



HEADLINES

EU/ e-Commerce: Controversial 'Rome I' proposal on contractual obligations adopted

On 8 December, the Justice and Home Affairs Council welcomed a first reading agreement reached in the European Parliament on 29 November on a Proposal for a regulation on the law applicable to contractual obligations in civil and commercial matters ('Rome I').

'Rome I' seeks to determine if the laws of the country in which the supplier or the consumer is based apply in the event of cross-border disputes regarding contracts. Article 5 of the original proposal, which applied the strict consumer country principle, would have deterred SMEs from engaging in cross-border e-commerce, hindering completion of the Single Market and restricting growth and jobs. The approved text, however, contains a series of amendments, which, following informal meetings between the Institutions, formed part of Rapporteur Cristian Dumitrescu's (PES, RO) Legal Affairs' Committee report, which was adopted on 20 November. Article 6 of the consolidated text provides for businesses and consumers to choose the law applicable to the contract, so long as it does not deprive the consumer of the mandatory protection afforded to him by the law of the country where he has his habitual residence, when a business directs its activities to that country.

In plenary, MEPs called on the Commission to present a report on the implementation of 'Rome I', no later than two years after its application. The text approved by the Council is now scheduled to be formally adopted in January, once it has been revised by jurist linguists.

ESBA OPINION

ESBA has been engaged in a concerted campaign on 'Rome I' and is relieved that the original proposal has been amended. Research carried out by the FSB, an ESBA member, as reported in previous Bulletins, revealed its potentially damaging implications. ESBA therefore supports MEPs' call to monitor 'Rome I's implementation. ESBA also remains concerned that the EU Institutions did not undertake an impact assessment of their own. Rigorous application of impact assessments and the 'think small first' principle to all legislation is fundamental to complete the Single Market.

To read the consolidated 'Rome I' text, please go to:

<http://www.europarl.europa.eu/sides/getDoc.do?type=TA&language=EN&reference=P6-TA-2007-0560#BKMD-19>

EU/ Energy: Coalition meets President Barroso on Energy – ESBA represents SMEs

On 6 December, ESBA joined a meeting between an informal EU coalition for the advancement of a Third Industrial Revolution and European Commission President José Manuel Barroso. Organised by the Brussels Office of Jeremy Rifkin, President of the Foundation on Economic Trends, it sought to discuss future initiatives in the field of Energy.

The informal EU coalition gathered together representatives from the renewable energies, smart grid, fuel cells, hydrogen and building efficiency technology sectors. ESBA participated on behalf of the small business community. Five MEPs, who introduced the Written Declaration 16/2007 on

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establishing a distributed Green Hydrogen Economy and advancing a Third Industrial Revolution in Europe, which was backed by ESBA and supported by the European Parliament in May 2007, also attended the meeting.

The informal EU coalition asked President Barroso to ensure that the future Energy initiatives will allow a distributed, clean energy regime based on small-scale energy production centres and smart grids in order to help the current “top-down” energy approach effectively tackle the challenges of climate change. President Barroso welcomed the coalition’s initiative and announced that a workshop will be organised on this topic in early 2008. He also encouraged the coalition to pursue its effort to lobby on this important matter.

ESBA OPINION

ESBA has taken an active stance in the current EU energy debate and backs the promotion of a post-fossil fuel, decentralised energy model based on renewable energy sources. The realisation of a Green Hydrogen Economy and a Third Industrial Revolution in Europe will facilitate the full participation of “demand side” actors, including SMEs, in the the provision of future energy solutions - with significant environmental, social and economic benefits for Europe and beyond.

To read more about the Written Declaration, please go to:

[3231A/EU_Advocacy/Latest_ESBA_PRs/16_May_2007_-_ESBA_applauds_MEPs_for_backing_a_Green_Hydrogen_Ec.aspx](#)

EU/ Labour Law: Ministers reach agreement on common principles on ‘Flexicurity’

On 5 and 6 December, EU ministers responsible for Employment met in Brussels to seek agreement on key reforms to the EU labour market and social security systems.

