



Internal Market and Consumer Protection as a policy priority in European optimal policy mix

Siôn Jones, 10th July 2018

European Parliament IMCO Workshop
“Contribution of Internal Market
& Consumer Protection to Growth”



Agenda

The 'Contribution to Growth' report

EU strategic policy targets and growth

Internal market and consumer protection
policies in the wider EU context

Deciding on the optimal policy mix

Europe 2020 strategy (2010 – 2020)



Priorities:

- **Smarter growth:** based on knowledge and innovation
- **Sustainable growth:** resource efficient, green, competitive
- **Inclusive growth:** high employment, social and territorial cohesion

Content

- ‘Headline’ targets: Translated into targets for Member States
- ‘Flagship initiatives’

Smart growth	Sustainable growth	Inclusive growth
“Innovation Union”	“Resource efficient Europe”	“An agenda for new skills and jobs”
“Youth on the move”	“An industrial policy for the globalisation era”	“European platform against poverty”
“A digital agenda for Europe”		

The 'Contribution to Growth' Report



- Civic Consulting and European Parliament, Policy Department A (2014)
- At the time progress on headline Europe 2020 targets was “mixed”
- The report focussed mainly on the seven flagship initiatives
- Referred to research suggesting that elimination of intra-EU goods and services barriers could **increase EU GDP by 14% by 2020**
- Noted a range of achievements of the single market and from improving consumer protection
- Scope for significantly higher contribution to growth from areas covered by flagship initiatives
- Also a number of areas with a potentially significant contribution to growth that were not covered by the flagship initiatives:
 - e.g. services, public procurement, taxation, links with other policy areas (competition, trade)

Europe 2020 – latest progress



Headline Targets	Latest actual (year)
75 % of the population aged 20-64 should be employed	71% (2016)
3% of the EU's GDP should be invested in R&D	2% (2015)
Reduce greenhouse gas emissions by at least 20% compared to 1990 levels or by 30% if the conditions are right	22% (2015)
Increase the share of renewable energy in our final energy consumption to 20%	16.7% (2015)
Achieve a 20% increase in energy efficiency (final energy consumption)	20% (2015)
The share of early school leavers should be under 10%	10.7% (2016)
At least 40% of the younger generation should have a tertiary degree	39.1% (2016)
20 million less people should be at risk of poverty (= 96.2 million)	117.6 (2015)

Little or no progress

Some progress

Target achieved

Source: Eurostat 2017

10 Commission priorities for 2015-19



Priority	Explanation
Jobs, growth and investment	Stimulating investment & creating jobs
Digital single market	Bringing down barriers to unlock online opportunities
Energy union and climate	Making energy more secure, affordable and sustainable
Internal market	Deeper and fairer internal market
Deeper and fairer economic and monetary union	Combining stability with fairness and democratic accountability
Balanced and progressive trade policy to harness globalisation	Open trade – without sacrificing Europe’s standards
Justice and fundamental rights	Enhancing cooperation between different EU justice systems and preserving the rule of law
Migration	Towards a European agenda on migration
A stronger global actor	Bringing together the tools of Europe’s external action
Democratic change	Making the EU more democratic

GDP growth as a policy target



“**GDP** has also come to be regarded as a proxy indicator for overall societal development and progress in general. However, by design and purpose, it **cannot be relied upon to inform policy debates on all issues**. Critically, GDP does not measure **environmental sustainability** or **social inclusion** and these limitations need to be taken into account when using it in policy analysis and debates.”

EC Communication ‘GDP and beyond: Measuring progress in a changing world’ (2009) COM(2009) 433 final

