

I

(Resolutions, recommendations and opinions)

OPINIONS

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

522TH EESC PLENARY SESSION OF 25 AND 26 JANUARY 2017

Opinion of the European Economic and Social Committee on ‘Threats and obstacles to the single market’**(own-initiative opinion)**

(2017/C 125/01)

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Plenary Assembly decision	21.1.2016
Legal basis	Rule 29(2) of the Rules of Procedure Own-initiative opinion
Section responsible	Single Market, Production and Consumption
Adopted in section	13.1.2017
Adopted at plenary	25.1.2017
Plenary session No	522
Outcome of vote (for/against/abstentions)	166/62/8

1. Conclusions and recommendations

1.1 The single market is a major achievement and a key element of the European integration process. It should represent the cornerstone of prosperity in Europe. The introduction of the euro and the Schengen agreement were critical junctures on the path towards completing the single market. However, both are coming under growing pressure, partly due to short-sighted national interests, with a significant part of the population increasingly calling them into question, partly because of real concerns of the European citizens.

1.2 The EESC has always championed moves to bolster the free movement of goods, services, capital, payments and people and to maintain the necessary balance between economic, social and environmental policy. It is essential to keep to the path of economic and social convergence among the Member States.

1.3 With a view to further developing the single market, unnecessary obstacles must be removed to ensure growth, jobs, long-term prosperity and a highly competitive social market economy. Of particular relevance here are market barriers such as insufficient recognition of qualifications and diplomas, technical constraints at local level, regulatory obstacles due to differences in national legislation and inadequate coordination of e-government solutions at EU level.

1.4 The EESC is concerned that the EU's single market has barely grown since the financial crisis. The economy of the euro area actually shrank by 1,6 % between 2008 and 2015. By contrast, other economic regions such as the USA, Australia and Japan have far outpaced the EU in terms of domestic demand and growth. Active steps are therefore needed to steer Europe back towards the policy objectives of the Europe 2020 strategy.

1.5 The EESC stresses once again the importance of cross-border mobility for businesses and workers. However, the fact that single market principles enjoy much less support among a significant proportion of the population should not be overlooked. One reason for this is the growing risk of continuing unfair and illegal practices associated with the cross-border provision of services. The high risk of abuse severely undermines workers' and honest companies' trust in the single market.

1.6 Decisive action must be taken to counter these trends and it is important to ensure fair competition in the interests of business too. A well-functioning single market requires compliance with European and national legislation when carrying out cross-border activities. This is the reason why the majority of the EESC members therefore supports all efforts to ensure that, in practice, the same work at the same place is remunerated in the same way in the EU, as called for by Commission president Jean-Claude Juncker.

1.7 Although the single market has a strong social basis in the TFEU and EU secondary legislation, consideration should be given to striking a better balance between market freedoms and basic social rights in primary law. The aim of such a move would be to address the discontent of the many people who feel that, increasingly, their social interests and requirements are not properly safeguarded in the single market.

1.8 In principle, the EESC welcomes efforts to check EU law for efficiency. This initiative could have an important role to play in cutting unnecessary regulatory costs which are applied when the same area is subject to different national or regional rules. Harmonised legislation should thus be checked for necessity, specifically in the interests of SMEs. However, the EESC reiterates its opinion that high consumer standards are not an unnecessary burden.

1.9 The EESC underlines its view that the digital single market should be a policy priority given its huge growth potential. Existing legal uncertainties in the areas of employment, the economy and consumer affairs need to be examined and removed without delay. The Commission should implement a clear legal framework for new forms of economy and new business models in the single market, including various forms of the sharing economy, with a view to closing regulatory gaps. Applicable legislation must be fully respected here, with specific efforts to safeguard consumer and worker rights as well as fair competition.

1.10 The creation of a Capital Markets Union should also remain high on the agenda in that the more efficient capital allocation that is associated with it can have a positive impact on the economy and employment, as well as on consumers. Certain recent developments such as Brexit must not unduly delay or compromise the implementation of these plans.

