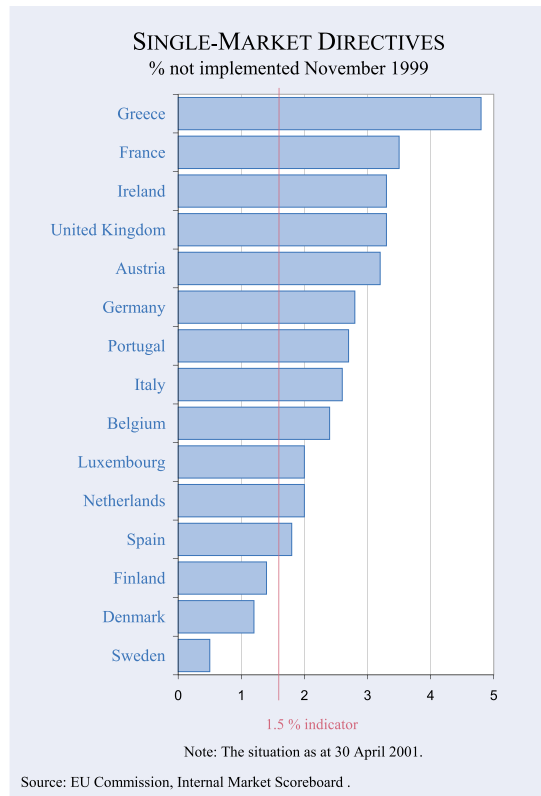
Implementing EU Legislation: Greece and France Remain at the Bottom of the League

"The Internal Market plays a key role in achieving the EU's objective of becoming the most dynamic economy in the world by 2010. It gives EU citizens a wider choice of goods and services, greater freedom to travel, work, study and live in other EU countries. It offers greater trading opportunities to our companies. But the Internal Market can only achieve its full potential if agreed Directives are effectively implemented by Member States," so European Commissioner Frits Bolkestein in his introduction to the 2001 *Internal Market Scoreboard.*

The *Internal Market Scoreboard* reveals that the EU's average implementation deficit for Internal Market Directives has shrunk to 2.5% in 2001 – down from 6.3% in 1997. However, only three Member States (Sweden, Denmark and Finland) meet the European Council's 98.5% implementation target set at Stockholm. Sweden ranks first and has been able to cut its already low deficit in half, to 0.5%. Credit also goes to Portugal and Luxembourg for having made great strides, both moving up four places in the overall rankings since November 2000. The Netherlands, Italy and Belgium have also made good progress. The worrying news is that Austria and the UK, whose deficits were already among the highest, are backsliding. Furthermore, Ireland, and Germany managed to improve their deficits only slightly. Greece and France remain firmly at the bottom of the overall ranking, although they have been able to reduce their deficits by about a quarter. Unless these countries make significant additional efforts, they risk missing the implementation target for the Barcelona European Council in March 2002.

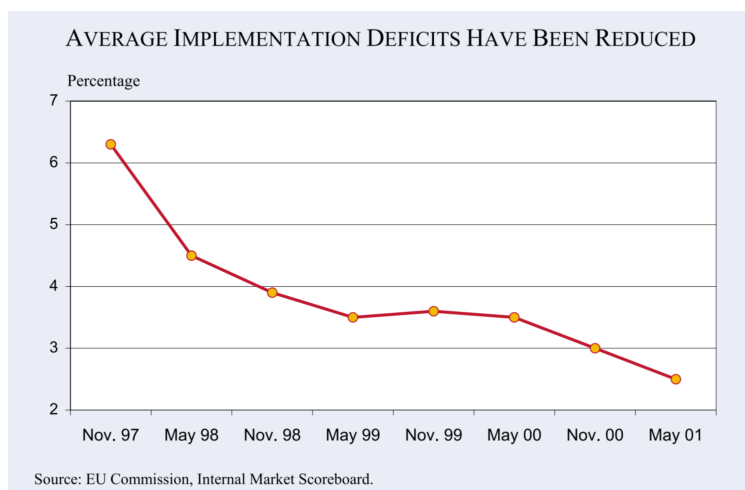


Note: The situation as at 30 April 2001.

Source: EU Commission, Internal Market Scoreboard .

Catching up requires Member States not only to tackle the current backlog, but also to deal with the directives whose implementation date is imminent. Greece, which is already faced with the task of reducing its backlog of 71 directives, will be required to implement an additional 43 directives, for a total of 114, in order to achieve full conformity (zero deficit). The comparable figure for France is 92, whereas for Sweden it is only 39.

The Internal Market's legal framework remains seriously fragmented in the sense that more than 11% of legislation has not yet been implemented in all of the Member States. This seriously undermines the Internal Market's potential to create growth and jobs. In addition, after a significant initial improvement, this percentage has barely moved in



Source: EU Commission, Internal Market Scoreboard.

the last two years. Of course, the picture differs considerably by sector. The most serious fragmentation occurs in the fields of transport and public procurement, where more than one third of directives have yet to be implemented in all Member States. As more than 10% of the European Union's GDP is spent on public procurement, the economic losses from fragmentation in this field are likely to be huge.

Because of the close correlation between the implementation deficit and the fragmentation factor, it should come as no surprise that Greece is responsible for a large part of the fragmentation. The fragmentation factor would also go down significantly, however, if France as well as Ireland and Germany were to improve their implementation deficits. H.C.S.