

## EEC Internal Market Background

- The EEC Internal Market is a program put forward by the European Community and endorsed by its twelve member states to remove all remaining trade barriers among the EC countries by 1992.
- The idea of a single market is not new in the European Community. In fact, the 1957 Treaty of Rome establishing the Community provided a legal basis for all the measures currently proposed as part of the Internal Market package.
- In 1985, Jacques Delors, the President of the European Commission established a consensus among the member states on the need for a single European market and presented the European Council with a "White Paper on Completing the Internal Market by 1992". This document outlines some 300 measures (286 at the last count) designed to establish what is known as the "Four Freedoms" among the twelve countries of the European Community. In sum, the four freedoms are: free circulation of people, capital, goods and services within the EC.
- The project is ambitious and, if successful, will reconfigure the industrial and business structure of Europe. The process has gathered considerable momentum in 1988 and observers agree that it is now irreversible.
- About one third of the measures required for the Internal Market have already been agreed on by the European Council. Of the remaining more than one hundred have been proposed as draft legislation. It is expected that most measures will be submitted before the end of 1988.
- The "Internal Market" has the support of the European business community which believes that a barrier-free market of 320 million consumers will provide them with an opportunity for economic growth and increased competitiveness. The project carries with it a very strong theme of intra-Community industrial cooperation with special programmes to encourage research and development.
- The Cecchini report, released in March 1988 by the European Commission concludes that, provided the measures outlined in the 1985 White Paper are implemented in their entirety, the benefits of the single market could represent growth in GDP of 4.5 to 6.5 percent, from 2 to 5 million new jobs, and a significant drop in prices.