1.11 The EESC reiterates its view that regulatory gaps in taxation policy lead to unfair competition in the single market. It therefore supports moves towards a common consolidated corporate tax base, country-by-country reporting as well as ongoing efforts to tackle tax avoidance and tax havens. The introduction of a common minimum corporate tax rate could provide a useful complement to these initiatives and put an end to the race for the lowest tax rate.

1.12 Public services — also known as services of general interest — play a key role in the social market economy and are essential for the general public. Services of general interest have a place among the EU's shared values, playing a part in fostering social and territorial cohesion.

1.13 This role of promoting social and territorial cohesion should be taken into account as part of the 'principles and conditions' which the EU can establish for these services. In connection with the planned reform of the Services Directive, the EESC highlights protocol No 26 on services of general interest of the EU Treaty, according to which Member States' national, regional and local authorities are given wide discretion in services of general economic interest.

1.14 A variety of measures are needed to tackle unfair practices in public procurement, which push tenders below a fair standard, sometimes fail to comply with minimum-wage requirements in force in the respective national legal provisions and practices and, in many cases, result in high cost overruns. In particular, there must be transparency on the best tender price and service and any cost overruns that may occur at a later stage. The aim must be to apply the best tender principle, not that of the lowest bid.

2. Challenges for the single market

2.1 European integration must follow the goal of achieving the necessary balance between economic, social and environmental policies. The free movement of goods, services, capital and payments, and of people, must be complemented by respect for the fundamental social rights incorporated into the EU Treaties through the Charter of Fundamental Rights. Fundamental social rights need to be enforced in the internal market in practice. At the same time, any unnecessary obstacles still present in the single market should be removed to ensure long-term prosperity and a highly competitive social market economy.

2.2 The EESC has repeatedly stated, most recently in its opinion on upgrading the single market⁽¹⁾, that the single market is a centrepiece of European integration, with the potential to deliver directly-felt benefits and to generate sustainable growth for Europe's economies.

2.3 The single market is a major achievement and should provide the cornerstone of Europe's prosperity. The launch of the euro in the euro area and the Schengen Agreement were critical junctures on the path towards creating a common single market. However, they are now under severe pressure, illustrating how different the interests of EU Member States are. To some extent, decision-making and oversight still take place at national level.

2.4 The EESC notes that there are still significant market barriers in the form of inadequate recognition of qualifications and diplomas, splitting of curricula, technical local restrictions, regulatory barriers resulting mainly from fragmentation of the single market due to different national legal frameworks, administrative burdens such as compliance with national taxation and customs rules, and a lack of e-government facilities and of coordination of e-government solutions at European level.

2.5 The Commission seeks to implement full harmonisation in some areas, which may result in reducing the existing level of protection in some Member States. The EESC underlines that it has opposed such measures in a number of opinions. Full harmonisation, where it is pursued by the Commission, must be achieved while preserving the level of protection already in place.

2.6 Citizens in the Member States increasingly feel that Europe does little to protect social standards and income or to achieve fair taxation and fair social charges. The single market has a solid social dimension based on TFEU and secondary EU legislation, but a better balance between economic market freedoms and fundamental social rights should be considered.

2.7 Measures presented under the European pillar of social rights should reflect the Union's founding principles and build on the conviction that economic development should result in greater social progress and cohesion and that, while ensuring appropriate safety nets in line with European values, social policy should also be regarded as a productive factor.

2.8 In spite of the many achievements of the EU cohesion policy, real economic and social convergence between Member States is still a long way off, and there are big differences in wages and social standards. The lower wages currently in place in some Member States are due to historical developments and the natural diversity of the extensive internal European market, and reflect local productivity levels and many other factors including the interests of investors. Despite that, more attention should be given to social dumping, which should be defined as an unfair and illegal practice of not abiding by the rules with regard to work remuneration or the payment of social and health insurance, and thus acquiring an unfair advantage over competitors⁽²⁾.

