competition has imposed a narrow interpretation of the notion of 'dominant position' that has prevented such mergers. The logic of the Single Market, and the cult of competition that it has put in place, has also contributed to destabilizing and dismantling public services throughout Europe. Here again, it was not necessarily illogical to remove national specificities in certain fields if we wanted to unify the European market. But no European public service has taken over from the national public services that were called into question. The European Union still ignores the very notion of public service, which it only tolerates at times as an exception to the rules of competition.

Combined with the enlargement of the Union towards Eastern European countries, whose standard of living was much lower than that of Western European ones, the Single Market has greatly aggravated fiscal and social dumping within the Union in the absence of common fiscal and social rules. This problem culminated, in particular, with the episode of the so-called Bolkestein directive on the liberalization of service activities and the many abuses associated with "posted workers". Some progress has been made in recent years in the areas of posted workers and minimum wages, but much remains to be done, particularly in the fight against fiscal dumping.

It is probably in the field of energy that the Single Market, focused solely on competition, has shown most clearly not only its limits but also its profoundly harmful character for the European project. The development of artificial pseudo-competition in this highly capital-intensive sector has pushed up prices for users everywhere. By neglecting the most elementary constraints in terms of security of supply, security stocks and long-term planning of critical infrastructure, the Single Market has placed Europe in an excessively vulnerable position vis-à-vis the energy blackmail exercised by Vladimir Putin, which is currently threatening to plunge the Union into a serious economic crisis

In short, there is little reason to celebrate the 30th anniversary of the Single Market. What direction should we take for the future? If we accept the diagnosis formulated above, it follows logically that we urgently need industrial policies that are truly European. This is essential, particularly in the fields of digital technology and ecological transition, which raises questions of means, in particular. If the United States has a powerful industrial policy, even though it is a federal state, it is notably through its large federal defence budget. We also need to change the competition policy to encourage consolidation of European companies, instead of fighting it. We urgently need a European statute for the public sector and the non-profit sector that protects them from the encroachment of the private sector in the name of competition in areas where their action is legitimate. We must (finally) make progress on tax harmonization, especially on the taxation of corporate profits. In terms of social harmonization, we should, in particular, generalize Mitbestimmung (worker's participation) and create a European model of corporate governance that gives employees their full place. Public transfers should also be developed within the Union to accelerate the convergence of living standards and salaries and to limit the incentive for the poorest countries to resort to social and fiscal dumping to ensure their development. Finally, we need a real Energy Union that no longer has the development of competition as its core but security of supply.

In short, a major turnaround is needed in relation to the catastrophic results of the policies pursued for 30 years in the name of the Single Market. Is it possible to move in

this direction, especially at the Franco-German level? The ideas developed above are, in my opinion, the subject of a fairly broad political consensus in France. If they have not been implemented so far in Europe, it is mainly because German public opinion and governments have been firmly opposed to them and have very actively supported the ordoliberal logic that prevailed until now with the Single Market. However, we have perhaps reached an interesting turning point in this respect.

German public opinion, which is more sensitive to these issues than that of the French, has already accepted to enter into a planning and *dirigiste* logic in order to face the climate crisis with the *Energiewende* (energy transition). It seems ready to support this kind of approach on a European scale. With Trump, Putin and XI Jinping, the German public has also (finally) understood that their country can never be a great Switzerland that, while not caring about what happens in the rest of Europe, successfully exports big cars and machines to China, the United States and Russia. The German public has also (finally) understood that although its industry is much stronger than that of its neighbours, especially France, its future is not assured because it lacks sufficient expertise in the high-tech sector. And for this reason, it could accept (finally) the need for a European industrial policy.

In short, after having spearheaded the Europe of competition and ordoliberalism with the Single Market alongside the United Kingdom, Germany seems to be (finally) ripe to becoming, alongside France, a driver of an ambitious European public action in the service of ecological transition, social cohesion and the resilience of the European economy. But Germany is a slow-moving vehicle, and a race is on with the rise of the Eurosceptic far right and the weakening of the European economy due to the damage caused by the Single Market. Let's hope that together we will be able to turn things around in time...

AGUSTÍN REYNA, DIRECTOR LEGAL AND ECONOMIC AFFAIRS, THE EUROPEAN CONSUMER ORGANISATION (BEUC)

A consumer perspective for the Single Market 2.0

The European Single Market has contributed to the development of competitive markets and a wider choice of goods and services for consumers. An often-overlooked aspect of the Single Market in terms of consumer benefits is the body of rules, including consumer protection and both social and environmental standards, that has been adopted over the decades, contributing to rising living standards in the EU. However, the establishment of a well-functioning single market is often associated with the need to reduce barriers to intra EU-trade and, therefore, many of the political priorities of the EU have been framed under that narrative.

