

EURO - info

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"Partnership 98":
Athens forum

Euro Info Centres
present in Athens

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S U M M A R Y

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Paola PICCAROLO - European Commission - Directorate General XXIII

"Enterprise Policy, Distributive Trades, Tourism and Co-operatives"



It has been a great pleasure for me to open "Partnership 98" in Athens. Partnerships are annual events where, the European Commission presents its political guidelines for the programmes and networks used to promote cooperation between Small and Medium-sized Enterprises, (the "Business Co-operation Centre-", "Business Co-operation Network (BC-NET)", "Europartenariat", "INTERPRISE" and "Subcontracting").

This year's Partnership event has focused on two key issues: the Euro and electronic commerce. Both issues are expected to have a major impact on all business sectors in Europe in the near future.

For European enterprises to derive take full advantage of this new context, they must be able to act in a business environment that will give them a competitive advantage in both European and global marketplaces. For that reason, the European Commission has made a number of recommendations aimed at simplifying the business environment for SMEs, strengthening business cooperation and promoting a new entrepreneurial culture in Europe.

These are the reasons why the Commission has recommended substantial improvement in administrative procedures, new approaches in education, training and the workplace, as well as better access to finance and innovation. It is in this changing environment that almost 500 SME representatives from all over Europe and third countries have met in Athens to consider the implications that these challenges will have in the internationalisation of European enterprises.

In January 1999, the Euro will be a reality. By January 2002, Euro coins and notes will be in circulation in all the countries of the Euro zone. The introduction of the Euro demands for new European institutional and enterprising framework based on an economic, trade and banking point of view. This framework should concern all the enterprises, regardless if their transactions take place within or outside the Euro zone, whether if they are large, medium or small enterprises. After the introduction of the Euro, Euro zone currency countries will no longer be able to go into deficit to spur consumption; they will not be able to devalue their currency to stimulate exports.

Competition will be more transparent, more balanced and healthier. It will help improve financial integration and strengthen Europe's position in the international scene. European SMEs will be in a position to profit from the advantages offered by the Internal Market. They will no longer suffer from exchange rate fluctuations when trading throughout Europe and they will be backed up by a strong single currency when trading internationally.

Along with these monetary changes, new distribution, supply channels and new business opportunities are being created with the spread of electronic commerce. The business environment is changing rapidly. From traditional local, regional and national markets, we are now moving towards European-wide and world-wide trading on-line. The use of new Internet-based tools is growing steadily and the Internet will become the fastest growing trading channel in the next decade. A greater number of commercial negotiations and transactions are being done electronically. SMEs could gain enormously from these developments. Their commercial exporting networks could be expanded more easily while their production and commercial dependence upon local factors and constraints could be reduced.

Given these international trends, electronic commerce, combined with the introduction of the Euro, will offer a new dimension and give a boost to European enterprises, improve the functioning of the internal market and facilitating cross-border transactions. Business opportunities will be more evenly open to all companies, irrespective of their size. The relationship between production distribution and consumption should become less distorted. Electronic commerce enables real-time contacts between buyers and sellers, free from the usual obstacles and delays. This cannot fail to lead to more transparent and healthier competition and to greater business opportunities, Europe-wide and internationally. European businesses can be leaders in national, cross-border and international cooperation.

Changes in technology and the speed in communications require the cooperation networks to be adapted to the changing needs of enterprises. The focus should be on improving the efficiency and the quality of services provided to interested enterprises, thus contributing with a real value added.

"Partnership 98" has been a success by all standard. I am sure that this event will be remembered as an important contribution to the Commission's business support services due to the importance of the topics discussed and the high qualification of speaker and participants.

Christos Papoutsis
Member of the European Commission
responsible for enterprise policy

Dossier of the month

**"Partnership 98"
Athens forum**

As in previous years, the 1998 instalment of Partnership, which was held in Athens on 10 and 11 September, took place amidst a positive and constructive atmosphere. This "think tank" is organised every year by Directorate General XXIII and brings together the members of the support services to enterprises: BC-NET (Business Cooperation Network), the Business Co-operation Centre, Europartenariat, INTERPRISE, and Subcontracting. This year's forum assumed special importance because of the subjects dealt with: the euro and electronic commerce.

This forum provided an opportunity for representatives of SMEs to understand the implications the euro and electronic

commerce will have for future business trends. Participants were able to obtain first hand information on these issues from top level experts. The Commission representatives said the Directorate General XXIII was aware of the difficulties this new environment could create for SMEs and it was ready to take appropriate measures. Furthermore, representatives of top level private institutions reflected the market's views on these issues, which are a major concern for some 18 million SMEs in Europe.

The BC-NET (Business Cooperation Network) and the Business Co-operation Centre have gone from strength to strength over the last two years. In 1997 the networks were developed from a technical point of view. Once in place, the new information technology tools enabled them to break with past habits and gain in speed and effectiveness. In 1998 the dominant theme is the "human dimension" of the networks. In 1999, one of the priorities of the networks will be the development of indicators to evaluate the operation and performance of the networks.

EURO INFO CENTRES PRESENT IN ATHENS

41 Euro Info Centres met in Athens during Partnership.

They were able to discuss cooperation between the information networks and the cooperation of Directorate General XXIII and debate one aspect of their task of lending support to SMEs: **the creation of partnerships.**

The Euro Info Centres work actively with the BC-Net (Business Cooperation Network) and the Business Co-operation Centre networks.

The Euro Info Centre network fits naturally into the framework of the events organised by Directorate General XXIII, and particularly the Europartenariat and Enterprise activities, which give enterprises the possibility of multiple exchanges.

Finally, the Euro Info Centres put their networking capacity at the service of enterprises. Given their own ease of communication, they help SMEs in their search for partners and for information on new markets.