⁽¹⁾ OJ C 177, 18.5.2016, p. 1.

⁽²⁾ *Social dumping: political catchphrase or threat to labour standards?* — Magdalena Bernaciak Working Paper 2012, European Trade Union Institute.

2.9 Since the onset of the financial crisis, i.e. in the period from 2008 to 2015, the single market's growth amounted to 0,4 % — almost zero growth in real terms. In the euro area the single market even shrank by 1,6 %. Most other economic regions have left the European Union far behind in terms of domestic demand (for example, the USA + 8,8 %, Australia + 17,9 %, Japan + 3,8 %) ⁽³⁾. Measures to revive demand in the single market, such as the European plan for investment with the European Fund for Strategic Investment, have still not had the required effect.

2.10 The EESC is worried that the employment and social objectives of the Europe 2020 strategy based on smart, sustainable and inclusive growth cannot be achieved ⁽⁴⁾. The economic slowdown, the slow implementation of meaningful structural reforms and lack of demand in the single market have so far produced the opposite effect: the employment rate fell from 70,3 % in 2008 to 69,2 % in 2014. It should, however, be 75 % by 2020. Instead of the number of people affected by poverty and social exclusion falling by 20 million by 2020, it had risen by 4,9 million in 2014. In addition, by late 2015, over 6 million more people were unemployed in the European Union than before the crisis.

2.11 Another important aspect in the Europe 2020 strategy is education. The EESC welcomes the fact that the proportion of the population leaving education and training early was reduced from 14,2 % in 2008 to 11 %. Tertiary educational attainment also improved, rising from 31,3 % to 38,7 % between 2008 and 2015. The EESC welcomes the European Commission's skills strategy and points out that a high qualification level is indispensable in order to attract companies and to create new jobs.

2.12 The United Kingdom's decision to leave the European Union represents a major challenge to the European single market. The EESC recommends basing the future negotiations on the respect of all the founding principles and values of the single market.

3. Specific comments

3.1 *Self-employment and workers' mobility in the single market*

3.1.1 Labour mobility can be important for companies to have access to skilled labour, for the self-employed, and for workers to have the opportunity for good jobs, access to new skills and good working conditions. However, barriers still exist.

3.1.2 A study examining barriers and costs ⁽⁵⁾ points out that in addition to cost savings for administrative services, citizens and businesses, interoperable e-government services are expected to have a particularly large impact on labour mobility. Improving the recognition of professional degrees is crucial for both companies and workers to move across borders.

3.1.3 In its opinion on the 'Abuse of the status of self-employed' ⁽⁶⁾, the EESC stressed that bogus self-employment could lead to evasion of social security contributions, tax evasion and abuse of labour rights and to undeclared work and should therefore be eliminated. In this respect the EESC welcomes the already established European platform for undeclared work as a step in the right direction ⁽⁷⁾.

3.1.4 The aim of this platform is to prevent and deter undeclared work through improved cooperation between Member States' enforcement authorities, such as labour inspectorates, tax and social security authorities. This cooperation includes the sharing of best practices on prevention and deterrence measures, identifying common principles for inspections of employers, promoting staff exchanges and joint training and facilitating joint control actions.

⁽³⁾ European Commission, DG ECFIN, Ameco database.

⁽⁴⁾ Communication from the European Commission 'Europe 2020 — A strategy for smart, sustainable and inclusive growth', 3 March 2010, COM(2010) 2020 final.

⁽⁵⁾ 'Reducing costs and barriers for businesses in the single market', study for the EP's IMCO committee, DG for Internal Policies.

⁽⁶⁾ OJ C 161, 6.6.2013, p. 14.

⁽⁷⁾ COM(2014) 221 final, Decision of the European Parliament and Council on establishing a European platform to enhance cooperation in the prevention and deterrence of undeclared work.