The Single Market is *instrumental* to the implementation of Europe's social agenda. The approximation of national laws has led to important progress for consumers across Member States. Nevertheless, it must also be noted that this process has not been easy, on one side, due to the push from the European Commission in favour of full harmonisation (therefore limiting the ability of Member States to adopt higher standards of protection) and, on the other side, because of the adoption of the country-of-origin principle, which has limited the possibility of national enforcement authorities to enforce legislation against infringing companies established in another Member State (e.g. the limited enforcement of data protection laws is partly a result of it).

Getting the narrative right: reclaiming the place of consumers in the Single Market

It is essential to get the narrative right around the Single Market as a justification for EU action: the establishment of the Single Market is not an end in itself, but a means to enhance people's well-being in accordance with the goals and values embedded in the EU treaties.

The Single Market should not be seen as a mere instrument for economic growth (often measured on the basis of intra-EU trade between Member States) but as a vehicle to achieve better conditions for consumers in post-liberalised markets. And by this we cannot only mean more choice and better prices but also the economic and social model we want to see thriving in Europe.

It is important to bear in mind that since the creation of the common market, EU consumer protection standards have been adopted under the Single Market competence of the EU (Article 114, TFEU), so consumer protection has always been closely linked to the Single Market, in accordance also with Article 169 of the TFEU regarding the promotion of consumer interests.

What vision for the Single Market 2.0?

The digital and green transitions have shaped the EU's Single Market agenda in the current von der Leyen European Commission, with several proposals adopted (e.g. Digital Markets Act, Digital Services Act and Data Governance Act) or in the process of being adopted (e.g. the Empowerment of consumers in the green transition initiative, Data Act or Artificial Intelligence Act). It remains to be seen, however, how these new laws will be implemented in practice to ensure that they deliver on their legislative objectives. Consequently, a growing area of concern is the effective implementation and enforcement of EU law.

In the past, the European Commission limited itself to checking conformity between EU laws and the national measures implementing them, but we see a growing need to focus on enforcement at the European level, with a more centralised approach to enforcement, as in the case of the Digital Markets Act and the Digital Services Act. This is particularly important when practices are likely to harm consumers in different Member States (e.g. as is the case under the Consumer Protection Cooperation Network's system of cooperation in case of widespread infringements). In the field of private enforcement, the recent adoption of the Representative Actions Directive can be a vehicle to tackle illegal practices taking place across Member States.

It is important to develop a common vision about the future direction of the Single Market. A Single Market, which, from our perspective, should be value-driven in order to tackle the serious concerns threatening consumers in Europe and beyond. This means that EU action in the field should also aim for the achievement of the UN Sustainability Development Goals (SDGs) in compliance with the distribution of competences between the EU and its Member States.

This approach will also ensure that the external dimension of the EU promotes the attainment of the UN SDGs, particularly in the field of trade because access to the Single Market would require complying with EU standards.

What is missing in the Single Market?

A central point for the future of the Single Market should be a stronger focus on implementation and enforcement. This runs in parallel to the development of the Single Market in areas where progress has been rather limited, and which are essential to ensure consumers can play their part in the green transition. This could be achieved by developing and fostering intra-EU rail, as well as benefiting from the opportunities offered by digitalisation, for example, by tackling remaining geo-blocking practices (such as those relating to audio-visual services).

Existing consumer protection standards are also in need of further updating as new practices emerge in the marketplace alongside new priorities, such as the need to address the challenges created by multiple and subsequent crises (e.g. Covid-19, costof-living, online disinformation and disengagement).

The EU must steer its political priorities towards a transformation process concerning how we produce, consume and live. This needs an integrated approach to food and energy production, mobility, housing, finance policies, health, products, and services in general.

To include a few examples, EU action is *still* needed to:

- Allow all European consumers to have affordable and equitable access to healthy diets from a sustainable and resilient EU food system. In addition to introducing new minimum sustainability requirements to rid the Single Market of the least sustainable products and practices, EU policies should incentivise a race to the top when it comes to sustainable farming and food production – not to the bottom, as can be the case in the absence of ambitious common rules at the EU level (e.g. in relation to animal welfare or pesticide use).

- Adopt more efficient rules on nutrition and health, for instance, by regulating the marketing and advertising of unhealthy food to children.

- Better protect consumers against unfair practices and adverse effects caused by the introduction of new technologies in many aspects of our lives, for example AI, without losing oversight of detrimental off-line practices.

- Develop fairer, more transparent and resilient financial markets to increase consumer participation.

- Make product markets more sustainable, so that the sustainable choice should be an easy and affordable option for all consumers. This requires, for example, swiftly implementing new legislation which improves the technical design of products (fewer chemicals, as well as longer lasting and more easily repairable products, which are made with sustainable raw materials and which can be upgraded and recycled), acting against misleading green claims and finding solutions for the often high up-front prices of sustainable products.