Following agreement in September on a common approach to the Commission’s Communication, the Employment Council was able to endorse eight common principles on ‘Flexicurity.’ It is regarded as a means of tackling a range of problems faced by member states, including: an ageing population, the decline of manufacturing, crafts and farming; the pressures of globalisation; and the segmentation of the labour market. The principles are intended to provide a well balanced definition that respects the stability in contractual relations and during employment transitions as well as the role of the social partners. They include the recognition that Flexicurity should be tailored to the specific circumstances of each member state, requires a climate of trust and broadly-based dialogue among all stakeholders and also should pay particular attention to the specific situation of SMEs.

Ministers were however unable to reach an agreement on the controversial working time rules and temporary agency workers bills. The legislative proposals aim to establish the conditions for exceptions to a maximum 48-hour European working week and give more rights to temporary workers. A decision has now been postponed until the second half of 2008.

ESBA OPINION

ESBA welcomes the agreement of Common Principles and agrees that adopting an EU-wide ‘one size fits all’ approach to Flexicurity is not advisable. In addition, it is crucial that stakeholders are fully involved in all proposals for Labour Market reforms and that they 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.

To read the Employment Council’s conclusions, please go to:

http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/lisa/97445.pdf

IN BRIEF

EU/ Entrepreneurship: Enterprise Awards 2007 winners announced and Conference

On 6-7 December, the European Commission, together with the Portuguese Presidency and the Committee of the Regions organised the European Enterprise Awards 2007 and a conference, entitled 'Successful Local Strategies,' on SMEs and entrepreneurship in Porto, Portugal. The events served as a platform to present a wide range of practices and policies to promote entrepreneurship at local and regional level. The 2007 Grand Jury's Prize was awarded to the project "Bilbao", run by the Spanish municipal development company Lan Ekintza-Bilbao, which set up a city centre regeneration project. It has established 129 small companies creating 270 jobs in leisure, arts, fashion and technology. During the Conference, ESBA President Tina Sommer, who is also Chairman for International Affairs at member organisation the UK FSB, participated in a panel debate and held a speech on Goldplating.

ESBA OPINION

ESBA supports all initiatives which promote entrepreneurship in Europe. The European Enterprise Awards 2007 and Conference provided a valuable opportunity to recognize the outstanding initiatives and achievements, at local and regional level, of Europe's entrepreneurs and small businesses. ESBA congratulates all of the winners!

To read more about the winners and the conference, please go to:

<http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/07/554&format=HTML&aged=0&language=EN&guiLanguage=en>

EU/ Public Procurement: SMEs' access still impeded, says a new Commission study

On the 28 November, the European Commission released a study, which presents the findings of the "Evaluation of SMEs' Access to Public Procurement Markets". It reveals that SMEs still face many barriers which discourage them from responding to public tenders or even lead them to avoid such opportunities altogether. Administrative obstacles and burdensome procedures are still the major hindrance. In order to enhance SMEs' access, the study formulates a number of recommendations. The Commission is also currently taking a range of initiatives to improve implementation of the existing legislative framework and stimulate the dissemination of SME friendly practices. Increasing SMEs' share of public contracts will also feature in the proposed Small Business Act (SBA) for Europe in 2008.

ESBA OPINION

ESBA welcomes the study's reminder that, despite the EU's commitment to opening up Public Procurement, small businesses continue to face a range of barriers. Public contracts account for 16% of EU GDP every year and are therefore, in principle, a key tool to facilitate SMEs' growth and create jobs. ESBA looks forward to working with the Commission to ensure that this important topic is adequately addressed in the SBA.

To read the study about of SME access to Public Procurement, please go to:

http://ec.europa.eu/enterprise/entrepreneurship/public_procurement.htm

EU/ Labour Law: European Qualifications Framework launched by the Commission

On 26 November Ján Figel, EU Commissioner for Education, Training, Culture and Youth, launched the European Qualifications Framework (EQF). The EQF will act as a translation device between Member States' qualification systems, making qualifications more accessible to employers, educational institutions and individuals across Europe. Used as a reference tool, the EQF will enable individual citizens to move between countries, change jobs or move between educational institutions

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at home more easily. Member States must relate their national qualification systems to the EQF by 2010 and all qualifications contain a reference to the EQF by 2012. The EQF is expected to be formally adopted in early 2008.

