

The recipe for a competitive EU



The success of the EU's can be measured largely in the level of exchange in goods, services, people, and capital. The complete implementation of the Single Market is key. Much remains to be done in many areas, such as the free movement of services and labour, eliminating restrictive national processes, regulations and standards, and ensuring that common legislation is applied uniformly and consistently. As long as barriers to the four freedoms remain, European competitiveness will continue to be held back.



The digital dimension of the Single Market is hampered by national regulations and out-dated legislation. The legal and physical infrastructure throughout the EU needs improvement and it is imperative that data can flow freely between Member States and into and out of the EU. Moreover, unless market failure is shown, new digital solutions should not be prohibitively regulated while rapid technological development is on-going.



The socio-economic benefits from free trade will not stop at the European borders. While it is important to remove the barriers remaining within the EU, the goal should be to minimize and preferably eliminate restrictions to trade in goods and services with third countries. Moreover, the EU has a central role in taking global leadership in promoting free trade, and, in the absence of multilateral agreements, in securing trade deals with our most important trading partners. This external dimension of the Single Market is necessary for the EU to be able to sustainably increase growth and create more jobs.



EU-wide legislation should be reserved for areas where it demonstrably provides added value. The principal of subsidiarity should be strictly applied. Any regulation must be necessary, proportional, and effective. These principles for improving regulations must apply to every EU institution that participates in legislation and be applied throughout the legislative process – including implementation and monitoring. The EU must set clear objectives for reducing the regulatory costs of business, increasing transparency, improving impact assessments of planned legislation and evaluating existing ones. These objectives must be monitored more consistently and effectively.



Climate change is one of the greatest global challenges of our time. It calls for a strong international commitment and global solutions. The EU plays an important role under the Paris Agreement within the UN Framework Convention on Climate Change. If the EU raises its level of ambition without similar action by other countries, the competitiveness of European business could be undermined and, thus, their ability to contribute to a better environment globally. It is of great importance that European companies can compete on equal terms with their global competitors.



A Social Europe can only be built with high employment levels laying the foundation for better living conditions. This cannot be achieved through additional EU level social regulations, but through competitive companies and healthy economies in all the Member States. The EU has a responsibility to stimulate national reforms that contribute to increasing employment levels. Given the wide variation socially, economically and institutionally across the EU and the need for attention to national context, social policy should essentially remain a national competence. Benchmarking within the framework of the European Semester may be a way for the EU to promote positive progress in the Member States.



The EU's role as a catalyst for competitiveness-enhancing national reforms can be strengthened in other areas as well. By benchmarking Member States' different solutions, the EU can stimulate the exchange of ideas and spread of best practice. Europe's diversity is a competitive advantage that should be better utilized.