– Adapting consumer protection rules to new market realities: information disclosure as a consumer protection mechanism has reached its limits so we need the EU to develop new concepts and new ways to protect consumers in increasingly complex markets, such as requiring companies to design their products and services following a 'consumer protection by design and default' approach.

Conclusion

The Single Market has been a pillar of the EU since its conception. However, the focus so far has been on how to make it easier for companies to operate across the EU and the European Economic Area. Much more attention needs to be paid to the social and environmental dimensions of the Single Market, and this certainly includes consumers, who are the ultimate beneficiaries of its policies. Therefore, EU decision-makers must refocus Single Market policies on consumers to be able to deliver on the ground.

The 30th anniversary of the Single Market is a good opportunity to reflect on its achievements and failures, but more fundamentally, on how it will help to improve the conditions of consumers in the EU by making the marketplace fairer and more sustainable.

OLIVIER HOEDEMAN, RESEARCH AND CAMPAIGN COORDINATOR, CORPORATE EUROPE OBSERVATORY

Thirty years of the Single Market: corporate complaints and deregulation pressure endanger the ecological transition

A Europe that turns its back on neoliberalism should modernise Single Market governance in order to firmly protect public services, and enable the explosion of the strong national and local measures needed for a radical ecological transition accompanied by social justice. Recent calls by corporate lobby groups for "completing the Single Market" and drastically strengthening the European Commission's enforcement powers are a threat to the transition that Europe desperately needs.

While it makes sense to celebrate 30 years of a border-free EU market for goods and services, there is also an urgent need for a critical assessment. This should start with discussing the limits of the Single Market, namely which areas of our societies should be covered by Single Market rules and which should not. This debate is crucially important because of the reality that the European Commission (notably its DG GROW department) has a permanent agenda of expanding Single Market rules to all areas of society and of tightening the enforcement of these rules. The end result would be a Europe where even the most sensitive areas, such as water, healthcare and education, are opened up for privatisation and corporate expansion, and where public authorities have ever-decreasing rights and space to regulate the economy in the public interest.

An example was the Services Notification Procedure² directive, proposed in 2017 and withdrawn in 2020; its name is typical neutral-sounding EU jargon, but the directive had very deep potential social impacts. It would have introduced a far stronger enforcement system for the EU's existing Services Directive (also known as the 'Bolkestein' Directive). The 2006 Bolkestein Directive - named after the Dutch European Commissioner who proposed it - aimed at sweeping 'big bang' liberalisation, outlawing obstacles to "freedom of establishment" and the "freedom to provide services" across the EU.

After trade unions and citizen movements protested against the negative impacts (such as privatisation of public services and social dumping), the final version of the directive was amended somewhat and excluded several sectors, including drinking

² https://corporateeurope.org/en/2020/11/wakeup-call-european-commission-its-failed-power-grab-over-local-services

water delivery. But the neoliberal core of the directive was left untouched. A <u>2019 report</u> by Jana Mattini and Thomas Fritz³ shows how the Bolkestein Directive limits public authorities' right to regulate in many ways.

The proposed services notification directive was opposed by mayors from cities all over Europe, trade unions and NGOs alike, because it would have severely limited the democratic policy space to regulate that is still available to cities and other public authorities across Europe. The reason why cities like Amsterdam, Berlin, Madrid, Barcelona, Budapest and Riga (as well as civil society groups and trade unions) were up in arms was simple: the directive would have forced local, regional and national authorities to notify the European Commission of any new planned regulations affecting the services sector three months in advance (rather than afterwards as is currently the case). This would not only have meant a delay, while municipalities waited for the European Commission to use its advance veto power to reject or approve the planned regulation, but it would also have given the EU Commission sweeping new powers to impose its corporate-friendly interpretation of Single Market legislation and control what public authorities across Europe are allowed to do. As an example of what was at stake, the directive would have given the European Commission strong new powers to block Amsterdam, Paris and other cities in Europe from introducing ambitious measures to regulate Airbnb and other platform corporations whose expansion endanger affordable housing.

The European Commission's withdrawal of the proposed directive in October 2020 was an <u>important victory</u>,⁴ but unfortunately the EU executive has not abandoned its agenda of ever-deeper 'liberalisation' and ever-tighter enforcement (of its interpretation) of Single Market legislation. Even after the directive was defeated, the EU Commission went ahead and implemented one of the key business lobbying demands: giving 'stakeholders' the right to see and comment on new measures put forward by public authorities.