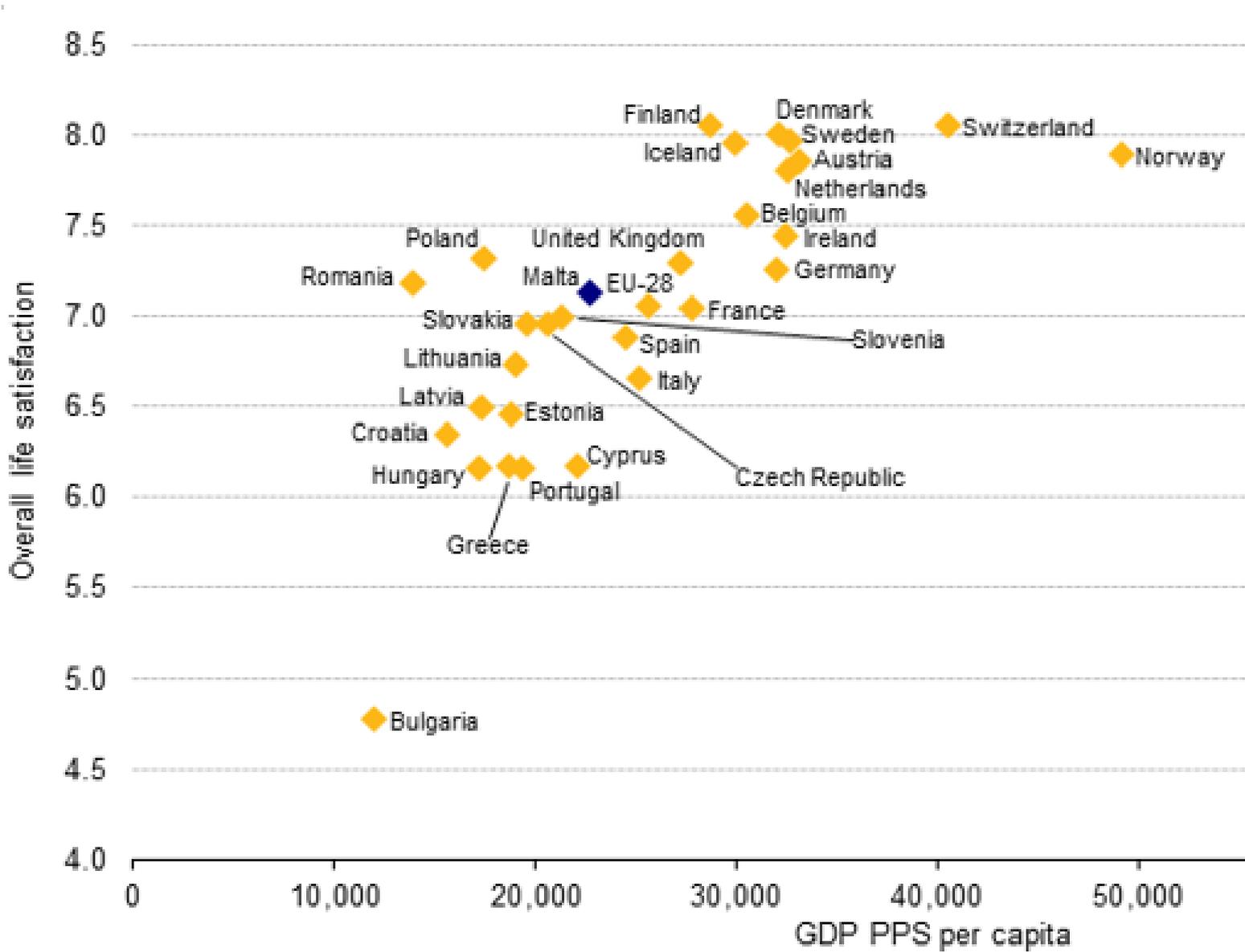
Wellbeing



- In recent years, development of alternatives to GDP as a high level policy target
 - E.g. measures of wellbeing, quality of life, life satisfaction, happiness
- Objective measures of wellbeing
 - e.g. income, employment status, housing status, medical details, travel to work time etc.
- Subjective measures of wellbeing
 - Opinions e.g. how satisfied or happy are people – generally or in relation to specific issues
- Ongoing work programmes in these areas: Eurostat, Member States, other international organisations, academic research