ESBA OPINION

ESBA welcomes the launch of the EQF, which should increase the mobility of workers in the EU. ESBA is in favour of the approach, previously agreed in Parliament, which puts the emphasis on learning outcomes, irrespective of inputs. In addition to academic education, the EQF also includes general, adult and vocational training – all of which are necessary for SMEs to set-up and grow. It is important that informal training is recognised and valued too - many of the most successful entrepreneurs and SME owners have few or no formal qualifications and train their staff on the job.

To read more about the launch of the European Qualifications Framework, please go to: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/1760&format=HTML&aged=0&language=EN&guiLanguage=en>

EU/ R&D: EU ministers agree on financing the European Institute of Technology

On 23 November, the Competitiveness Council reached an agreement on the proposal for establishing the European Institute of Innovation and Technology (EIT). The final adoption of the regulation as well as the appointment of the board members is expected in the first half of 2008. The Governing Board will comprise a balanced, representative group of high-profile people from business and academia, supported by a small number of administrative staff. Furthermore, EU finance ministers came to an agreement on financing the EIT with a budget of €309 Million for the period 2008-2013. However, the long-term financing of the EIT remains unclear; the initial phase of the EIT could be partially financed from the EU budget for 2008.

ESBA OPINION

ESBA welcomes the agreement to establish the EIT. Its stated objective, of linking research, education and innovation, should make a positive contribution towards reaching the Lisbon Strategy Goals of increasing growth and jobs. Whilst the EIT's initial budget has now been agreed, ESBA calls for more clarity about the Institute's long-term financing and structure - this aspect of the project remains unclear.

To read more about the agreement on the EIT, please go to: http://ec.europa.eu/education/policies/educ/eit/index_en.html

PUBLICATIONS

European Commission: "The 2007 Survey on European SMEs "

The 2007 Survey on European SMEs, a successor of earlier surveys of the Observatory of European SMEs, was carried out in the 27 Member States of the EU as well as in Norway, Iceland and Turkey. Its aim was to provide information on the characteristics of SMEs across Europe, compared to those of large enterprises (enterprises with at least 250 persons employed). Altogether, 16 339 SMEs (17 283 enterprises in total) were interviewed. The survey was primarily enquiring about the general characteristics of firms active in the countries surveyed, perceptions on business constraints, competition and human resources problems and data on internationalisation and innovation.

To download this publication, please go to: http://ec.europa.eu/enterprise/enterprise_policy/analysis/observatory_en.htm

Eurofound: “Industrial relations in the EU, the US, Japan, and other global economies”

This report gives an overview of the main industrial relations developments in the EU, Japan and the US in 2005 and 2006. The findings are the result of an initiative by the European Industrial Relations Observatory (EIRO), in the context of a research project started in 2000 to compare and ‘benchmark’ elements of industrial relations in these three major economic areas. The second part of the report investigates two elements of the social and economic environment which have recently gained greater relevance in the debate on the characteristics and impact of growing global competition: Temporary agency work and SMEs. While the study mainly covers the EU Member States, Japan and the US, it also includes data on emerging economies, notably Brazil, China and India.

To download this publication, please go to:
<http://www.eurofound.europa.eu/eiro/studies/tn0706028s/tn0706028s.htm>

SIEPS: “Flexicurity – An Answer or a Question”?

The study presented by the Swedish Institute for European Policy Studies takes a critical look at the concept of Flexicurity. Widely discussed among politicians and academics, the true meaning of the concept remains unclear. It has become commonplace to advocate Flexicurity policy as the solution to all the economic problems of the EU countries. Flexible and reliable contractual arrangements, comprehensive lifelong learning strategies, effective labour market policies and modern social security systems are the main components of Flexicurity. At first sight, these policies seem very desirable. Yet the study outlines potential dangers with the Flexicurity concept.