Thirty years after the creation of the Single Market, it is high time for a critical evaluation of the how the liberalisation and privatisation experiment has impacted key sectors such as energy provision. The unprecedented energy price crisis that is now hitting European societies hard shows that change is needed, both in the short term (intervening in speculative energy markets) and medium term. Liberalised energy markets based on ruthless competition is the model preferred by the giant energy corporations who have gained control of the market, but it is clearly not the best way to achieve the much-needed fast transition towards renewable energy. The report <u>"Going</u> <u>Public: A Decarbonised, Affordable and Democratic Energy System for Europe</u>"⁵ concludes that the energy liberalisation experiment "has failed to achieve its goals and was probably always doomed to fail because of the nature of the electricity and gas sectors". The report points out that "there is now an urgent need to tackle the climate emergency and the liberalised model has shown that it is not up to the job". The solution for green-

³ https://thomas-fritz.org/artikel/bolkesteins-hammer-schlaegt-wieder-zu%5D

⁴ https://corporateeurope.org/en/2020/11/wakeup-call-european-commission-its-failed-power-grab-over-local-services

⁵ https://www.epsu.org/article/going-public-decarbonised-affordable-and-democratic-energy-system-europe-new-epsu-report

ing the energy system, the report's authors conclude, is "public ownership and control over energy supply through the nationalisation of the biggest supply companies", combined with "the establishment of local or regional public supply companies".

At your service

Corporate lobby groups are continuously playing the Single Market card in their lobbying, presenting many of their demands as a matter of removing "regulatory barriers" in the Single Market or preventing new ones from emerging. Many politicians parrot the mantra of "completing the Single Market", all seemingly convinced this is the cornerstone of the EU that has brought wealth and prosperity for all, and unaware of or ignoring the considerable downsides and risks. The latest example of pushing the Single Market towards the new frontier is the <u>high-profile campaign</u>⁶ launched by the European Roundtable of Industrialists (ERT) in December 2021, a campaign that has since been joined by several other corporate lobby groups.

In its December 2021 report,⁷ the ERT claims that there is a major problem with old and new "regulatory barriers" in the Single Market and that a far stronger EU governance system is needed to remove such "obstacles". And although there is often a case to be made for harmonisation of national level rules at the EU level, the ERT's demands should be handled with care and critical scrutiny. Many of these perceived "regulatory barriers" are in fact entirely legitimate progressive regulations. The ERT report, for instance, demands getting rid of "protectionist retail restrictions, at the regional and local levels". This is a reference to entirely legitimate city-level rules that limit the expansion of hypermarkets on the outskirts of cities, in order to protect healthy city centres and local economies.

The ERT uses references to the Covid crisis recovery, as well as the green and digital transitions, as a smokescreen for what is really an attempt to weaken social and environmental initiatives at the EU, national and local levels whenever these are not aligned with the corporate agenda. The ERT report advocates increasing the powers of the European Commission (with its consistently corporate-friendly interpretation of Single Market legislation), and demands far stricter enforcement of the EU's Services Directive, essentially calling for a revival of the deregulatory agenda behind the failed Services Notification Procedure Directive.

The ERT's call for "renewing the Single Market with a new governance structure" includes a wide range of measures, some of which are very worrying. Particularly problematic is the ERT's demand that the European Semester process, and its country-specific recommendations, should be used to force governments and other public authorities to address "the obstacles for companies which they need to remove". The Semester process, part of the EU's economic governance framework introduced after the euro crisis, gives the European Commission the option of handing out fines to governments that are not following its recommendations.

^{6 &}lt;u>https://ert.eu/documents/harmony/</u>

⁷ https://ert.eu/wp-content/uploads/2021/12/ERT-Single-Market-Stories_WEB-low-res.pdf

In June, the ERT, BusinessEurope and three other corporate lobby groups <u>repeated</u> <u>their demands</u>⁸ for removing "all barriers to cross-border business operations and intra-EU investments, forming a fully-fledged Single Market for all economic activities".

No paper tiger

This ongoing corporate lobby campaign ignores the fact that there is already a very comprehensive, tightly-knit enforcement system for the EU's Single Market. Due to this system (which includes SOLVIT, the European Commission's general complaints handling system CHAP, the EU Pilot system, the Internal Market Scoreboard, notifications via the Technical Regulation Information System (TRIS) and other instruments), the overwhelming majority of complaints about perceived Single Market "barriers" are tackled early on. Businesses already have ample complaint opportunities at their disposal and the European Commission already has a wealth of strong enforcement instruments. On top of that, an EU Action Plan for Single Market enforcement was launched as recently as 2020, and there is a Single Market Task Force (SMET) at work.

The complaints-based enforcement system that exists for the EU Single Market is far from a paper tiger. Corporate lobby groups actively use this system to pre-empt new environment and social protection rules emerging at the national level. A recent example is the complaint submitted by both French and EU-level airport lobby groups against the French government's ban on domestic flights of less than 250 kilometres (which can be easily done by train instead). The ban originates from the Citizens Convention for Climate (an example of enabling participation of the public in climate policy-making) and was part of the French 'Climate and Resilience' law adopted in July 2021. Airport lobbies <u>claimed</u>⁹ that the ban violated "the freedom to provide services". In December 2021, the European Commission launched an examination procedure, which means the French ban is currently suspended.