3.1.5 Many workers nowadays are taken on as 'self-employed service providers' rather than employees, as was previously the case. These people do not have an employment contract because they work for themselves in line with their self-employed status. In such an employment relationship, in most cases there is no need to comply with national labour law. Clear and binding criteria must be used to assess whether someone is in fact employed or genuinely self-employed. For this reason, the EESC has criticised the Commission's proposal for a directive on single-member private limited liability companies as being 'in need of further development'⁽⁸⁾. It puts micro-enterprises, SMEs and the genuine self-employed particularly under pressure.

3.2 *Single market and the posting of workers*

3.2.1 The 1996 Directive sets the EU regulatory framework for establishing a right and fair balance between the objectives of promoting and facilitating the cross-border provision of services, providing protection to posted workers and ensuring a level playing field between foreign and local competitors.

3.2.2 The 2014 Enforcement Directive⁽⁹⁾ provides for new and strengthened instruments to fight and sanction circumventions, fraud and abuses, complementing Directive 96/71/EC and contributing to a more effective complex framework for the posting of workers.

3.2.3 The EESC has recently adopted a separate opinion concerning the Commission's proposal for a targeted revision of the Posting of Workers Directive and commenting on the main changes and proposals⁽¹⁰⁾ based on the call made by President Juncker in his political guidelines for the next Commission: 'In our Union, the same work at the same place should be remunerated in the same manner'⁽¹¹⁾.

3.2.4 In its opinion on 'Fairer Labour Mobility within the EU'⁽¹²⁾, the EESC urged the Commission to address unfair practices that lead to social dumping. This problem is becoming increasingly urgent, as practical examples from the Member States show that the risk of wage and social dumping rises sharply in cross-border contexts. Checks by BUAK⁽¹³⁾ in Austria revealed that, of the 7 238 Austrian enterprises inspected in 2015, 38 were suspected of underpaying their employees under the law on tackling wage and social dumping. This means that 0,53 % of businesses were suspected of underpaying their employees. In the same period, checks were carried out on 1 481 businesses operating in Austria but based in other EU countries. Of these businesses, 398 were suspected of underpaying their employees, i.e. wage dumping. This amounts to a figure of 26,87 %.

3.2.5 In the case of foreign companies operating on a cross-border basis and using posted workers, the likelihood of wage dumping is 50 times higher than for local suppliers. This is a wake-up call for the (non-)functioning of the single market. The high risk of abuse undermines European workers' confidence in the internal market enormously.

3.2.6 Another problem is the bogus posting of workers. Cases involving bogus posted workers, i.e. abuse through fake A1 posting certificates, are indicative of the problems caused by attestations, certificates or similar documents issued officially or by public bodies. This makes it increasingly difficult for micro-enterprises, SMEs and skilled workers to hold their own against competitors who act unfairly. The bogus posting of workers must therefore be eliminated.

3.2.7 The Commission has recently proposed a modification to Regulation (EC) No 883/04 on the coordination of social security systems. The EESC will adopt a separate opinion in line with the European Commission's request expecting the development of a modernised system of social security coordination that responds to the social and economic reality in Member States and respecting the principles of EU law, in particular concerning equal treatment and non-discrimination.

⁽⁸⁾ OJ C 458, 19.12.2014, p. 19.

⁽⁹⁾ Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System ('the IMI Regulation') (OJ L 159, 28.5.2014, p. 11).

⁽¹⁰⁾ OJ C 75, 10.3.2017, p. 81.

⁽¹¹⁾ Opening statement in the European Parliament plenary session in Strasbourg, 15 July 2014.

⁽¹²⁾ OJ C 264, 20.7.2016, p. 11.

⁽¹³⁾ Austrian Construction Workers Leave and Severance Pay Fund, Annual statistics 2015.

3.2.8 The EESC takes note of the proposal for the services passport (or services ID card), which should eliminate the need for multiple requests for information and documentation already provided to the home Member State, by creating a common electronic repository of documents. The EESC opposes any undermining of the principle of the country of destination. It will develop a separate opinion on this.