EU 28+: life satisfaction and GDP per person

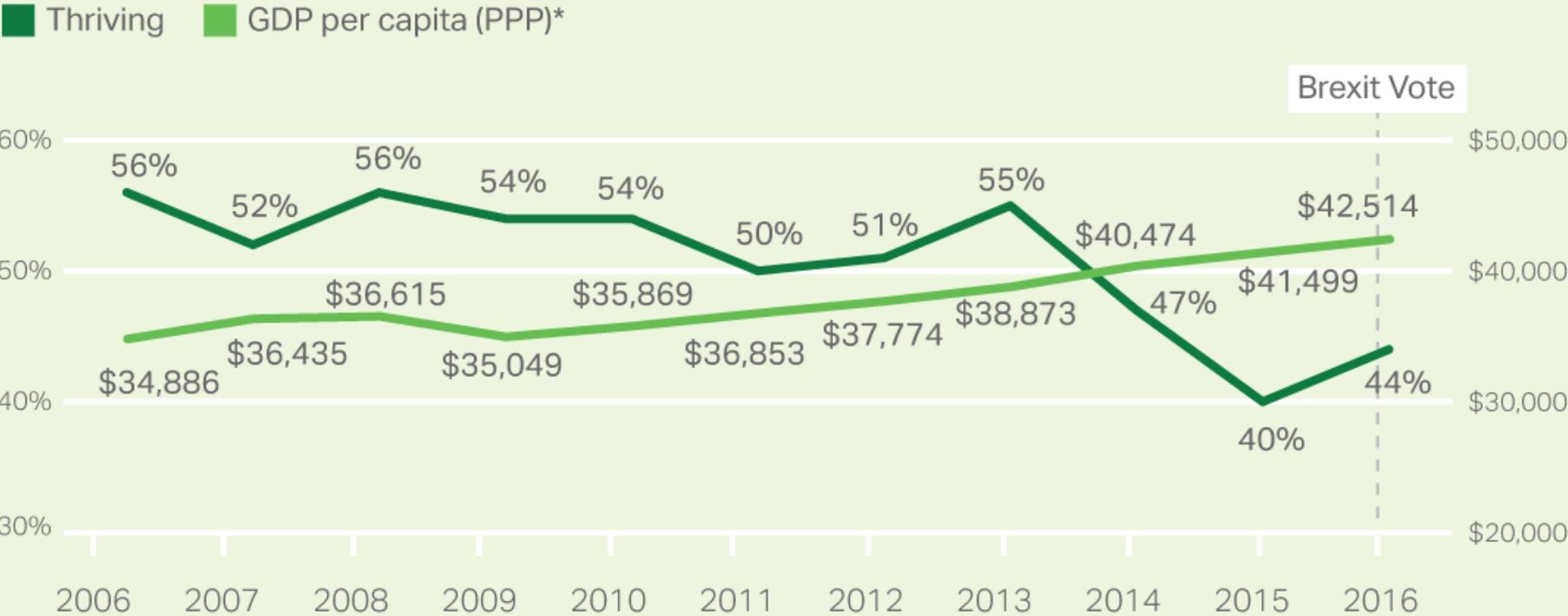
- Eurostat data for 2013



Decline in UK “happiness” in 2 yrs before Brexit poll - no visible change in GDP trend



U.K. GDP and Happiness



*In current international dollars, estimates from IMF

GALLUP WORLD POLL

Internal market and consumer protection policies in the wider context



Drivers of economic growth

- economic and political stability
- competition
- trade integration
- investment
- entrepreneurship
- innovation
- skills

IMCO areas

Single market

- Public procurement
- Free movement of goods, services & people
- Digital single market
- Customs Union
- Governance

Consumer protection

- General & sectoral frameworks
- Redress
- Product safety & market surveillance

European Parliament Standing committees



- Foreign Affairs
- Human Rights
- Security and Defence
- Development
- International Trade
- Budgets
- Budgetary Control
- Economic and Monetary Affairs
- Employment and Social Affairs
- Environment, Public Health and Food Safety
- Industry, Research and Energy
- **Internal Market and Consumer Protection**
- Transport and Tourism
- Regional Development
- Agriculture and Rural Development
- Fisheries
- Culture and Education
- Legal Affairs
- Civil Liberties, Justice and Home Affairs
- Constitutional Affairs
- Women's Rights and Gender Equality
- Petitions

