



HEADLINES

EU / labour law: Commission publishes flexicurity Communication

On 27 June, the Commission published its Communication on flexicurity. The notion of flexicurity seeks to combine a certain level of social and job security with a flexible labour market. It is regarded by the Commission as a means of tackling a range of problems faced by European member states, including: an ageing population, the decline of manufacturing, crafts and farming; the pressures of globalisation; and the segmentation of the labour market according to employees' skill levels.

The Communication sets out several 'flexicurity pathways', intended to tackle particular issues arising in different Member States. Pathway 1 seeks to tackle contractual segmentation, by allowing a more equal distribution of flexibility and job security across the labour market. Pathway 2 seeks to develop the skills of workers within enterprises to enable smoother job transitions resulting from restructurings. The third pathway seeks to reduce skills gaps to enable low-skilled workers to become upwardly mobile. Finally, pathway 4 seeks to improve the opportunities for benefit recipients through lifelong learning combined with adequate unemployment benefits.

ESBA welcomes the Commission's proposed common principle emphasising that flexicurity cannot involve imposing a single system on all Member States, as it is not advisable to adopt an EU-wide 'one size fits all' approach to labour law. Economies which have developed around highly flexible labour markets and low taxation are not suited to such a model, as the increased tax burden and disincentive to work will provide an insurmountable challenge for many SMEs.

ESBA emphasizes that any future proposals in labour law must take the 'think small first' principle into account. The dynamic between employer and employee is very different for SMEs than it is for large companies. It is vital to recognise that regulations designed for large companies can present a severe and unnecessary burden for SMEs.

To see the Commission's communication, please go to:

http://ec.europa.eu/employment_social/news/2007/jun/flexicurity_en.pdf

To see the expert group report giving examples of flexicurity in 27 Member States, please go to:

http://ec.europa.eu/employment_social/employment_strategy/flex_meaning_en.htm

EU / Summit: Summit seeks to push EU forward but compromises competitiveness

The European Summit of 21-23 June saw Europe's political leaders hammer out the framework for a new treaty, designed to help the EU overcome the malaise it has experienced since the Dutch and French rejection of the EU Constitution. The discussions were particularly intense given the insistence of certain Member States to set out 'red lines' which they were not willing to cross.

Member States agreed to the formation of two new posts, that of a permanent president and of a foreign policy representative, to strengthen the external presence of the EU. The foreign policy representative will also serve as the Vice-President of the Commission, and will be supported by an external action service. However, the UK succeeded in having weaker language on foreign policy put

ESBA Bulletin of 3 July 2007 – Volume 9 – Number 8

in place and secured an opt-out from cooperation on policy and judicial matters and the Charter for Fundamental Rights, which it feared would compromise its flexible labour laws.

In addition, a compromise designed to allay Polish concerns over proposed changes to the voting system will lead to the new system, with decisions requiring the support of 55 % of Member States or 65 % of the population, being phased in gradually from 2014-2017. Meanwhile, French President Nicolas Sarkozy managed to ensure that the phrase ‘free and undistorted competition’ will be removed from the objectives of the EU. Free competition has instead been inserted into a separate Protocol.

ESBA recognises that it is important for the EU to move beyond its constitutional impasse. However, by removing the commitment to free competition from the EU’s list of objectives, the EU risks undermining its goal of becoming the world’s most competitive economy. Although the Commission insists that the Protocol provides a sufficient guarantee for competitiveness, the risk is that this aim will lose its place at the centre of EU economic policy. ESBA calls on the EU to resist any further dilution of this vital principle.

To see the Summit conclusions in full, please go to:

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/94932.pdf

IN BRIEF

EU / Education: Competitiveness Council sets out approach on EIT

On 25 June, EU ministers met at the Competitiveness Council to set out a general approach for a draft regulation to establish a European Institute of Technology. It was agreed that the EIT would begin with two to three Knowledge and Innovation Communities (KICs) to be directed at renewable energy and climate change. These initial activities will then be evaluated before next stage of the EIT’s activities commences with the establishment of additional KICs.

To see the Council conclusions in full, please go to:

http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/intm/94967.pdf

EU/ Internal Market: New Infringement package released

On 27 June, the European Commission adopted a new infringement package and decided to take further steps towards Member States (France, Sweden, Greece and Germany) which have broken common rules, in a drive to prise open national markets for companies in the gambling, telecommunications and financial services sectors, and the legal profession. In addition, all EU countries- with the exception of Great Britain, the Republic of Ireland and Romania – were given a final warning by the Commission for their failure to implement a landmark financial services law.

To read more about the “infringement package”, please go to:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/899&format=HTML&aged=0&language=EN&guiLanguage=en>

EU/ Energy: MEPs urge full liberalisation of electricity markets

On 18 June the European Parliament’s Industry, Energy and Research Committee voted in favour of a report that supports the full liberalisation of electricity markets, rejecting an earlier proposal that called for continued ownership of distribution networks. The adopted report also makes an important distinction between the liberalisation of gas and electricity markets. This is a significant step as the Commission has been complaining since 2004 about the lack of progress in creating an internal market for gas and electricity.