It remains to be seen whether or not the European Commission finds the French ban "proportionate" and "non-discriminatory". The verdict on the French ban will be an important indication of whether the EU Commission interprets Single Market law in a way that prevents much needed climate transition initiatives.

At the time of writing, the Commission's investigation had been ongoing for 10 months. This painstakingly slow assessment delays a very laudable Member State initiative to address the burning societal challenge of preventing catastrophic climate change. The right of governments to introduce such measures is of major strategic importance.

Because of the lack of transparency, it is impossible to know how many cases of this kind exist. In response to an MEP question ("how many corporate complaints about 'regulatory barriers' in the Single Market has the European Commission received?"), the EU Commission recently disclosed that it had received 1,156 internal market complaints during the last three years. The European Commission states that these

⁸ https://www.eurochambres.eu/wp-content/uploads/2022/06/Joint-industry-statement-on-the-Single-Market-27-June-2022.pdf

⁹ https://blazetrends.com/ban-on-short-domestic-flights-the-eu-looks-into-the-french-project/

complaints were all examined and "the vast majority of complaints" *did* not lead to official investigations, but it does not mention how many corporate complaints did result in infringement procedures, EU Pilot cases or other interventions.

The French ban is just one of many examples of small and large initiatives to accelerate the transition to carbon-free societies with a better quality of life that are emerging at the national and local level. Initiatives from cities, regions and governments are crucially important for the ecological transition, securing genuine change on the ground and providing inspiring examples for others to follow. This dynamic should not be hindered by heavy-handed enforcement of Single Market rules or by giving corporations even more excessive power to challenge local regulations than they already have.

The proposed tightening of Single Market disciplines would not only harm democracy, but also stifle the ecological transition that Europe desperately needs. In fact, the exact opposite of what the ERT demands is needed: a critical assessment of the Single Market and its governance (shaped 20-30 years ago during the neoliberal peak years). Rather than being too weak, the Single Market governance is in fact too rigid and gives excessive rights to corporations.

It is high time for change to ensure that the Single Market is not holding back the ecological and social transition that Europe needs. Creating a supportive, enabling environment for ambitious transition initiatives requires changes in directives around services, state aid, public procurement and other Single Market legislation – which will take time. There is, therefore, also a need for short-term measures to enable governments, regions and cities to move ahead quickly. A Sustainability Exemption could be a way to signal that initiatives to accelerate a socially just climate transition will not be challenged as part of Single Market enforcement.

RITA TEDESCO AND IOANA POPESCU, ENVIRONMENTAL COALITION OF STANDARDS (ECOS)

Towards a Single Market that works for the environment through ambitious product policy and standards

Freedom of movement of people, goods and services is at the core of the EU Single Market. Alongside this freedom, the EU has historically sought to maintain a certain level of ambition in terms of safety, consumer protection, the environment and, not least, for the competitiveness of EU businesses.

Consecutive societal challenges, including the climate, energy and economic crises, require the EU Single Market to be futureproof and built for resilience. Over the next 15 years, its rules will need to adapt to respond to the urgency of mitigating climate change while keeping the use of natural resources within planetary boundaries.

The EU needs a resilient Single Market. For that, it will need a clear change of approach. The current take-use-dispose model must give way to a clean, circular and sufficiency-oriented economy that decouples resource use from well-being. Overproduction and overconsumption must be brought to a halt.

The EU Single Market also needs profound reform. We must place reuse, refill and repair at its heart, and enable a digital transition that is green and just for everyone. One concrete step leading the transformation should be ambitious EU ecodesign requirements for products and services, supported by inclusive harmonised European standards, and properly enforced by national authorities.

Product policy – a toolbox to embed sustainability in global markets

The core regulatory framework in charge of driving circularity in the European Union at a large scale in the next decades is the Ecodesign for Sustainable Products Regulation (ESPR), together with a series of delegated acts the European Commission will issue to regulate specific aspects of products. These legal instruments have the potential to make the circular economy a reality. They will establish minimum requirements to enable sustainable and energy-efficient product cycles based on reuse, repair and refurbishment, as well as, at the end of long, useful product lifetimes, recycling.

The ESPR and subsequent implementing rules will apply to every product traded on the EU market, including those manufactured elsewhere. This has the potential to drive sustainability along global value chains and create positive ripple-down effects on global markets.

Making sustainable services the norm will also be paramount. One of the objectives of the ESPR is to maintain products in use for as long as possible. For that, it is important to consider that the willingness to perform hardware upgrades, refurbish and repair relies heavily on the availability of software and firmware updates.

Such non-physical aspects go hand in hand with driving more sustainable and circular product policy. In a digital world, online services are becoming ever more prominent. They rely on energy-greedy systems, which need to be regulated beyond hardware. According to estimations, the increased use of cloud services (cloud computing, online gaming and streaming, to mention a few) will cancel out any energy efficiency gains made on physical products – unless we do something to manage it.

