

**INTERNAL MARKET -  
THE MARKET ECONOMY AND  
PUBLIC SERVICES**

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# CONTENTS

- Europe/European Union/Member states
- Economy
- Market
- Internal market
- Public services

# EUROPE

- Europe is a continent
- The European Union (EU) is an international organization
  - it is not yet a state, although it has a geographical territory which is a part of the European continent
- The European Union has 28 Member states
  - (Germany, France, Great Britain, Italy, Greece, Spain, Portugal, Poland, Netherlands, Sweden, Tchequia, Slovakia, etc.)

# INTERNAL MARKET

- Art. 26 par. 2 TFEU
  - Geography
  - Scope
    - Freedom of circulation
      - Goods, persons, services, capital
    - competition

# INTERNAL MARKET

- FOUR FREEDOMS
  - LIMITATIONS ARE FORBIDDEN
    - STRICT EXCEPTIONS

# FREE MOVEMENT OF GOODS

- HARMONIZATION
- MUTUAL RECOGNITION

# FREE MOVEMENT OF PERSONS

- WORKERS
  - Civil servants
- LIBERAL PROFESSIONS (Lawyers, doctors, nurses, tourist guides etc.)
- LEGAL PERSONS (COMPANIES)

# SERVICES

- Definition
- Production – Industrie – Services
- Kinds of services
  - Art. 57 TFEU



# FREE MOVEMENT OF SERVICES

- FINANCIAL SERVICES,  
TELECOMMUNICATIONS, BROADCASTING,  
POSTAL SERVICES
- SERVICES DIRECTIVE

# FREE MOVEMENT OF CAPITAL

# RESTRICTIONS TO THE FREEDOMS

- ONLY IN EXCEPTIONAL CASES
  - ART. 36 TFEU
  - COMPELING REASONS

# COMPETITION

- GOAL:
  - PERSEVERANCE OF THE FREEDOM OF CIRCULATION AFTER THE GOOD, SERVICE HAVE ENTERED IN THE MARKET

ART. 101-109 TFEU (concern cartels or control of collusion and other anti-competitive practices - notably dumping, price fixing, refusal to deal, dividing territories, etc.-, the market dominance, the mergers - control of proposed mergers, acquisitions and joint ventures involving companies that have a certain, defined amount of turnover in the EU - and the state-aid - control of direct and indirect aid given by member states to companies -

# ECONOMY IN EUROPE

- Each member state has its own economy
- Same currency but economy not yet integrated
- Each member state has its own rules which should not contravene the rules of European law
  - Primacy of European law

# ECONOMY IN EUROPE

- Basically based on private initiative
- Ownership
  - Private
  - State (public use, public ownership)

# MARKET

- What is a market?
- Do we have a lot of markets?
- Do we need the markets?
- How are the markets functioning?

# MARKET

- Monopoly
- Competition



# PARANGONS OF THE MARKETS

- Private persons
- Companies

# COMPANIES AND MARKET

- What is a company?
- Are they necessary?
- The nationality of the companies
- Types of companies (Who decides about the type of the companies)
  - Private
  - State

# COMPANIES

- Is there any difference between private and state companies?
- Is it better to have private or state companies?

# COMPANIES

- Is it better to have state companies for certain activities?
  - What was the case in the European states
  - Reasons for that

# Public services/Services of general economic interest

- What is that?
  - Electricity, transportation, public health, water, post, internet, telephone, cemeteries, etc.
- Differences of other services. Why are they so important? To whom are they important (states, consumers, enterprises)

# Public services/Services of general economic interest

- Status in Member States.
  - Of the Provider
  - Of the Consumer (end-user)

# Public services/Services of general economic interest

- Status in European law
- State companies-monopolies
  - Art. 106 par. 2 TFEU
    - What about competition?

# Public services/Services of general economic interest

- Big Change in the EU
- Reasons of change
- Fields of change: kinds of services



# Public services in the EU

- Who is deciding about the public services?
  - About which services will be public services
  - About funding

# Regulation

- Examples in
  - electricity,
  - Post
  - Telecommunications
  - transport

# Regulation of public services/Services of general economic interest

- Main goal
  - Transparency
  - Public service only if a service cannot be provided by privates
- Funding
  - Subsidies
  - Public procurement

# Public service/Services of general economic interest and GATS

- Special regime
- This regime is legal because recognised as such vis-a-vis third countries

# Final remarks

- Are the public services necessary?
- Do you think that they will continue to profit of their special regime?
- How are functioning these services in China