ESBA Bulletin of 3 July 2007 – Volume 9 – Number 8

To see the draft report on Prospects for the internal gas and electricity market, please go to:

http://www.europarl.europa.eu/meetdocs/2004_2009/documents/pr/659/659924/659924en.pdf

To see tabled amendments, please go to:

http://www.europarl.europa.eu/meetdocs/2004_2009/documents/am/667/667505/667505en.pdf

To see the initial document proposed by the Commission, please go to:

[http://www.europarl.europa.eu/meetdocs/2004_2009/documents/com/com_com\(2006\)0841/_com_com\(2006\)0841_en.pdf](http://www.europarl.europa.eu/meetdocs/2004_2009/documents/com/com_com(2006)0841/_com_com(2006)0841_en.pdf)

EU/ Statistics: Support for EU rises after economic recovery

According to a Eurobarometer poll held in April and May 2007, the public backing for the European Union has risen sharply to its highest level since 1990s. Support for EU membership has risen to 57 per cent, up four points since last autumn, with above-average increases in Spain, Germany, Poland and Britain. The survey suggests that it was the economic recovery that has changed Europe's mood, and that European citizens are less worried about losing their jobs and more willing to contemplate widening the EU's borders further to include poorer countries.

To see the Eurobarometer pool, please go to:

http://ec.europa.eu/public_opinion/archives/eb/eb67/eb_67_first_en.pdf

EU/ Postal services: Parliament voted for two-year mail reform delay

On 18 June, Members of European Parliament's transport committee overwhelmingly voted in favour of delaying the liberalisation of Europe's postal markets to 2011. This means that Member States would have time until 31 December 2010- two years more than originally proposed by the Commission- to eliminate lingering monopolies in their postal sectors. The deal will be put to a vote in the July Plenary Session. It has already gained support from the three biggest Political Groups: EPP-ED, PES and ALDE.

To see the draft report on Accomplishment of the internal market of Community postal services, please go to:

http://www.europarl.europa.eu/meetdocs/2004_2009/documents/pr/655/655408/655408en.pdf

To see tabled amendments, please go to:

http://www.europarl.europa.eu/meetdocs/2004_2009/documents/am/664/664496/664496en.pdf

To see the initial legislative text proposed by the Commission, please go to:

http://eur-lex.europa.eu/LexUriServ/site/en/com/2006/com2006_0594en01.pdf

CONSULTATIONS

Opening new markets worldwide for Europe's ICT industry: Commission launches public consultation

The consultation will run until 17 September 2007 and is open to all stakeholders, including industries, research community and consumer organisations. The Commission seeks to capture stakeholder views on market access and on regulatory issues so as to refine its EU strategy for international cooperation on ICT.

You will find more information and access to the questionnaire at:

http://ec.europa.eu/information_society/newsroom/cf/itemlongdetail.cfm?item_id=3475

Closes 17 September 2007

ESBA Bulletin of 3 July 2007 – Volume 9 – Number 8

COMING UP

EU Institutions: Important Dates

2-5 July 2007 Groups
9-12 July 2007 Plenary (Strasbourg)
16-17 July 2007 Committees
23 July-23 August No activities in Parliament

SME related Events

10 July 2007 'Driven by innovation' CEO luncheon series with Nabil Sakkab, Vice President, Corporate R&D, Proctor & Gamble Cincinnati; organised by the American Chamber of Commerce; for more information, please go to:

<http://www.amcham.be/cgi-bin/events.cgi?Action=register&id=>

10 Sept 2007 "Driven by Innovation" CEO Luncheon Series with Ajit Shetty, CEO of Janssen Pharmaceutica, organised by the American Chamber of Commerce, taking place in Brussels, for more information and to register, please go to:

<http://www.amcham.be/cgi-bin/events.cgi?Action=register&id=>

10 Sept 2007 Business Dinner with Ms. Viviane Reding, EU Commissioner for Information Society & Media; organised by the British Chamber of Commerce; taking place in Brussels; for more information, please go to: <http://www.britcham.be/events/registration.asp?Eventid=660>

13 Sept 2007 EU Committee Breakfast Briefing with Petra Eler, Head of Cabinet of Commissioner Gunter Verheugen, Enterprise and Industry; organised by the British Chamber of Commerce; taking place in Brussels; for more information, please go to:

<http://www.britcham.be/events/registration.asp?Eventid=653>

18 Oct 2007 EU Committee Breakfast with Jorgen Holmquist, Director General, Internal Market and Services Directorate-General; organised by the British Chamber of Commerce; taking place in Brussels; for more information, please go to:

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