



HEADLINES

EU / services: Internal Market Committee adopts unchanged services proposal

On 23 October 2006, the Parliament's Internal Market Committee produced its second reading vote on the Services Directive. MEPs adopted the Commission's revised proposal, based on Council's Common Position, without any alterations. This was despite a raft of amendments tabled by rapporteur Evelyne Gebhardt (PSE, Germany), which had ostensibly been made to clarify technical issues, but would in effect have narrowed the scope of the Directive in terms of labour law, social services and services of general interest.

The current version differs from the original proposal in certain key areas. The 'country of origin' principle which sought to allow companies to provide services in host Member States while still being subject to the law of their home country, was removed in Parliament's first reading. It has been replaced by the 'freedom to provide services', a weaker provision which requires Member States to ensure free exercise of service activity, although host Member States laws will apply. In terms of scope, the Directive is limited, with services of general interest, legal services, audiovisual services, gambling, lotteries, activities linked to public authority and tax services not included. A further potential cause for concern is the vague wording, which could lead to legal uncertainty for cross-border service providers.

Although ESBA regrets the removal of the country of origin principle, certain key aspects of the Directive remain in place. These include the notion of a single point of contact in each Member State at which service providers can register for market access. Moreover, the provision for 'freedom of establishment' will prohibit Member States from forcing businesses to open an establishment in their territory before importing services. Despite certain limitations, ESBA welcomes the provisions for single points of contact and freedom of establishment. ESBA calls on MEPs to support the SME-friendly aspects of the Directive in the plenary vote on 15 November 2006.

To see the Evelyne Gebhardt's draft recommendation for second reading, please go to:

http://www.europarl.europa.eu/meetdocs/2004_2009/documents/pr/629/629484/629484en.pdf

To see Council's Common Position, please go to:

<http://register.consilium.europa.eu/pdf/en/06/st10/st10003.en06.pdf>

EU / working time: Compromise on Working Time Directive Collapses

The Finnish Presidency's compromise for the controversial Working Time Directive has not succeeded in providing a basis for an agreement between Member States. When the compromise was discussed by labour ministers on 7 November, five Member States (France, Spain, Italy, Greece and Cyprus) insisted upon a definitive end date for the controversial opt-outs from the Directive. This insistence led to the collapse of the talks.

The current version of the Directive seeks to limit the average working week over a 12 month reference period to 48 hours. This has been heavily contested by a number of Member States, led by the UK. Due to these objections, an opt-out has been agreed, which allows a maximum working week

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of 78 hours averaged over a four-month period, provided both employer and employee agrees to these conditions.

The Finnish compromise sought to allow countries to keep their opt-out, but the maximum extended working week would be 60 hours, calculated over a six-month period. In addition, on-call times would not be included in the working week. However, retention of the opt-out would have been offset by the Finns' requirement that all existing opt-outs would be re-negotiated and future opt-outs would be subject to increased bureaucracy.

Although certain MEPs have voiced their objections to the opt-outs, the findings of a Financial Times/Harris poll, published on 21 August 2006, indicate that support for the Directive is weak amongst Europe's workers. The survey (which covered the UK, France, Italy, Spain and Germany) revealed that 47% of respondents did not believe that governments should be allowed to limit working hours, while just 40% were in favour of such intervention, with the remainder undecided. ESBA welcomed the Finnish Presidency's proposal to maintain the opt-out from the Working Time Directive, as working time flexibility is vital for SMEs. However, ESBA could not accept the absolute cap of 60 hours and the requirement for all existing opt-outs to be re-negotiated. For these reasons, ESBA welcomes the collapse of the talks.

To see the relevant section of the Finnish Presidency's website, please go to:

http://www.eu2006.fi/eu_and_policy_areas/policy_areas/en_GB/employment/

To see the relevant section of the Commission's website, please go to:

<http://europa.eu/scadplus/leg/en/cha/c10405.htm>

To see the results of the Financial Times/Harris Poll, please go to:

<http://www.harrisinteractive.com/news/allnewsbydate.asp?Newsid=1081>

To see the FT article on the findings of the poll, please go to:

http://www.ft.com/cms/s/c8af682c-307c-11db-9156-0000779e2340,_i_nbePage=9e03725e-e742-11da-9046-0000779e2340.html

IN BRIEF

EU / employment: Parliament adopts report on Posting of Workers Directive

On 26 October 2006, Parliament in plenary voted in favour of an own-initiative report looking into the application of the Posting of Workers Directive, drafted by Elisabeth Schroedter (Verts-ALE, Germany). The report was a reaction to guidelines on the application of the directive, set out by the Commission. The guidelines sought to ease the posting of workers by weakening standards on worker registration and documents required for controls; and by abolishing safeguards specific to temporary agency workers. Of 14 amendments proposed by the EPP-ED group, just 5 were carried. Those which fell included an amendment to remove the requirement for companies posting workers to have a legal representative in the host country.

To see the report, please go to:

<http://www.europarl.europa.eu/omk/sipade3?TYPE-doc=REPORT&ref=A6-2006-0308&mode=SIP&l=EN>

EU / employment: European employers have top choices for staff

A recent survey by Manpower has shown that compared to the Asia-Pacific region, employers are not finding it as difficult to recruit skilled staff. Whereas half of businesses in America struggle to find skilled staff, in Europe only 1 in 6 has such problems. The report suggests that this could be related to

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Europe's unemployment rate, in that the high level of skilled workers is not balanced by the necessary demands in the labour market.