Cost of non-Europe: IMCO and other areas

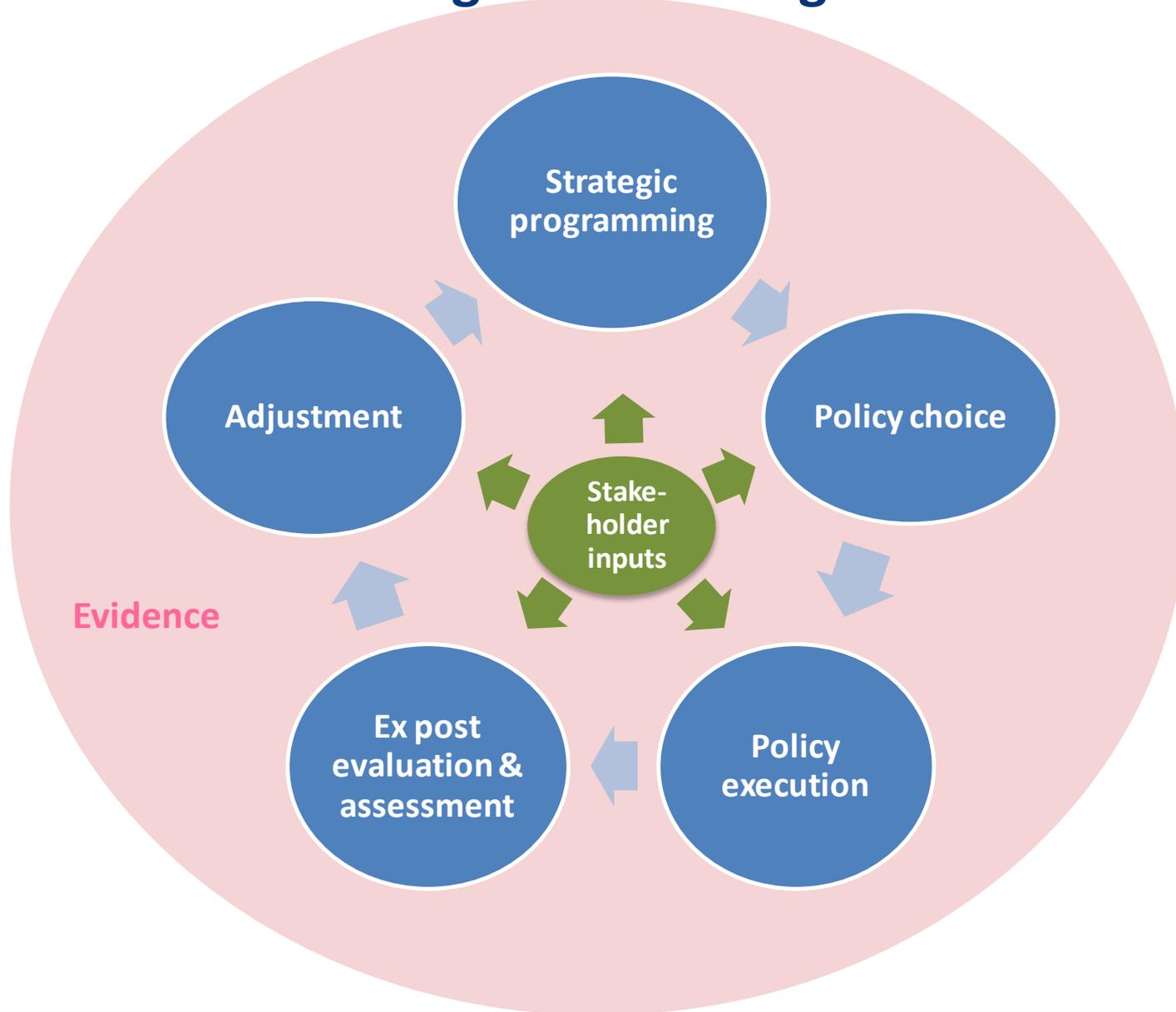


IMCO areas (approximate)	
	€ billion/ year
Single market: services	338
Single market: goods	183
Protection of consumers + workers	58
Public procurement	36
DSM: e-commerce	204
DSM: sharing economy	158
DSM: cloud computing	47
DSM: other	6
TOTAL	1030

Other areas	
	€ billion/ year
Economic + monetary union	129
Fighting tax fraud and evasion	169
Integrated energy markets	250
Justice + home affairs	79
External relations	69
Common security + defence	26
TOTAL	721

Deciding on the optimal policy mix

- The role of Smart Single Market Regulation



Strategic programming



“Numerous policy studies have convincingly argued that the processes in the **preliminary stages of decision-making strongly influence the final outcome** and very often shape the policy to a larger extent than the final processes within the parliamentary arena “ (Jann and Wegrich, 2007)

- In our Smart Single Market Regulation study, we recommended:
 - Introduce a distinct strategic programming phase into the Better Regulation Guidelines
 - Applicable to European Parliament resolutions, European Council conclusions, European Commission strategies and work plans, and European Commission recommendations (as a part of economic governance process).

Strategic programming questions



- Which are the most important **market failures** and **distributional problems** that need addressing by public authorities?
- What does the **evidence** suggest about which types of policies may be successful in addressing these issues?
- Can positive or negative **interactions** with other strategies and policies be identified?
- Which policies should be **prioritised** in order to meet overall targets e.g. for growth and other politically identified goals - social, environmental, cultural, etc.

Thank you!

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