

The oil in the single market engine

The SOLVIT network helps to ensure that all member states are applying EU single market rules and regulations correctly.

SOLVIT was set up by the European Commission in 2002 in response to the large number of complaints it had received from citizens or businesses alleging that their rights under EU law were not being respected. These rights included the right to live and work in another member state, to set up a business in, or export goods to, another member state, and to practise a profession in another member state. SOLVIT is a network linking the 30 countries of the EU and the Economic Area, and the European Commission. The SOLVIT network provides an imaginative and innovative means of tackling such problems. The Irish SOLVIT Centre is operated by the Department of Enterprise, Trade and Employment.

The success of the EU's single market depends on the proper and timely application of its rules. The adoption of laws creating a single market makes little sense if they are not correctly applied by member states. With 27 member states, hundreds of regional and local authorities, and thousands of regulatory bodies, making the single market work effectively is an enormous challenge. It has taken about 20 years to create the essential legal framework for the single market; ensuring that it delivers what its creators intended is a work-in-progress.

How SOLVIT works

When the Irish SOLVIT Centre receives a complaint, it first confirms that the case concerns the possible misapplication of EU law relating to the free movement of persons, goods, services and capital. This being the case, the centre will, in the case of a complaint made by an Irish citizen or business against another member state, raise the problem with its counterpart in that member state, or, if the complaint is against Ireland, raise it with the appropriate authority here. (SOLVIT does not deal with business-to-business problems or consumer-to-business issues.)

The great strength of SOLVIT, and what makes it such a valuable instrument for improving the functioning of the single market - effectively the oil in the single market engine - is that SOLVIT centres are committed to responding to clients within 10 weeks. In the past, cross-border complaints could take months, if not years, to resolve. SOLVIT's role is to ensure that a citizen or business whose EU rights are thought to be infringed receives a full and reasoned response from the appropriate government authority within 10 weeks. Clients are free to pursue other actions, including making a complaint to the European Commission or taking legal action, if they are not satisfied with the response provided.

SOLVIT and business

SOLVIT cases, including business cases, have covered a wide range of issues, including market access for products, public procurement, taxation, insurance issues, professionals wishing to register in another member state, registration of motor vehicles and access to education.

- SOLVIT Spain secured a VAT reimbursement of almost €74,000 for an Irish company because the Spanish authorities had not processed the refund within the six-month deadline. This case was resolved within 10 days.
- SOLVIT France helped an SME to obtain a VAT reimbursement from the Spanish authorities of over €800,000 (including €68,000 in interest due to the delay in processing the refund application). This case was resolved within 20 days.

Despite what it has to offer, only 5% of SOLVIT Ireland's cases have come from businesses. This is all the more puzzling in the light of Forfas's findings on the impact of the European single market on Ireland (2008). That study confirmed the importance of the single market for the Irish economy. However, it also identified some fairly practical obstacles - which have no place in a single market - that Irish companies face when trying to break into European markets, eg inconsistencies in interpreting legislation and the system for charging VAT in cross-border transactions. These are precisely the type of "below the radar" problems that the SOLVIT network and SOLVIT Ireland are designed to assist with.

Why would an exporter, whose goods already carry an EC standard mark and, faced with a demand to add the standard mark of the importing member state, agree to the demand when, for the sake of a telephone call or sending an email to his national SOLVIT centre, the problem would be quickly removed, not just for that consignment but for all future consignments, at no cost to the exporter?

The Irish SOLVIT Centre is happy to talk to business organisations about the service it provides.

For further details, visit SOLVIT Ireland's website <http://www.solvitireland.ie/> or contact the Irish SOLVIT Centre at solvit@entemp.ie ■

