



Press Release

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On 05 February 2021, the webinar titled “Protectionism within the European Union and how to tackle it” was held with speakers from industry and EU decision-makers.

On 05 February 2021, the European Enterprise Alliance and the Union of Entrepreneurs and Employers (ZPP) held a webinar titled "Protectionism within the European Union and how to tackle it".

As keynote presenter, Ms Kamila Sotomska, Analyst of the Department of Law and Legislation of the Union of Entrepreneurs and Employers (ZPP), presented the results of independent studies conducted by the European Commission and ZPP.

The studies reveal that protectionism is a severe problem affecting most entrepreneurs and hindering the Single Market's development. Elimination of existing barriers could attract an additional €17 billions of investment per year and generate another 1.3 million jobs – keys to restoring the competitiveness of the European economy in the aftermath of the pandemic. Both studies show administrative practices (i.e., requirement to present additional certificates) rank as top protectionist measures. While most of them can be addressed through prohibitions established under the EU law, the current legal framework seems insufficient to cope with all the single market problems. Administrative burdens and the requirement to present additional documents (certificates, attestations etc.), are some of the most common practices encountered.

Ms Sotomska also emphasized that *"more than 40% of companies from Poland, Czechia and Slovakia interviewed have experienced barriers while operating in the EU internal market."*

The presentation was followed by opening remarks of **Mr Horst Heitz**, the Chair of the Steering Committee of the SME Connect as well as three members of the European Economic and Social Committee, **Ms Jana Hartman Radová**, the Head of Brussels Office of Confederation of Industry of the Czech Republic, **Mr Marcin Nowacki**, the President of the European Enterprise Alliance and **Mr Tomasz Wróblewski**, the President of the Warsaw Enterprise Institute. All of the discussants agreed that the single market is one of the most significant achievements of the European Union. Yet, there are outstanding matters that hamper better integration of the internal market.

"We have seen and experienced a new reality due to the Covid-19 pandemic, with unilateral and uncoordinated measures introduced by the EU Member States. However, we should now take an opportunity to relaunch a strong single market agenda," stressed Ms Jana Hartman Radová.

"There has been an advancement in integrating the EU single market, but there are remaining problems at the Member States and the European Commission levels. It's essential also to emphasise that those problems often are local practices rather than protectionist measures," agreed Mr Horst Heitz and added that *"we should have an index of the most problematic regions in Europe."*

The panellists also pointed to the fact that most of these practices could be addressed through a wide range of European law restrictions and the rich jurisprudence of CJEU. However, the current legal framework does not seem sufficient to handle all the common market problems for several reasons. For instance, the current regulations are insufficient to address greater meticulousness in enforcing laws in foreign companies.

“Companies in Central and Eastern Europe face three main categories of barriers: out of date licensing requirements, difficulties in relationship building, and hindering of production and distributions channels,” said Mr Marcin Nowacki.

One of the Union of Entrepreneurs and Employers’ ideas for improving the internal market's quality is introducing a direct horizontal effect on the free movement of goods. It will open the path for these provisions to be invoked in disputes between private persons before national courts, thus revolutionising the common market's functioning and enabling the restoration of the European economy's competitiveness.

“There will always be forces that want to use protectionists measures. The way to tackle them is to create a well-organised frame of systemic solutions to support free markets and help European entrepreneurs to thrive,” agreed Mr Tomasz Wróblewski.

“To move forward, we cannot hide from the open discussion about economic and market forces rather than let the often-misguided narrative lead the debate. We should not undermine the European Union, but we need to be more critical about Brussels' political dispute drivers. We should listen to voices from the CEE region, which often raise the issue of administrative barriers the local companies face,” insisted Mr Marcin Nowacki.

“While pointing to moving from words to actions”, Ms Jana Hartman Radová stressed the need for concrete solutions and decisions. *“The European Commission should identify which initiatives in its working programme should tackle the specific barriers and create a single comprehensive access point for companies to obtain information and assistance to start developing and growing their business.”*

“Without a doubt, the revision and the implementation of the Services Directive is the next most important step, together with the revision of all the laws with the aspect of SMEs,” concluded Mr Tomasz Wróblewski.

Here you can find the event [recording](#) (Facebook) and the keynote presentation of the study ([PDF](#)).

About the EEA

The European Enterprise Alliance is an independent pan-European organisation of experts, entrepreneurs and pro-market intellectuals, convinced that the best way forward is to protect economic freedoms, and in particular guarantee an equal playing field for micro, small and medium-sized enterprises.

Equal rights and a transparent business environment enable micro, small and medium-sized enterprises to compete with global players, bringing continuity to the thoughts of the founding fathers of the EU, convinced that European integration can only be achieved by building a community of interests and increasing prosperity.

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