



### Quote of the Week

*The law must be stable, but it must not stand still.* Roscoe Pound (1870 - 1964)

### HEADLINES

- EU/ Lisbon Strategy : Regulatory reform and Entrepreneurship back on the Agenda?
- EU / Social Affairs: Report on Working Time adopted – Balanced vote on the opt-out

### IN BRIEF

- EU / SMEs: Entrepreneurship Day on 2nd March 2004
- EU/ Social Affairs : Report on recognition of professional qualifications adopted
- EU / Budget: Proposal made for the Financial Perspectives 2007-2013
- EU / Finances : No more concessions for Switzerland on saving taxes
- EU/ Social Affairs : Commissioner for Employment and Social Affairs will leave from her position

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### HEADLINES

#### **EU/ Lisbon Strategy : Regulatory reform and Entrepreneurship back on the Agenda?**

Three weeks after the publication of a joint “Irish, Dutch, Luxembourg and UK Initiative on Regulatory Reform”, the French, German and UK Government will be presenting on 18th February in Berlin a letter Towards an Enterprising Europe, calling for Europe to take its responsibility in tackling the barriers currently hampering enterprise in the EU.

The Joint Initiative on Regulatory reform, published on 26th January 2004, expresses the commitments by the four EU presidencies in 2004 and 2005 to support actively regulatory reforms as a key means to achieve the goals of the Lisbon Strategy. It calls for a sustained effort to implement the Action Plan on Simplifying and Improving the Regulatory Environment, published by the Commission in 2002, and outline several actions for this purpose. This measures include an efficient monitoring of the progress on Regulatory Reform; creating institutional leadership for reform (such as the proposal of nominating a Commission’s Vice-President with responsibility for economic reform); simplifying and improving the quality of regulatory proposals; etc,...

The letter prepared by the UK, German and French governments stresses the need for promoting enterprise and entrepreneurship as key element for success in the perspective of the Lisbon Strategy. As the creation of new business is the driving force for innovation and economic prosperity, it is

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more than urgent to give priority to small firms. The letter identifies fields for action such as improving the regulatory framework, improving access to EU markets (in particular SME access to public procurement); and boosting access to finance for SMEs.

ESBA welcomes these initiatives as they illustrate an improved awareness from European leaders of the key priorities for an enlarged Europe, which are economic prosperity, growth and employment. In particular, ESBA supports all measures that will lead to better regulation (i.e. systematic impact assessment and simplification) and better access to finance for SMEs.

The EU needs to tackle seriously the gap of entrepreneurship that exists between the US and the EU (according to Eurobarometer survey, many more people in the US would prefer to be self-employed than in the EU), and this will only happen if a clear leadership and tangible actions are defined. ESBA therefore hopes that these initiatives will be followed by concrete actions that will help SMEs grow, innovate and create jobs.

More info : <http://www.finance.gov.ie/viewdoc.asp?DocID=1804>

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### **EU / Social Affairs: Report on Working Time adopted – Balanced vote on the opt-out**

On February 11th, the European Parliament adopted the own initiative report by Alejandro Cercas (PES, Spain) on the Working Time Directive, calling for the elimination of the option for individual workers to opt out of the maximum 48 hour working week, the so-called opt-out clause. The report was adopted by 370 in favour to 116 against with 21 abstentions.

It is worth underlying that, on the particular issue of the opt-out, the vote was close, with 275 votes in favour of removing the opt-out, against 229, with 9 abstentions. Also, it is necessary to stress that MEPs voted by a large majority (311 versus 89 with 118 abstentions) against a call for the UK to be taken to the Court of Justice for failing to tackle alleged abuse of the directive.

The 1993 Working Time Directive, which limits the working week to a maximum of 48 hours, is due for revision. The European Commission has launched early January a wide consultation of interested parties. The report by A. Cercas does not only tackle the opt-out question; it also considers the definition of working time, in the light of recent Court of Justice rulings on time spent 'on call.'

ESBA expects concrete proposals from the Commission on the issue of working time. In any case, and if the Directive of 1993 is to be revised, ESBA urges the Commission to complement the ongoing consultation by sound impact assessment on the implementation of the opt-out.

Whereas some stakeholders in this debate may have expressed their fears of abuses of the opt-out provisions, ESBA believes that considerations about workers' stress, health and safety should be weighed up alongside economic considerations (i.e. the necessity for small firms to adjust staff with work load in a flexible framework, the impact on employment, business growth and development). Due to the very specific needs of SMEs, flexibility in working time is vital for employers.

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## IN BRIEF

### **EU / SMEs: Entrepreneurship Day on 2nd March 2004**

Commissioner for Enterprise Erkki Liikanen will organise a so-called Entrepreneurship Day on 2nd March 2004 in Brussels to discuss Europe's agenda for entrepreneurship. Mr Liikanen will present on this occasion the long awaited Commission's Action Plan on Entrepreneurship, as well as several Implementation Reports on the European Charter for Small Enterprises.

More info and registration:

<http://europa.eu.int/comm/enterprise/events/entrepreneurship/index.htm>

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### **EU/ Social Affairs : Report on recognition of professional qualifications adopted**

The European Parliament adopted on 11th February the report by S. Zappala (EPP-ED, Italy) on the recognition of professional qualifications). With a view of improving EU workers' mobility, this directive aims at simplifying the rules relating to professional qualifications. It will apply to all nationals of a Member State willing to practise a liberal profession in a state other than that in which they obtained their professional qualifications. One of the key amendments concerns the distinction between the definitions of 'free provision of services' and 'freedom of establishment'

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### **EU / Budget: Proposal made for the Financial Perspectives 2007-2013**

Commission President Romano Prodi unveiled on 10th February at the Strasbourg Plenary his proposal for the for the EU budget for 2007-2013. The document "Financial Perspectives 2007-2013" calls for large increases over this period, raising the contribution from member states from 133 billion in 2007 to 158 billion in 2013. Spending over the seven year period would amount to 900 billion euros, increasing from 124 billion in 2007 to 143 billion in 2013. The proposal caused fierce reaction from some of the "Six countries" (Germany, France, the UK, Sweden, Austria and the Netherlands), who wrote a letter to Mr Prodi in December 2003 requesting the EU budget ceiling to be cut to 1% of Gross National Income.

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### **EU / Finances : No more concessions for Switzerland on saving taxes**

Banking secrecy will have to come to an end. On 10th February, Finance Ministers have agreed with the Commission not to allow any further concessions to Switzerland, Andorra, Liechtenstein, Monaco and San Marino on the issue of savings tax. The EU's savings tax directive will enter into force on 1 January 2005. It aims at limiting banking secrecy in the EU in order to allow states to tax the savings of non-residents in their country of residence. The effectiveness of these rules will however depend on the agreements that will be signed with European tax havens.

More info: <http://ue.eu.int/pressData/en/ecofin/79042.pdf>

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### **EU/ Social Affairs : Commissioner for Employment and Social Affairs will leave from her position**

Mrs Diamantopoulo, Commissioner for Employment and Social Affairs, will leave from her position to stand as head of the PASOK's list for the next general election in Greece. Her interim replacement will be the Environment Commissioner Margot Wallström.

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