

Exposé

ELDR Party Policies on the EU Single Market and Economy

One of the core elements that bind European liberal democrats together is the belief in and strive for an economy that is based on market principles where individual economic and political freedoms are guaranteed as the most effective system for ensuring future prosperity, encouraging competitiveness and ensuring longer-term employment.

Through its growing pan-European network, at the end of 2010 comprising 58 Member Parties and 73 Members of European Parliament, the ELDR Party has been able to influence the European agenda, both in past and present. The output is, however, not merely confined to Europe and the EU. With around half of the member parties in positions of government in their respective countries, it follows quite naturally that the viewpoints of European Liberals have a very concrete impact on the implemented policies; locally as well as globally.

You are kindly invited to browse through our full selection of resolutions in our Policy Centre. As a small *aperitif* and guide for exploration, however, find below a small resumé of the ELDR Party's views on the areas of *European Single Market and Economy*.

EU Single market and cross-border services

The four founding principles of the EU - the free movement of people, services, capital and goods - are in essence fundamentally liberal principles and, as such, ELDR Party policy reflects strong support for the advantages that cross-border activities can bring. In [1978](#) the Party noted that a coherent transport policy is essential for the unhindered movement of people, services and ideas within the EU, as well as serving our economic goals. Into the present day, all barriers that limit the labour market mobility of member state nationals around the Union should be abolished ([2001](#), [2007](#)).

Moreover, a cornerstone of liberal economic policy is the firm belief in competition rather than protectionism and nationalism so as to provide the greatest degree of choice for consumers. These are themes that pervade economic policy throughout ELDR's history ([1986](#), [1995](#), [2002](#), [2009](#)) and are also mentioned with specific reference to the pursuit of trade liberalization in Europe and beyond and reducing excessive intervention through price support and import quotas ([1981](#), [1986](#), [1993](#), [2001](#), [2009](#)).

ELDR considers the European Single Market to be central to stimulating and maintaining economic growth and prosperity in Europe and has therefore supported the extension of the Single Market through its various phases of development ([1986](#), [2005](#), [2007](#), [2009](#)) up to the present day where liberals have called for the enlarging the Single Market to cover energy, postal and financial services, railways and health care ([2009](#)). Within the Single Market, there is need for a flexible economy and flexible employment practices in order for European companies to remain

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competitive on the world stage, which includes abolishing mandatory retirement ages ([1986](#), [1997](#), [2007](#), [2009](#)). Furthermore, European liberals support the globalisation process, believing that Europe can benefit hugely from this, and a strong and successful internal market is essential in this regard ([2005](#)).

The regulatory environment in which businesses and consumers operate should be stable and predictable with the smallest possible bureaucratic burden placed on market actors ([1995](#)). ELDR recognizes the crucial role that small and medium-sized enterprises (SMEs) play in creating employment and driving economic growth across Europe and supports the reduction of administrative and technical regulations applying to SMEs as well as establishing favourable financial and taxation frameworks that encourage the establishment of new businesses ([1995](#), [1997](#)). Liberals have also called for the implementation of the European Small Business Act to improve SMEs' access to the internal and global markets ([2009](#)).

Finally, a reduction in administrative burdens and greater incentives are necessary in order to bring about an environmentally responsible market economy, aimed at making better use of limited resources and encouraging business to invest in environmentally friendly products and production methods ([1995](#)), ([2009](#)).

Employment policy

European liberals believe that employment, growth and opportunities are best created through market opportunities. However, there have been periods where employment levels have fallen and ELDR policies have been adopted to help alleviate such problems, notably for youths. Tackling youth unemployment is an issue picked up by ELDR on a number of occasions since the early 1980's when the Party called for the introduction of programmes to develop the capabilities of young people, thus enhancing their employment perspectives, including; further education, community service, work experience, practical skills, and training ([1981](#), [1982](#)). Promoting entrepreneurship among young people also featured strongly in 2010 as ELDR discussed ways to counter the challenges of demographic change in Europe and boost economic competitiveness.

In addition to engaging young people in the labour market, liberals consider that the immigration of skilled workers into the EU is an important way to ensure Europe has a large enough working age population to respond to the rapid ageing of Europe's workforce that will take place over the next 5 to 10 years and is therefore well placed to maintain economic recovery in the post-recession period ([2005](#), [2009](#)). Immigration of such workers should be facilitated through the EU blue card scheme.

ELDR believes that women are a valuable resource and that high levels of female unemployment represent an unforgivable waste of human resources. Latterly, ([2008](#)), ELDR has adopted policies encouraging female entrepreneurship as a crucial driver of economic growth and prosperity in Europe.

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Europe's liberal democrats believe that legislation in the field of EU social policy should only concentrate on the basic principles of cooperation and leave the development and transposition of legislation to the competence of the Member States and social partners, where relevant ([1995](#)). Within this framework liberals support reform of social security systems which should aim to provide incentives for workers to stay active for longer and for employers to hire and keep older workers on the payroll ([2005](#))

Economic and monetary policy

As early as [1978](#) Europe's Liberal Democrats were calling for greater progress towards economic integration at the European level. A first important step in this regard was the establishment of the European Monetary System and backing for it from all member states. Furthermore, liberals have consistently supported the process of greater economic and financial coordination at European level ([1986](#), [1989](#), [2009](#)).

The crisis that has characterised the last three years has not caused European liberals to lose confidence in the free market economy and the role of the individual within that system ([2008](#), [2009](#)). The crisis has served to highlight the need for better regulation not more intervention as well as greater European cooperation, for example in the establishment of a single European supervisory authority covering banking, securities and insurance ([2009](#)). European liberals have also been adamant of the need to uphold the principles of the Stability and Growth Pact, which limits budget deficits to 3% of GDP, and have called on the European Commission to ensure stricter coordination at European level and, where necessary, to show a commitment to sanctioning all member states that do not comply with the Pact, as much in times of growth as in recession. ([2002](#), [2009](#)).

Furthermore, the single European currency has been vital in making Europe more prosperous and liberals are strong supporters of enlarging the euro zone, while strictly maintaining the established criteria ([2009](#)).

EU budget

Commenting on the current EU budget for the period 2007-2013 in [2007](#), the ELDR Party stated that European governments must work to ensure that future EU budgets are focused more stringently on a clear set of priorities that benefit "the common good" of the Union, such as investments in research, innovation, infrastructure, environmental protection, the fight to cut greenhouse gas emissions and cross-border crime, in particular trafficking of drugs and people, as these are all issues that require strong EU efforts.

Specifically, in reforming the budget, liberals have also noted that a considerable part of the European budget remains earmarked for the CAP, which is incompatible with the Union's basic tenets of free trade and an open market economy. In the manifesto for the 2009 European elections, ELDR called for the continuing reduction of the CAP budget after 2013.

Finally, European liberals want to see the European Parliament have a single seat in Brussels to avoid wasting taxpayers' money on the ineffective and expensive monthly commute to Strasbourg ([2007](#)) and would like to see this included within the EU budgetary review framework.

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