Robust standards for a green transition

Technical standards will also be crucial. They provide the framework conditions for circularity to be deployed at a large scale in the European Single Market, supporting EU circular economy policy and the ESPR objectives to make sustainable products the norm. This includes European harmonised standards developed by recognised European organisations CEN, CENELEC and ETSI.

For product regulations, which are complex by nature, standards often provide the technical scaffolding behind policy. In fact, standards are the core instrument for seamless rules in the EU Single Market. In support of legal ambition, European technical standards have been providing the common industry-agreed rules to uphold certain labour, production and environmental objectives. In some cases, the use of European standards confers presumption of conformity with EU legislation. In those cases, standards are therefore considered part of EU law (when that happens, they are known as 'harmonised standards').

However, the fact that harmonised standards are part of EU law does not mean that they should replace legislation. Quite the contrary – it often happens that they pose barriers to the implementation of EU law by, for instance, creating obstacles to the uptake of innovative technology. While developing standards could seem an easier option, as it involves delegating technical work to standardisers, regulation remains the most democratic, appropriate and effective way to address societal concerns, especially in protecting health and the environment. Therefore, it is crucial to maintain environmentally ambitious policy goals and the supremacy of mandatory legislation over voluntary standards in areas of public interest such as the environment.

Standards are high on the EU political agenda

Since harmonised standards serve the broader public interest, it is also important that the standardisation process ensures transparency and openness and reflects multiple societal interests.

In February 2022, the European Commission published its EU Standardisation Strategy, emphasising the geostrategic importance of standardisation in the EU. Europe has made progress in developing a unique system for standard-setting that includes the inclusiveness of otherwise under-represented societal stakeholders, such as trade unions or environmental and consumer groups.

However, obstacles to effective participation remain. This is the case, for instance, when technical standards that serve EU policy are developed at the international or national levels, where stakeholder engagement is neither guaranteed nor sufficient. For societal interests to effectively participate, there is a need for a genuine political push at all levels. The EU Standardisation Strategy will set up a High-Level Forum to defend EU interests at the international level, but it falls short of concrete actions for the effective participation of relevant civil society experts in standardisation processes at all levels. As a consequence, this remains an open issue that the European Commission should address to ensure the standardisation system is inclusive.

Technical details for a transformational change

We expect an unusual influx of new and revised standards in the coming years. The upcoming plethora of ESPR product-specific regulations that will change the EU Single Market means that methods and technical specifications will also be in high demand. This will possibly entail the revision of existing standards or the development of new ones to account for new sectors, new testing procedures and new business models. Consequently, the success of the new legal requirements will highly depend on technical specifications, including harmonised standards. In order to ensure that adequate technical specifications are always readily available to support EU legislation, the European Commission is increasingly introducing the option to develop common specifications through implementing acts in its legislative texts, including in the ESPR proposal. This provides for a fallback option should the availability of suitable standards cause delays in implementing mandatory rules.

To ensure harmonised standards adequately support, rather than substitute, EU ambitions in terms of a sustainable circular economy, it is important to ensure EU policies are based on the best of both worlds. We need ambitious, clear and forward-looking requirements, combined with robust supporting definitions, test methods and assessment methodologies. For example, interoperability between reuse and refill systems can ensure these become a viable option against single-use. Harmonised and modular design of parts and components can ensure products from different manufacturers can be repaired and refurbished with the same parts. Homogenous and toxic-free material design can ensure components or recyclate from one industry can be kept within circular material loops rather than downcycled.

Such voluntary harmonisation of infrastructure, reverse logistics and circular systems will enable companies to create economies of scale in the long run. With the standards supporting the ESPR, the EU has an opportunity to act as the leading setter of standards in the international arena. In cases where existing international standards fall short in matching the European environmental ambition, the EU should push the global agenda.

Countering non-compliance through effective market surveillance

Ensuring that products are compliant with legal requirements, and in particular ecodesign requirements, is key to fulfilling the objectives of the ESPR. Market surveillance includes the monitoring, verification and enforcement of national and European legislation for products placed on the EU Single Market.

Without control, non-compliant products could be sold freely, putting companies that actually comply with requirements at a disadvantage. This would distort competition and reduce incentives to comply, jeopardising confidence in legislation and posing risks to health and the environment.

It has been estimated that, for instance, as much as 10-25% of products placed on the market currently do not comply with the energy labelling requirements, which means that approximately 10% of the anticipated energy savings are lost due to non-compliance.

A contributing factor is the lack of controls throughout the EU. Market surveillance is a competence of Member States. Studies have shown that the resources dedicated to market surveillance are insufficient, especially in terms of human and financial resources.

The ESPR proposal is on the right track to address some of these flaws by expanding the provisions on market surveillance. The proposal addresses measures to avoid circumvention, and contains provisions that would empower the European Commission to set a minimum number of checks on products to be carried out by the market surveillance authorities. The proposed framework could go even further and target all economic operators, including online marketplaces, make repeated cases of non-compliance public and establish a system of compensation for consumers who purchased non-compliant products.

