

Harmonization of Commercial Law and Its Potential for Strengthening the EU Internal Market

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Abstract

The common market and its four freedoms represent a key pillar of European integration. However, the European commercial and business law stays fragmented, which is posing as a barrier for European entrepreneurs, causing additional transactional costs and reduces competitiveness. Particularly susceptible to these barriers are small and medium-sized enterprises that want to expand their business to European level. The objective of this article is to examine potential impact of further harmonization of commercial law on the intra-EU trade and business environment. Through secondary analysis of literature and policies, we have identified key differences related to the creating businesses amongst Member states. Moreover, through descriptive analysis of statistical data, we have analyzed the evolution of the intra-EU trade and proposed a potential scenario analysis of further harmonization of the commercial practices within European Union. We have found that even a conservative scenario shows that further harmonization would have a positive impact on intra-EU trade, which makes the question of a single European Business Code relevant. Further harmonization would also bring benefits to the small and medium enterprises, strengthen resilience of intra-EU market and their competitiveness. Alongside these benefits, it is important to note that further harmonization stays subject to political and legal challenges that require further research and discussion on the European level.

Keywords: Intra-EU trade, Business Environment, European Union, Commercial Law Harmonization