

UNICE POSITION ON EXTENSION OF QUALIFIED MAJORITY VOTING IN THE CONTEXT OF THE INTERGOVERNMENTAL CONFERENCE

Institutional reform is a prerequisite of EU enlargement. The IGC should focus clearly on reforms needed for the EU to function in an effective, transparent and consistent manner with a greatly expanded membership. Negotiations should be concluded by the end of this year and the agreed reforms should be in place by 2002. Though candidate countries must also meet other conditions before accession, if this timetable is allowed to slip enlargement will certainly be delayed.

Post-enlargement, the key institutional issue will be the ability of the EU to take decisions at all and deliver results, particularly in areas currently reserved for unanimous agreement of Member States. UNICE supports extension of qualified majority voting (QMV) to certain important areas for business, notably in relation to the functioning of the single market and international trade.

QMV should become the rule for:

- ?? implementation and simplification of adopted tax measures, on a case-by-case basis, particularly in the area of value added taxation, and measures to eliminate double taxation, discrimination and cross-border tax obstacles to the four fundamental freedoms. However, any new policy initiatives, including decisions concerning harmonisation of systems and rates of taxation, as well as environmental fiscal measures, should continue to be taken by unanimity. This approach would help to preserve sound tax competition conditions in the EU, which UNICE regards as essential;
- ?? in the context of the common commercial policy, the QMV rule currently applicable to international negotiations and agreements on goods should be extended to services, intellectual property and foreign direct investment;
- ?? adoption of specific measures in support of business competitiveness, entrepreneurship, innovation, research and technological development;
- ?? implementation of measures to remove obstacles and to adapt national social security systems to the free movement of workers and self-employed persons in the single market. The unanimity rule should continue to apply to all other aspects of social policy which are currently included in article 137§3 of the Treaty.

Failure to break the current impasse on extension of QMV to some or all of these issues will inevitably lead to alternative and more flexible arrangements among groups of Member States, possibly outside the Treaty framework. This scenario could undermine the functioning of the single market and create new barriers to trade or distortions of competition; it is not, therefore, a solution which business can support.