



HEADLINES

EU / SME CHARTER Brussels 26/03/2001: Lack of progress in business environment

The European Charter for small enterprises, adopted in June 2000, called on the EU to undertake action to support and encourage small enterprises. The annual progress submitted by the Commission to the Spring Summit of last weekend gives a very brief summary of the progress made so far. The overall impression of the report is that progress has been made, but the EU, especially the Member States, need to speed up the pace of reform for entrepreneurship in Europe. Clear improvements in key areas such as the business environment, education and entrepreneurship, taxation, and financial matters will only happen if Member States also implement its commitments made in the field of entrepreneurship over the past few years.

The report can be found under: http://europa.eu.int/comm/stockholm_council/pdf/ecse_en.pdf

EU / STOCKHOLM SUMMIT Stockholm 26/03/2001: Are Member States ready to foster entrepreneurship?

ESBA calls for a more ambitious and focused programme for entrepreneurship to be set up. Although, the Stockholm Summit shows that important progress has been made over the last year to achieve the strategic goal as set in Lisbon, and new agreements have been concluded during the Summit, ESBA considers the current efforts by the EU Member States insufficient. Entrepreneurship was not a priority during the Summit, although the progress report on the European Charter for SMEs called for the need for real progress: The Summit conclusions argue only that "the public sector should increase efficiency and reduce red tape in order to enhance the productive and innovative capacity of our economies". Therefore, in order for Europe to become more entrepreneurial and competitive, ESBA stresses the need to transform the European Charter for small enterprises into real actions. So far most of the Charter's objectives did not improve the life of small enterprises in the Member States. ESBA hopes that its recently published MILLENNIUM DECLARATION (<http://www.esba-europe.org>), containing its vision, appreciation of the present situation as well as proposals for improvement of the entrepreneurs environment, will contribute to make the reforms much more concrete. A summary of this article was published in the *Bulleting Quotidien Europe* of Agence Europe, Thursday 29 March 2001. The main results of the Spring Council Meeting in Stockholm are as follows: - COMPETITION: State aid to be reduced by 2003, the need to redirect aid towards horizontal objectives, an online state aid register (done) as well as a scoreboard which should clarify how state aid rules will be applied to measures designed to promote risk capital to improve the financial environment for SMEs; - FINANCE: Agreement on the Lamfallussy report to create a EU market for financial services and risk capital; - TRADE: EU wants to agree on a new WTO negotiation in November (the informal meeting of twenty key countries (not USA) on 27 March indicated that momentum for a new Trade Round is growing). - EDUCATION & TRAINING: Focus on education, training and skills via open method of coordination; - SINGLE MARKET: Confirmation of the newly proposed Commission strategy on services; - SINGLE MARKET: Confirmation of Commission initiatives on European labour markets; - SOCIAL: Progress requested to improve quality in work, including updating existing legislation on equal treatment between men and women, promote social inclusion, corporate social responsibility (green paper), the role of the social partners in managing change, and provide safe and sustainable protection systems (pensions); -

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TECHNOLOGY: Legislation to be adopted before the end of the year on distance financial marketing of financial services, and application of VAT to E-commerce; - RESEARCH: Need to take into account the needs of SMEs in the 6th research framework programme and to present the first Innovation Scoreboard in June 2001. - ENVIRONMENT: Sustainable development will be integrated in Lisbon strategy; However, less positive developments were amongst others: - EMPLOYMENT: Nothing was mentioned on the crucial contribution of SMEs; - SINGLE MARKET: No agreement on date for liberalisation of gas and electricity markets; - TAXATION: No new developments; - RESEARCH: Failure to introduce a single Community patent; - ENTREPRENEURSHIP: References were made in two paragraphs to the European employment strategy, national action plans, the multiannual programme for enterprise and entrepreneurship, the charter for small enterprises, micro credits, exchanges of best practices, benchmarking, regulatory simplification, impact assessments and the use of quantitative targets in enterprise policy.

The full conclusions can be found under:

http://www.eu2001.se/static/eng/stockholm_summit/conclusions.asp

EU / FINANCE Brussels 26/03/2001: New capital adequacy framework & SME finance

DG Enterprise of the European Commission invited European SMEs organisations to participate in a consultation meeting on the capital adequacy framework. This consultation was organised following a new proposal by the Committee on Banking Supervision of the Bank for International Settlements (known as the Basel Committee) to introduce a similar framework for banks at the international level. Debates during this meeting have clearly demonstrated that the potential impact for European SMEs has not been clearly assessed. Several comments, including comments by representative of SMEs banks, even warned that the current proposal is likely to create a situation where bank credit for most European SMEs would be more expensive after the implementation of such a new capital adequacy framework or that a credit crunch may occur, putting the life of existing enterprises at stake as well as preventing new entrepreneurs from starting new businesses.