For more information on the report go to:

http://www.manpower.com/mpcom/files?name=Talent_Wages_SurveyResults_2006_FINAL.pdf

EU / Innovation: 66million for Innovation Projects

The Commission has guaranteed the funding of 50 new innovation projects under the LIFE-Environment Programme 2006. The projects, based in 14 EU countries, will cost 214 million of which 66 million will be paid by the EU. LIFE supports environmental and nature conservation projects. The new projects look at ways to reduce the environmental impact of economic activities, water management and waste management. However this is the final year of the current financing arrangements, LIFE+ (2007-2013) is currently with the European Parliament for approval.

To see the LIFE-Environments Projects 2006 pdf, please go to:

http://ec.europa.eu/environment/life/infoproducts/lifeenvcompilation_06.pdf

To see the section of the Commission website dealing with LIFE projects, go to:

<http://ec.europa.eu/environment/life/project/>

To see the Commission press release, please go to:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/06/1430&format=HTML&aged=0&language=EN&guiLanguage=en>

EU / R&D: MIT partnership with Portugal in research and education project

The Massachusetts Institute of Technology has taken the decision to team up with the Portuguese Ministry of Science, Technology and Higher Education in order to expand research and education in engineering and management within Portugal's research institutions. The first steps of the partnership will involve the designing of a global MBA program, as well as a mid-career training programme on entrepreneurship and a series of seminars on Management Science.

To view the programme overview, see:

http://www.portugal.gov.pt/NR/rdonlyres/93391820-COAD-400E-B81B-6E14CBB279B8/0/MIT_PT_Perspectiva_Programa_Eng.pdf

EU / education: Lifelong learning initiative to develop the Knowledge Society

The European Parliament has adopted the Commission's proposals for a 'Lifelong Learning Programme' for 2007-13. The €7 billion budget for the programme will be spread over a four-pillared plan consisting of the Erasmus, Leonardo da Vinci, Comenius and Grundtvig programmes; a transversal programme concentrating on core activities such as innovation in lifelong learning and promotion of language-learning; and finally the new Jean Monnet programme which supports institutions working in and activities related to European integration.

For more information on the Lifelong Learning Programme, see:

http://ec.europa.eu/education/programmes/newprog/index_en.html

EU / Lisbon Strategy: EU on target to meet Lisbon Strategy goals

According to the first progress report of the Community Lisbon Programme (CLP), by the end of July this year the European Commission had adopted 75 of the 102 policy actions of the CLP. The Commission is due to present its Annual Progress Report in December of this year which will be based on its assessment of Member States' progress reports. Commission Vice-President Gunter Verheugen has insisted that the European Parliament and Council now fulfill their roles to get the proposals pushed through the legislative procedure. A more comprehensive review will be published as part of the 2008 Strategic Report.

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To view the progress report, see:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=MEMO/06/399&format=HTML&aged=0&language=EN&guiLanguage=en>

PUBLICATIONS

Financial Market Trends No. 91, November 2006 (forthcoming)

This publication provides you with timely analyses of, and statistics on, financial matters of topical interest or longer-term developments in specific financial sectors. It appears twice a year with each issue providing a brief update of trends and prospects in the international and major domestic financial markets.

To subscribe to the publication, please go to:

http://www.oecd.org/document/36/0,2340,en_2649_201185_1962020_1_1_1_1,00.html

CONSULTATIONS

Evaluation of the European Commission's impact assessment system

The Evaluation Partnership (TEP) has been contracted by the European Commission to evaluate the Commission's Impact Assessment System. This on-line consultation is part of this evaluation.

You will find information and the questionnaire at the following link:

<http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=eias&lang=en>

Closes 30 November 2006

COMING UP

EU Institutions: Important Dates

13-16 November 2006 European Parliament Plenary session

29-30 November 2006 European Parliament Mini-Plenary session

SME related Events

9 November 2006 Innovation day; organised by Microsoft; Brussels; more info:

<http://www.euinnovationday.com/>

13 November 2006 Workshop on 'business start-up procedures'; organised by DG Enterprise; Brussels; to register, send email to: entr-startups@ec.europa.eu

16-17 November 2006 Supporting High-Growth Potential Firms: The Policy Challenge of Building Tomorrow's Winners; organized by HiGroSME; for more info: www.higrosme.org/public/conference

21 November 2006 High Growth International SMEs – new patterns of need & support; organised by Ashcroft International Business School; for registration form go to:

<http://www.eastofengland.be/documents/ashcroft.pdf>

22-24 November 2006 RENT XX Conference – 'Entrepreneurship: a driver for sustainable growth in a global and knowledge-based environment'; Brussels; more info: www.isba.co.uk/

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25 November 2006 E500 Awards Ceremony and Round Table for Growth; organised by Europe's 500, Entrepreneurs for Growth; taking place in Vienna;

14-15 December 2006 Sixth European Meeting of Employee Ownership; organised by the European Federation of Employee Share Ownership; taking place in Brussels; for more info: <http://www.efesonline.org/TOP%20100/TOP%20100%20EN.htm>

To subscribe / unsubscribe: email secretariat@esba-europe.org

ESBA Brussels Office - 54 rue Vautier - B-1050 Brussels

Tel: +32-2-639 62 31 - Fax: +32-2-644 90 17 - E-mail: secretariat@esba-europe.org

Web: <http://www.esba-europe.org>