The EU Single Market holds all the cards to mainstream sustainability and high environmental ambition in the next decade. To make it happen, we will need an ambitious ESPR, underpinned by a set of powerful tools: ambitious requirements, robust technical standards, the inclusion of civil society organisations and enhanced compliance. With the instruments in place, the EU economy could soon become truly circular. MOLLY SCOTT CATO, PROFESSOR FOR GREEN ECONOMICS AND FORMER MEMBER OF THE EUROPEAN PARLIAMENT, UNITED KINGDOM

The Single Market as a global beacon: a view from the past – and across the Channel

I am honoured to have been asked to contribute an essay to this collection. I have accepted because I have two perspectives that may be useful: the first, because sadly I now have a view from outside the Single Market; the second, because I have been an observer of the EU and its Single Market for many years.

The Single Market has existed for exactly half my life, and when it was founded, I would have been firmly in the camp of seeing it as 'Europe of the bosses'. In 1993, British Greens were sceptical about the value of a vast and powerful market. We felt that it worked in opposition to our support for local economies and that it would enable the burgeoning power of the multinational corporations that could be free to ignore democratic power and the wishes of citizens.

But in the past 30 years, Greens in the European Parliament have been stunningly effective in colonising that market and harnessing the democratic power of the EU to effectively constrain corporate power. They managed to regulate markets so that the European economy works more powerfully in the interests of a healthy environment and contented citizens more than we could have imagined without the Single Market being in place. When we look across the world, we see that social and environmental standards are far higher in the EU than in any other national or regional economy. It didn't have to go that way, but our political power, skill and determination has turned the Single Market into a force for good. We should celebrate that achievement before moving on to consider the next 30 years.

Existing legislation provides signposts for the future

I'm going to consider the future in terms of three pieces of EU legislation I particularly value and use them as blueprints for what we might work for as Greens.

The first is the EU Conflict Minerals Regulation that came into force on 1 January 2021 and requires that EU manufacturers of electronic goods have to monitor their supply chains for four named minerals to ensure they only import them from responsible and conflict-free sources. These minerals are crucial inputs of the electronic products that will dominate our future, and this legislation puts European values into practice by blocking the import of raw materials whose extraction has fostered conflict.

This is what I would consider a very low bar, but we could follow the same principle further. Given what we are learning about the Chinese labour-camp system, it seems fairly clear that 'made in China' products being sold across the Single Market may have been made by modern-day slaves. We need to develop more legislation to ban from our markets products that breach the standards we would expect. Otherwise, we are guilty of benefiting as consumers from a global production system that resembles a covert modernised version of the colonial past of which we are so ashamed.

Objection to Chinese imports is not a preserve of the left, and we must clearly distinguish our commitment to global standards from far right appeals to economic nationalism. Requiring environmental and social standards equivalent to our own for goods on sale in our market may result in the reshoring of production and better conditions for European workers matched by higher prices for consumers. However, our political objective is the protection of people and planet, not the mobilisation of grievance or appeals to nationalism. What we are protecting is not our domestic producers but our values.

This brings me to the second piece of legislation that I think may signal the way forward: the Carbon Border Adjustment Mechanism. The EU prides itself on being a global leader on climate. This can enable us to develop the clean and green economy of the future, but it can also sometimes mean our producers facing higher prices – especially for energy – and becoming uncompetitive. The purpose of the Carbon Border Adjustment Mechanism is to impose a tax on imports equivalent to any increased cost of production incurred to ensure we are meeting our climate commitments.

Of course, what is vitally important here is that the tariffs imposed are actually matched by carbon reductions rather than allowing further carbon leakage in the flawed Emissions Trading System. But if it can be made balanced and watertight, this ability to keep our high standards without making European producers uncompetitive could help to use the Single Market as a lever to improve other environmental and social standards in the globalised economy.

The third example I would like to consider is the Mercosur trade deal, which is a test of whether the EU is genuinely committed to climate action and human rights. The deal between the largest Latin American economies and the EU was reached, in principle, in 2019. It is a <u>vast deal</u>¹⁰ covering 780 million people and trade valued at more than €40bn. It is also extremely sensitive to environmental concerns, with the Brazilian president encouraging the accelerated destruction of the Amazon rainforest and the murder of the indigenous people whose home it is at the precise moment that the deal was being signed off. It was negotiated without a sustainability impact assessment or binding commitments on climate, environment and human rights.

As Greens, we have all seen many trade deals that include warm words about women's rights, indigenous rights, habitat protection and a wealth of other noble ambitions. But this content is always included in parts of the treaty that are not legally enforceable. Rather than a force for good in the world, EU trade policy has too often enabled unscru-

¹⁰ https://www.clientearth.org/latest/latest-updates/news/what-s-going-on-with-the-eu-mercosur-agreement/

pulous corporations across the globe to exploit people and destroy habitats to provide cheap goods for European consumers.