3.3 *REFIT and 'Better law-making'*

3.3.1 In principle, measures to check whether EU law is effective are to be welcomed. An interinstitutional agreement between the Commission, the Council and the European Parliament can provide a useful arrangement to make it easier to achieve the goal of simpler and more effective EU law. In terms of cooperation, however, it must be ensured that EU legal standards offering social or economic policy benefits are protected and not called into question.

3.3.2 SMEs are affected just as much as consumers and workers. According to the principle 'Think small first' it is particularly important to avoid unnecessary burdens for SMEs. A consumer protection policy, based on a high level of protection in accordance with Article 169 TFEU, is needed for the proper functioning of the internal market.

3.3.3 REFIT could also have an important role to play in cutting regulatory costs which are applied when the same area is subject to different regional rules. Harmonising legislation could result in significant cost savings and promote growth in EU regions by removing these barriers. It should therefore be examined to see whether it is feasible.

3.3.4 Many of the legislative acts to be reviewed under the REFIT programme to reduce bureaucracy concern legal rules that protect employee and consumer standards and are therefore of considerable socio-political and economic benefit. The EESC reaffirms its view that high consumer standards are not an unnecessary burden.

3.3.5 The EESC refers to its opinion of 14 December 2014 ⁽¹⁴⁾ and reiterates its position that smart regulation does not remove the obligation to observe rules on protecting the public, consumers and workers as well as the standards for gender equality or environmental protection rules. In addition, the 'Think small first' principle must not result in micro-enterprises and SMEs being exempt from legislation, though the legislation should take their interests and needs into consideration.

3.3.6 The Commission's refusal to continue with the planned legislative initiative on hairdressers, even though there is agreement among the European social partners on this matter, is completely incomprehensible. The Commission's approach is at odds with the principles and values of social dialogue, respecting the principle of representativeness, and is extremely short-sighted, because a lack of regulation in the area of occupational health can result in occupational diseases and thus considerable costs for both businesses and the public sector.

3.3.7 The EESC draws attention to the joint declaration of the European social partners on a new start for social dialogue, based on the outcomes of the thematic groups, which mentions the interaction between the EU social dialogue and the better regulation approach.

3.3.8 The EESC welcomes the launch of dialogue in the newly created REFIT platform. In addition to the objective of making it easier to do business and safeguarding standards for workers, both the Commission and the platform's experts must ensure that consumer rights are protected in their efforts to simplify EU law.

3.4 *The digital economy, new forms of economy and new business models*

3.4.1 The digital single market should be one of the priorities, given the benefits that can be expected if the single market in this area can be completed. Potential GDP gains from completing the DSM are estimated at EUR 415 billion per year ⁽¹⁵⁾.

⁽¹⁴⁾ OJ C 230, 14.7.2015, p. 66.

⁽¹⁵⁾ Study 'Reducing Costs and Barriers for Businesses in the Single Market'.

3.4.2 The EESC agrees with the European Commission that existing legal uncertainties in the employment, economic and consumer fields need to be analysed and addressed. Consideration should be given here to safeguarding existing labour, social and consumer protection standards and ensuring a reliable legal framework for business. There should not be different rules for the 'all-digital' world and the 'non-digital' world in the digital single market. The Commission should provide legal standards that could be used for the digital and the non-digital single market.

3.4.3 In its opinion on 'unjustified geo-blocking' ⁽¹⁶⁾, the EESC welcomed the proposal for a regulation on geo-blocking, both for companies and for consumers, as an indispensable element of the Digital Single Market Strategy. It is, however, a small step, not a game-changer. The practice of geo-blocking, i.e. discrimination against consumers in terms of their access to online services on the grounds of residence or their geographical internet address or nationality, must come to an end. Redirecting consumers to a local website with higher prices also constitutes discrimination in the single market. The EESC will deal with the conclusions reached by COMPET in November 2016 on the general approach to the proposed text, stressing clearly the need to distinguish between price discrimination and price differentiation.

