



### HEADLINES

#### **EU / LAEKEN SUMMIT Brussels 15/12/2001: Some results (convention, employment, patent)**

The European Council meeting in Brussels of 14 and 15 December brought forward the Laeken declaration, including the creation of a Convention (composed of the main parties involved in the debate on the future of the EU) preparing the next Intergovernmental Conference, in 2004, which should take major decisions on the future of the European Union. The Laeken Summit also formally adopted the series of indicators for assessing job quality and the package on employment (see ESBA Weekly Vol 3 - N 49). The proposal for a EU patent Regulation, with the aim to give inventors the option of obtaining, quickly and cheaply, a single patent legally valid throughout the EU, was also discussed during the Laeken Summit as several compromise proposals had failed in recent months. But also the Laeken Summit itself did not manage to solve the remaining three outstanding issues, which are the following: one or more official languages, the role of national patent offices, and jurisdictional arrangements. Laeken requested for an extra Internal Market Council on 20 December. However, the internal market ministers could not find an agreement and therefore the dossier will now be transferred to the Spanish Presidency, taking over the Belgian Presidency as from 1 January 2002 onwards. It is regrettable, though to be expected, that national and linguistic sensitivities block an agreement on a flexible EU patent involving the least possible cost for EU companies, especially SMEs, while complying with the principle of non-discrimination between Member States' companies and ensuring a high level of quality.

#### **EU / SOCIAL Brussels 17/12/2001: Agreement over workers' consultation directive**

The Council and the European Parliament reached a conciliation agreement over the directive on workers' information and consultation. The plenary of the EP and the Council still has to formally adopt the proposed agreement before the directive can become applicable (expected for mid-January 2002). Member States will have three years to transpose the directive into national law. The UK and Ireland have longer transitional periods. Governments refused to broaden the number of issues on which workers must be consulted and rejected plans to force companies to postpone decisions with "significant adverse" effects on employees. Parliament also failed to get specific and strict penalties written into the text. The main elements of the conciliation compromise are: - The UK and Ireland (currently without formal workers information systems) were granted transitional periods of 5 years for SMEs employing between 100 and 149 persons and 6 years for those employing between 50 and 99 persons (the EP initially had declined these transitional periods). - General rule: companies employing more than 50 people or establishments (e.g. business unit) employing at least 20 employees in one Member State have to inform their workers on all significant decisions in advance, especially those affecting jobs (as most Member States have already legislation in place, the consequences of the directive are rather limited for most companies as the directive introduces a minimum legislative framework, respecting already existing legislation in place). - Companies may withhold confidential information but must deliver proof that releasing the information would damage their interests. - It is up to the Member States to define effective, dissuasive and proportionate sanctions. They also have the possibility to go beyond the scope of the directive (social partners should be part of such negotiations). It should be noticed again that SMEs often have already effective informal workers information systems in place and that they need a certain level of flexibility when managing change. Realising that the directive was initially based for a

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great deal on redundancies in recent years announced by some MAJOR European companies (NOT much smaller companies), it is not more than logical that the rules will only apply to less than 3% of all EU companies.

### **EU / TRANSPORT Brussels 17/12/2001: Agreement on working time for mobile road workers**

The Council and the European Parliament reached agreement in the Conciliation Committee on the proposed directive on the organisation of working time for persons performing mobile road-transport activities. The plenary of the EP and the Council still has to formally adopt the proposed agreement before the directive can become applicable (expected for mid-January 2002). The directive will establish minimum requirements in order to improve the health and safety protection of mobile road workers. The directive also aims at improving road safety and aligning conditions of competition. >From now on, lorry drivers' weekly working time may not exceed 48 hours and not more than 10 hours by night (but can be extended to 60 hours if the average of 48 hours per week is not exceeded during a four-month reference period). Working time has been defined broader than in the current rules governing driving time: it includes activities such as loading and unloading; supervising passengers getting in and out of buses and coaches; cleaning, maintenance and inspection of the safety of the vehicle; ensuring the safety of the vehicle, the load and the passengers; administrative formalities with police, customs and immigration officers. After long negotiations, self-employed drivers will be included four years after the entry into force of the directive (3 years) provided that a report to be drawn up by the Commission two years before the end of the temporary exclusion period does not come to the conclusion not to include those drivers (following EP demands). In the framework of conciliation, the definitions of the notions of "working time" and "self-employed drivers" have also been further refined. In particular, the following conditions have been set to define a self-employed driver, as a person: - whose main occupation is to transport passengers or goods by road for hire or reward, - who is working under cover of a Community licence or any other professional authorisation, - who is entitled to work for himself and who is not tied to an employer by an employment contract or by any other type of hierarchical relationship, - who is free to organise the relevant working activities, - whose income depends directly on the profits made, - who has the freedom to individually or through a co-operation between self-employed drivers, have commercial relations with several customers. The directive will be complemented by the recently proposed directive to simplify and update existing legislation in the road transport sector (see ESBA Weekly - Vol - 42).