The future of the Single Market must be linked more closely to the trade policy of the EU. The stalling of the Mercosur deal (still <u>unratified</u>¹¹ at time of writing)¹¹ indicates that Member State governments and their citizens are beginning to reject the idea of trade at any price, and this is a positive sign of how EU trade policy may become better aligned with the highest ambitions of the Single Market, as I believe it should.

A view from outside

It would be inexcusable for me not to address the issue that is so central to my perspective on the EU Single Market: what life is like outside it. There is no question that the oligarchs who drove Brexit were keen to avoid exactly the sorts of legislative protections that are enshrined in the acquis governing the European Single Market. Whether we are thinking about risky financial products, climate-busting fossil fuel expansion or exploitative labour relations, it was clear that when Brexiteers talked about freedom, what they really meant was the freedom to exploit people and planet without the legal restrictions that Greens and others have introduced into the Single Market over the past 30 years.

The UK has paid a considerable price for leaving the Single Market. The massive hole in our national finances is of a similar dimension to the economic shrinkage that was predicted as we raised trade barriers with the vast EU market that previously received 44% of our <u>exports</u>,¹² making the EU by far our largest <u>trading partner</u>.¹³

As I write this article, the UK government is bringing to Parliament its reckless Retained EU Law (Revocation and Reform) Bill,¹⁴ which will introduce sunset clauses for more than 2,400 EU laws that were transferred into UK law before Brexit. This will mean a whole framework of legislation will automatically cease to have force at the end of 2023, whether they have been replaced with domestic legislation or not. This means whole areas of our national life, from the quality of our air and water to our right not to be exploited at work, could vanish in a puff of smoke. This is the way the Singapore-on-Thames of Rees-Moggs's fantasy becomes a reckless and damaging reality. It also seems likely to breach the level-playing-field commitments of the Trade and Cooperation Agreement.

Although portrayed as laws written by 'unelected bureaucrats', the laws that are being thrown on the bonfire were EU laws, with UK MEPs (like me) and UK ministers being involved in their negotiation. Given that our membership lasted 47 years, the legal framework that we Brits still live within is largely EU legislation, stretching from the Working Time Directive to the Habitats Directive, with laws to protect us at work

¹¹ https://www.euractiv.com/section/global-europe/news/eu-says-fully-committed-to-mercosur-deal-as-region-comesinto-focus/

^{12 &}lt;u>https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7851</u>

¹³ https://ukandeu.ac.uk/the-european-single-market/#:~:text=The%20single%20market%20we%20know%20 today%20was%20created,not%20imposed%20on%20trade%20within%20the%20single%20market

¹⁴ https://www.gov.uk/government/news/the-retained-eu-law-revocation-and-reform-bill-2022

and maintain the quality of our air and water. These are only a tiny number of examples of the acquis that is at the heart of the Single Market. Losing this is a horrifying prospect – as is no longer being part of the law-making structures of the EU that continue to improve European lives.

Envisioning and building the future

Thirty years ago, we were close to the apex of confidence in market capitalism and liberal democracy. The past decade has demonstrated that power is shifting away from the humane values that have characterised the European project. We are in a defensive posture, with countries such as China and Russia blatantly traducing human and civil rights and challenging the order the Single Market represents as some kind of post-colonial imposition.

The EU can and must stand as a beacon for the values of strong human and civil rights, environmental protection, and social standards that European citizens have campaigned for over centuries. To do this, it must ensure that we share those values with our trading partners by making them legally enforceable in our trade deals. Just as we are abandoning Russian oil and gas, we should abandon trade with oppressive and authoritarian regimes. We can do this by requiring equal competition so that countries that do not match European standards will face import tariffs – not just climate standards but standards of employment rights and environmental protection too.

The Single Market is strong when it unifies the power of 450 million of the world's richest consumers. If the Single Market did not exist, we might conclude that it would be necessary to invent it. Corporate power needs to be directed in the interest of citizens and the other creatures we share the planet with. How to achieve that in a world where economic power is drifting towards state-owned and oligarch-owned corporations is the challenge for the next 30 years.

ECONOMIC+SOCIAL ISSUES

30 years of the European Single Market

New visions for a green Europe

2023 marks the 30th anniversary of the European Single Market. To celebrate this occasion, and to develop new ideas for the future of European integration, Heinrich-Böll-Stiftung's European Union office asked its partners for their visions for the future of the Single Market. This collection of brief essays shows the diverse views on the European Single Market, whilst unveiling green visions for the next 30 years. What unifies these different takes – ranging from environmental and consumer standards, Brexit, lobbying and more – is the understanding that the European Single Market remains a cornerstone of European Integration.

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