

NEWS – ECIPE PRESS RELEASE – NEW OCCASIONAL PAPER

What is Wrong with Europe's Shattered Single Market? – Lessons from Policy Fragmentation and Misdirected Approaches to EU Competition Policy

By **Matthias Bauer**, *Director at ECIPE*

Brussels, 12 April 2023 - Europe's Single Market can be considered the EU's greatest achievement. But it's still a political illusion in many ways. Any company doing business in Europe faces significant barriers to cross-border exchanges within the EU. **It is these barriers that hamper companies' ability to scale and compete internationally on the back of innovation and economic integration**, a new ECIPE paper warns.

In addition, **the EU's outdated approach to competition policy discourages innovation and competitiveness**. Due to mixed legal competences, competition rules are often enforced differently by Member States' national authorities, and can be **appropriated to support protectionist industrial policy ambitions**.

EU policies have created new layers of regulation and legal uncertainty. According to Matthias Bauer, **Europe's legally fragmented internal market disincentivises business growth and innovation, while the EU's approach to competition discourages businesses from scaling across national borders**.

The analysis suggests that **the EU and national governments must eliminate policy fragmentation in Europe's internal market and change course in competition policy** to support investments in innovation, business growth, and the adoption of advanced technologies. There is an **urgent need for an approach to competition policy that accounts for the value created through the adoption of innovative technologies and disruptive business models** across industries in the EU.

Publication details: [What is Wrong with Europe's Shattered Single Market? – Lessons from Policy Fragmentation and Misdirected Approaches to EU Competition Policy](#), ECIPE Occasional Paper No. 02/2023,

Contact the author: Matthias Bauer, matthias.bauer@ecipe.org

Media inquiries: info@ecipe.org or +32 2 289 13 50