

Better regulation: UNICE REACTION to cross-European plans to reform EU legislation

It is with great satisfaction that we have taken note of the Joint Initiative on Regulatory Reform presented recently by the Ministers of Finance from Ireland, the Netherlands, Luxembourg and the United Kingdom:

1. Despite any number of proposals in recent years, it is obvious that insufficient progress is being made in cutting red tape and decreasing the cumbersome procedures that are binding the freedom of European citizens and the potential of companies. This was the central message of UNICE's first Competitiveness Day on 14 November 2003 last, the theme of which was *"Release companies' potential, Free Gulliver"*.
2. More specifically, it is indispensable that an economic impact assessment is carried out before the EU institutions take a final decision on any important legislative proposal. The REACH proposal (chemical product policy) has clearly shown us what happens when this is not done. Last October, the European Council asked for a comprehensive impact study which has not –as of yet – been ordered by the Commission. The spring meeting of the European Council should therefore repeat its request. Indeed, we would plead that an independent body should organise, monitor and implement the impact assessment studies. Such a body would have strength, expertise and authority.
3. The "acquis communautaire" amounts to more or less 97,000 pages. It is time to review and to simplify it drastically. This must be an even greater priority now that ten new Member States are joining the European Union.

The Ministers are right when they point out in their Joint Initiative that this must be done not only at European level but also at national level. We do hope that they will start soon! As a first step, UNICE calls on the heads of State and Government at their Spring Summit on 25 and 26 March to endorse the commitment of the four Ministers.

4. There are of course alternatives to regulation. During the Convention on the Future of Europe, UNICE, as an observer member, proposed the concept of "horizontal subsidiarity". This means that when goals can be achieved by self-regulation or co-regulation, the involvement of companies is both much greater and the results much better than regulation stemming from the traditional legislative route.
5. The Competitiveness Council has a key role in ensuring that EU legislation is tested against the need for competitiveness - provided it has the power to do so. Its position needs to be upgraded and its authority reinforced. The same applies for the work method of the new Commission: we will need to have a Competitiveness Commissioner at Vice-President level if the European competitiveness agenda is finally to be taken seriously.

At the next Spring Summit on 25 and 26 March 2004, the commitment of the four ministers on regulatory reform has to be enlarged to include all the 25 EU members.

As the Irish Prime Minister, Mr Bertie Ahern, recently said, it's all about Lisbon, competitiveness and employment.

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