### **EU / SMEs Brussels 18/12/2001: EP and EC discuss Lisbon progress and Basle II**

During the last meeting of the SME intergroup of the European Parliament in 2001, the Basel II process, the Member States progress implementing the SME Charter and the Lisbon Strategy were discussed between the EP, the EC and business representatives. Commissioner Likkänen responsible for Enterprise Policy introduced this last SME Intergroup meeting by reviewing some of the activities undertaken for SMEs in 2001 by the European Commission. There was a large consensus among the participants of the meeting that the SMEs Charter has still not produced enough results for small businesses in Europe and that the spirit of Lisbon urgently needs to be revived to create the right environment for entrepreneurship in Europe. The only tangible progress according to Commissioner Likkänen is in the field of enterprise creation. Most Member States have taken concrete measures to reduce the burdens to start a new company and the internet is increasingly used in the process of creation. This intergroup also extensively debated the present developments to create the new Basel agreement for a new capital adequacy framework. Besides the Basel Committee's proposed directions for modifications for a new Capital Accord presented earlier this year (November), it also has become clear that the third consultation paper by the Basel Committee has been postponed (again) and will be available now in June 2002. The Basel Committee recently (13 December) announced its revised process for finalising the new Capital Accord. This process will incorporate an

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additional review of the overall impact of the new Accord before publication of a third consultative document. The Basel Committee's claims to be committed to ensure an appropriate capital treatment for exposures to SMEs. As some of the participants explained: there is obvious progress made in the current draft to take the SMEs situation into account, but the "devils remain in the details". There is still a great danger that a future capital adequacy framework, if based on the present drafts, would dramatically increase the credit costs for very small and/or under capitalised businesses. During the meeting, Commissioner Liikanen also announced the appointment of a special "SME envoy": Mr Timo Summa, Director in the Enterprise DG. He will act as a privileged contact point for SMEs and their organisations. He has been appointed to listen to SMEs needs and take special care of their justified interests together with all colleagues from the Enterprise Directorate-General within the Commission. ESBA welcomes the appointment and has already requested a meeting with Mr. Summa for early 2002 to discuss relevant issues which concerns small businesses, especially the self-employed.

More info (speech Liikanen):

[http://europa.eu.int/rapid/start/cgi/guesten.ksh?p\\_action.gettxt=gt&doc=SPEECH/01/639|0|RAPID&lg=EN](http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=SPEECH/01/639|0|RAPID&lg=EN)

The Basel Committee's proposed directions for modifications:

<http://www.bis.org/bcbs/capotenmodif.pdf>

### **EU / EMPLOYMENT Brussels 20/12/2001: Task Force issues report on EU labour markets**

The 'High-Level Task Force on Skills and Mobility' which was set up under the Commission's initiative to open up EU labour markets by 2005 (see ESBA Weekly - Vol 3 - N 13), has issued its report analysing the main obstacles to real labour mobility in the EU and presenting a series of recommendations on how to address the barriers effectively. On the basis of the report of the Task Force the Commission intends to present to the Barcelona European Council of March 2002, an Action Plan in order to stimulate EU labour mobility. This Action Plan will be also an important input in the revision of the European Employment Strategy, foreseen in 2002. The report has presented the following key recommendations : all pupils should master at least two EU languages in addition to their own. - A guarantee should be given that all citizens can acquire basic skills which are prerequisites to employability, adaptability and learning to learn. - One third of the curriculum of post secondary students should be spent in another EU Member State - Participation in lifelong learning and training by enterprises should be increased - ICT skills need better defining and developing, made available throughout the EU, to be backed up by EU-wide standards. - Legislation on freedom of movement, the transferability of pensions and social security rights should be modernised (2004). - The development of European standards and methodologies for valuing non-formal and informal learning. - A one-stop European mobility information site (2002) with information to citizens on key aspects of jobs, mobility, learning opportunities and rights for mobile citizens in Europe.

More info: [http://europa.eu.int/comm/employment\\_social/news/2001/dec/taskforce2001\\_en.pdf](http://europa.eu.int/comm/employment_social/news/2001/dec/taskforce2001_en.pdf)