3.4.4 In areas such as geo-blocking, cross-border parcel delivery, cross-border insurance, copyright licensing and financial markets, it must be considered that the European Union and Member States are mainly responsible for removing barriers to cross-border trade and ensuring a better functioning of the market.

3.4.5 The free flow of data calls for greater protection of personal data and privacy which will be crucial in the future, and consideration should be given to a coherent policy on big data, cloud services and the Internet of things.

3.4.6 The increasing digitalisation of the economy generates new business models opens up new opportunities, but it also poses new challenges. The EESC has had in-depth discussions about this new phenomenon, resulting in a number of opinions ⁽¹⁷⁾.

3.4.7 The Commission should also move forward with its proposal for the Single Digital Gateway, to make this instrument truly effective.

3.4.8 Social and collaborative entrepreneurship is crucial to social cohesion, in order to guarantee Europeans more efficient and sustainable economic growth. The EESC once again urges the Commission to undertake a whole raft of indispensable policy measures in order to ensure that the numerous variations of the sharing economy and the different ways it operates are supported, implemented, and gain credibility and trust at EU level and in the various Member States ⁽¹⁸⁾.

3.5 *The creation of a single capital market*

3.5.1 In 2015, the Commission announced an action plan on building a European Capital Markets Union. The Committee ⁽¹⁹⁾ believes that this union should prioritise economic and financial stability in the EU and lead to better and more efficient capital allocation, with a positive impact on investment and growth, as well as on employment and consumers. At that time, the Committee ⁽²⁰⁾ also expressed its concern that it would take time to achieve the end result, and in the light of certain recent developments such as Brexit and others mentioned above (see point 2), this concern will only increase further.

3.5.2 The action plan comprises at least 33 measures to be implemented in various areas in the short and medium term. Several of these measures make additional funding available, particularly for SMEs and households. The Committee considers ⁽²¹⁾ that these proposals should be implemented in the short term, taking into account the principles of safety, transparency and enforcement. With a similar concern for safety and stability, the Committee ⁽²²⁾ has on a number of occasions stated that shadow banks should be addressed and regulated.

⁽¹⁶⁾ OJ C 34, 2.2.2017, p. 93.

⁽¹⁷⁾ OJ C 264, 20.7.2016, p. 57; OJ C 303, 19.8.2016, p. 28; OJ C 303, 19.8.2016, p. 36; OJ C 264, 20.7.2016, p. 86; OJ C 389, 21.10.2016, p. 50.

⁽¹⁸⁾ OJ C 303, 19.8.2016, p. 36.

⁽¹⁹⁾ OJ C 133, 14.4.2016, p. 17 (points 1.2, 1.3 and 1.7).

⁽²⁰⁾ OJ C 133, 14.4.2016, p. 17 (point 1.12).

⁽²¹⁾ OJ C 82, 3.3.2016, p. 1 (points 1.2, 1.6 and 1.7).

⁽²²⁾ OJ C 133, 14.4.2016, p. 17 (points 1.9 and 3.8); OJ C 251, 31.7.2015, p. 33 (point 4.2).

3.5.3 The EU's regulation of financial markets and the enforcement thereof were not sufficient to prevent the speculative operations, over-indebtedness and irresponsible risk-taking which led to the financial crisis, with serious consequences for the whole of society. The EESC reminds the Commission to bring forward a proposal concerning the debt overload of private households.

3.6 Tax policy

3.6.1 As the EESC argued back in 2012 in its report on 'Obstacles to the European single market', regulatory gaps in taxation policy lead to unfair competition. The European Commission's plans for a common consolidated corporate tax base are to be welcomed. The EESC set up a study group on this issue. In order to end the race to the bottom on corporate tax and to achieve a fairer tax policy, the introduction of a minimum corporate tax rate could also be envisaged.