DURING THIS MEETING, ESBA AS WELL AS THE OTHER SME EUROPEAN ORGANISATIONS ASKED FOR A PROPER IMPACT ASSESSMENT TO BE ORGANISED ON THIS ISSUE AS SOON AS POSSIBLE AND TO EXTEND THE CONSULTATIVE PROCES BY THE END OF SEPTEMBER 2001.

EU / ENVIRONMENT Brussels 27/03/2001: Consultation paper on sustainable development

The Commission has issued a consultation paper on sustainable development identifying trends and a policy toolkit for tackling these problems. However, no specific objectives and measures are set as these will be included in the upcoming Commission's proposal for a sustainable development strategy (June), based among others on comments from industry and civil society (deadline: 30 April).

A hearing to discuss this paper will be held on 26 and 27 of April in Brussels. The consultation paper and further information can be found under:

<http://www.europa.eu.int/comm/environment/eussd/index.htm>

ESBA BRUSSELS ASKS ALL SMES WITH EXPERTISE AND AN INTEREST IN THIS FIELD TO CONTACT ITS OFFICE TO COME TO EFFICIENT CONSULTATION EFFORTS.

EU / TAXATION & FINANCE Brussels 27/03/2001: Tobin tax discussions

The Banking Federation of the European Union has warned against the introduction of the Tobin-tax to stabilise international financial markets (a levy on international currency transactions, based on an idea of James Tobin in 1978). The Swedish and the coming Belgian EU Presidency announced their

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intention to discuss the issue and a debate on the issue has already started in France and Sweden as well as among several MEPs.

The European Commission, USA, Japan, Switzerland and Australia seem to oppose the idea. For further information: <http://www.fbe.be/pdf/av0232e.pdf>

ESBA THINKS THAT IT IS IMPORTANT FOR EUROPEAN SMES TO BE ACTIVE IN SUCH A DEBATE AS IT ADDRESSES THE ISSUE OF FINANCIAL STABILITY WHICH IS IMPORTANT FOR SUSTAINABLE ENTREPRENEURSHIP. IF TAXING IS NOT THE WAY FORWARD, OPPONENTS, SUCH AS BANKING FEDERATIONS, MAY AT LEAST PROPOSE CONCRETE STEPS TO ENSURE THAT FINANCIAL SPECULATION WILL NOT BECOME DETRIMENTAL TO ENTREPRENEURSHIP IN EUROPE AND BEYOND.

EU / RESEARCH & EMPLOYMENT Luxembourg 27/03/2001: higher R&D levels in US; high-tech more jobs Eurostat issued research results on the R&D levels in the EU and third countries, showing that "the average EU's R&D efforts are significantly below the level reached by Japan and the US". In Japan and the US, the business sector accounted also for a higher proportion of R&D expenditure than the EU. Within the EU, Germany, France, Italy and the UK accounted for almost 75% of total EU R&D expenditure in 1998. Other results showed that employment grew faster in high-tech industries and knowledge-intensive services. Between 1995 and 1999, employment in high-tech industries in the EU grew by an annual average of 0.9%, compared to 0.3% for total manufacturing. Jobs in knowledge-intensive services grew by an 2.9% average a year, compared to 1.8% for the service sector as a whole. In 1999, about four jobs out of ten in EU manufacturing were provided by high-tech industries and about one job out of two in the service sector was provided by knowledge-intensive services.

More detailed information: <http://europa.eu.int/comm/eurostat/Public/datashop/print-product/EN?catalogue=Eurostat&product=9-21032001-EN-AP-EN&mode=download>

EU / EDUCATION & ICT Brussels 28/03/2001: Commission adopts eLearning action plan

The goal of the action plan, complementing eEurope 2002, is to combine lifelong education and new ICTs. The main objectives of the eLearning action plan are: - Creation of an information base containing ICT indicators for teaching purposes; - Creation of a platform to exploit the potential of new technology applications to provide a remedy where conventional education fails; - Encouragement of infrastructure development in less-favoured regions; - Inclusion of "digital literacy" in the new basic skills (e.g. entrepreneurship) - Maximising teachers' potential through training, best practices and analysing the in the future required skills; - New educational and training services (networked learning, virtual mobility); To reach the objectives set, the Commission will make use of all relevant instruments and policies available, such as the education and training programmes (e.g. Leonardo da Vinci); the framework programme for research and development (e.g. IST); the programmes and actions on technology deployment and competitiveness (e.g. GoDigital) and the structural funds.