To download this publication, please go to: http://www.sieps.se/epa/2007/EPA_6_2007.pdf

European Commission: “The renewed Lisbon Growth and Jobs Strategy is working, but the EU must reform further to succeed in a globalised age”

This Strategic Report on economic reform across Europe demonstrates that the Lisbon Strategy is contributing to the recent improved performance of the EU economy. However, some Member States have responded more robustly than others and some signs of “reform fatigue” have become apparent over the last twelve months. Europe will need to press ahead with further economic reforms at both Community and national level in the next cycle of the Lisbon Strategy to help it weather the impacts of global financial turmoil and higher commodity prices. The report sets out a series of new policy initiatives to respond to this challenge and to reinforce Europe's efforts to shape and respond to globalization. It will be submitted to the Spring European Council in March 2008.

To download this publication, please go to:
<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/1892&format=HTML&aged=0&language=EN&guiLanguage=en>

CONSULTATIONS

NEW:

Public consultation on encouraging innovation in the service sector

The European Commission has launched a public consultation on innovation in the service sector. In preparation for a Communication, which will set out a European strategy in support of service innovation, the Commission invites interested stakeholders to voice their opinion on the main topics addressed in the Commission Staff Working Document “Towards a European Strategy in support of

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innovation in services: challenges and key issues for future actions". In the beginning of 2008, a Commission publication will outline the results of this consultation.

For more information and to download the questionnaire, please go to:

http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?item_id=1038

**** Closes 31 December 2007 ****

ONGOING:

Public consultation on Social Reality Stock-Taking

The European Commission launched a public consultation on the "social reality" of Europe. It covers the nature of work, family life, demographic trends, social mobility, the position of women in the society, poverty and inequality. The role of the consultation is to generate debate on the social reality across Europe and to seek views on current social trends and on what contributes to today's "well being". It will invite views on access to education and employment as well as on the implications of changing social relationships.

For more information and to download the questionnaire, please go to:

http://ec.europa.eu/citizens_agenda/social_reality_stocktaking/index_en.htm

**** Closes 31 December 2007 ****

Online consultation on Administrative Burdens Reduction

The European Commission has launched an online consultation on the reduction of administrative burdens. Inspired by an example of Best Practice in Belgium, the consultation invites entrepreneurs to identify unnecessary red tape in order to help the EU improve the quality of its legislation. The consultation is part of the Commission's Action Programme to reduce admin burdens on businesses in the EU by 25% in 2012.

To access the online consultation, please go to:

A5B5B/EU_Intelligence/Test_an_SME_Tool_.aspx

Closes 21 September 2008

COMING UP

EU Institutions: Important Dates

18-20 Dec 2007 Committees in the EP; Brussels

20 Dec 2007 Environment Council

07-10 Jan 2007 Committees and Groups in the EP; Brussels

14-17 Jan 2008 Plenary in the EP; Strasbourg

Other SME related Events

17-18 Dec 2007 Stakeholders' meeting on 'ERASMUS for young entrepreneurs'; organised by DG Enterprise and Industry; taking place in Brussels; registration now closed; for more information, please go to:

http://ec.europa.eu/enterprise/entrepreneurship/support_measures/erasmus/stakeholdersmeeting/

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09 Jan 2008 Stakeholder workshop on “E-Commerce and Consumers”; organised by Fondation EurActiv; taking place in Brussels; for more information, please email: adsupport@euractiv.com

10-11 Jan 2008 The World Entrepreneurship Summit 2008; hosted by Delta Economics; taking place in London; to register, please go to: <http://wes08.eventbrite.com/>

29 Jan 2008 EU Committee Business Dinner with Charlie McCreevy, Commissioner for Internal Market and Services; organised by BritCham; taking place in Brussels; to register, please go to <https://www.regonline.co.uk/checkin.asp?eventid=160002>

28 Feb 2008 EU Committee Breakfast Briefing with Maive Rute, Director, Promotion of SME’s Competitiveness, DG Enterprise and Industry; organised by BritCham; taking place in Brussels; to register, please go to: <https://www.regonline.co.uk/checkin.asp?eventid=170935>

04 March 2008 Joint Conference on “The impact of globalisation on structural change and employment”: organised by the European Parliament and Eurofound; taking place in Brussels; for more information, please email: glob_4march08@eurofound.europa.eu