3.6.2 The exchange of tax-related information between Member States and legal steps to block the most common methods used to avoid paying tax should be welcomed. A key demand here is to introduce in each country a reporting requirement for businesses operating across borders without increasing unnecessary administrative burdens.

3.6.3 Action should also be taken against tax havens. At a European Parliament hearing, Joseph Stiglitz, the economist and Nobel prize winner, called for worldwide action against such tax evasion systems⁽²³⁾. The French academic Gabriel Zucman has estimated that financial assets of around EUR 5 800 billion are located in tax havens around the world, 80 % of which are untaxed⁽²⁴⁾. The Commission is now suggesting measures at international level to deal with tax havens.

3.6.4 As a first step, it must be ensured that mutual assistance agreements are implemented and the automatic exchange of information between individual countries is carried out. An international network of tax audits should be considered for multinational companies. In the case of asset and capital transfers to countries classified as tax havens, obliging the financial institutions to report the transfers they are making is a possible starting point⁽²⁵⁾.

3.7 Services of general interest, Services Directive

3.7.1 The EESC has already highlighted existing barriers in the services sector in its 2012 report on obstacles to the single market. The Commission has found that many Member States are not meeting their obligation to notify the EU authorities of regulatory measures, making it difficult for the Commission to assess whether a new rule is justified and proportionate.

3.7.2 The Commission is therefore planning to reform the notification procedure, which should now also apply to the services currently excluded from the scope of the Services Directive. The Commission has to take care that the proposals are not set up such that they bring the sovereignty or the democratic principle of the Member States into question.

3.7.3 Services of general interest play a key role in the social market economy. The availability of housing, water and energy, waste and sewage disposal services, public transport, healthcare, social services, youth and family services, culture and communication is vital for the public. Services of general interest have a place among the EU's shared values, and play a part in fostering social and territorial cohesion. This role of promoting social and territorial cohesion should be taken into account as part of the 'principles and conditions'.

3.7.4 In connection with the planned reform of the Services Directive, the EESC highlights protocol No 26 of the EU Treaty concerning services of general interest, that is, the legally binding interpretation of Article 14 TFEU: Member States' national, regional and local authorities have wide discretion in services of general economic interest because of their cultural, social and geographical differences. As regards these services, which are to be made available according to the needs of the users, a high level of quality, safety, affordability and equal treatment should be ensured and universal access and users' rights promoted, ensuring their efficiency and proper management at the same time.

⁽²³⁾ See the European Parliament newsroom, ref. 20161114STO51063 of 17.11.2016.

⁽²⁴⁾ See *Steueroasen: wo der Wohlstand der Nationen versteckt wird* (Tax havens: where the wealth of nations is hidden), Gabriel Zucman, 2014, Suhrkamp-Verlag.

⁽²⁵⁾ OJ C 264, 20.7.2016, p. 93.

3.8 **Public procurement**

3.8.1 As regards public procurement, there are no statistics on the actual costs compared with the costs submitted by the best tenderer in the tendering process. In many cases, there are significant cost overruns ⁽²⁶⁾.

3.8.2 Time and time again, the winners are tenderers operating unfairly, who lower the costs of their tenders below a fair price and use unreliable subcontractors. Subsequently, there are often follow-up costs, which exceed the price of the second or third best tenderer.

3.8.3 In order to curb this practice, several measures are required: the introduction of an electronic procurement process should create a statistical collection capability that should make it possible to identify low bidders and encourage those responsible to behave positively. Within the framework of the statistical survey, the best tender price and the subsequent actual costs incurred must be recorded centrally in order to create transparency with regard to possible cost overruns. Bids based on prices that do not meet minimum requirements as set out in the respective national provisions and practices must be excluded from the tender in order to avoid a possible rush to reduce costs and quality standards.

Brussels, 25 January 2017.

The President
of the European Economic and Social Committee
Georges DASSIS

⁽²⁶⁾ The case of Berlin airport, the Vienna airport Skylink project or Stuttgart railway station.