The news

The Commission calls for *immediate* action in the European Union to promote entrepreneurship and improve the competitive situation of European enterprises

The European Commission has adopted a communication and an action plan responding to the recommendations of the BEST task force concerning the improvement and simplification of the business environment, and proposes a global strategy for the promotion of entrepreneurship throughout the European Union, in order to improve the competitiveness of European enterprises and stimulate growth and the creation of employment. The action plan includes a work schedule intended for the authorities concerned, for the taking of measures at European, national or regional levels. The Commission will also develop performance indicators in cooperation with Member States to measure and assess progress achieved in the implementation of the action plan.

In this respect, the Commission has already adopted a certain number of communications and initiatives aimed namely at favouring the development of entrepreneurship, the implementation of the action plan in favour of the Single Market, the development of risk capital and the action plan for innovation. The communication and the action plan bring together in a comprehensive framework the measures resulting from all these political initiatives, in order to achieve the main objective of promoting entrepreneurship as a means of improving the competitiveness of European enterprises and their potential for growth and for the creation of long term employment.

In order to speed up the implementation of this action plan, the Commission will focus its action on three priority areas:

- education, training and the environment: new systems of training need to be studied that are adapted to different skills and to local needs.

- access to financing, which continues to be a major problem for a large number of enterprises. In this area, the Commission itself will present a number of measures, among which is a second action concerning start-up capital, and will organise a third round table of SMEs and banks.

- a change in culture at all levels in public administrations, in their role as regulator or supplier of support services to enterprises. These measures include improving the impact of legislation in the field of business and a simplification of the procedures for business start-ups

Context

To be in a position to prosper, enterprises, SMEs in particular, must be able to operate in a suitable environment. This was recognised by the European political leaders at their Council meeting in Amsterdam on 16 and 17 June 1997, when they repeated their firm support for the simplification of both current and new legal and administrative regulations, with the aim of improving the quality of community legislation and of reducing the administrative cost imposed on European enterprises, small and medium-sized enterprises in particular. At the invitation of the European Council, the European Commission set up the BEST task force in September 1997. This is an independent group of business leaders, public administrators and university experts, whose mandate covers a wide range of fields.

BEST was tasked with producing an independent report which would propose concrete measures to be taken by the Commission and Member States, to improve the quality of legislation and eliminate pointless constraints which hinder the development of European enterprises, SMEs in particular. This task also included studying a large number of other issues that concern SMEs, notably access to financing, the management and training of employees, innovation and technology transfer as well as all aspects of public administration.

BEST presented its final report to Commissioner Christos Papoutsis, who accepted it on behalf of the Commission on 7 May 1998.

In June 1998, the European Council in Cardiff instructed the Commission to prepare an action programme taking the rec-



Supporting the growth of SMEs: Forum in Baden bei Vienna



The forum, which was organised in Baden bei Vienna on 21 and 22 September by the Austrian Presidency in cooperation with the Commission, was a step forwards in the framework of the "Concerted Actions" between Member States. This forum, whose theme was "Support Services for SMEs in the growth phase" brought together some 400 ministers, civil servants, entrepreneurs and representatives of business organisations.

In his opening speech, Mr. Hannes Farnleitner, the Austrian Federal Minister for Economic Affairs, emphasised the importance of a favourable environment for SMEs, particularly the presence of appropriate institutional arrangements to promote the social dialogue and adopt a more balanced approach to regulation.

As for Commissioner Papoutsis himself, he referred to the potential of new sectors, such as new information technology as well as the new growth and job creation opportunities created by the introduction of the euro. Furthermore, he insisted on the need for constant improvement in support services in order to help the millions of enterprises in the craft and other sectors reach their potential. He recalled the message of the BEST report, which encouraged the strengthening of the process for identifying and exchanging best practices, which was precisely the objective of the Concerted Actions.

Three workshops were organised to study the provision of services for SMEs in their growth phase. The conclusions presented in the closing session, included the following:

- Training: the promotion of the idea of life long-learning is a way of encouraging the contribution of training to the development of enterprises. It is also important to improve information about training, create wider access new information technology, promote cooperation between those who have different types of know-how via through regional skills centres and more "tailor-made" services.

- Financing: the financial instruments must be in line with the varying needs of the different types of SME. Moreover, it is important to recognise that the problems linked to financing of SMEs stem as much from market demand as from market supply.
- Cross-border cooperation: support for SMEs must take into account the wide range of experiences specific to SMEs and the different possible modes of cooperation. It is important to examine barriers to cooperation and to introduce regulatory reforms, and in particular to facilitate the cross-border work of employees participating in this cooperation.

One of the recurrent themes at the forum turned out to be the need to make a distinction between the various requirements of the different types of SME. During the closing session, Mr. Crauser, Director General of DG XXIII, underlined the flexibility that was needed in order to respond to these needs. The method adopted within the scope of the Concerted Actions provides substantial flexibility and encourages, rather than imposes, improvements through the identification and dissemination of good practice.

The Austrian authorities undertook to publish the minutes of the forum very shortly.

In parallel with this forum, a round table, was organised, also under the aegis of the Austrian Presidency, to examine the major issues with regard to the future of enterprise policy. This round table was significant for the wide consensus on the political priorities, which include a wider social dialogue, better regulation and a favourable fiscal environment.

The conclusions of this round table will be reported on at the next Industrial Council.

Social economy: 6th meeting of experts



The 6th meeting of experts in charge of the follow-up to the Commission's Communication on **The Promotion and the Role of the Associations and Foundations in Europe**, was held on Friday 18 September. This meeting, whose theme was "The associations and foundations, the information society

and new technology", brought together representatives of voluntary organisations, who had particular experience in the use of new technology, and Commission civil servants, who were specialised in the political and technical issues linked to new technology. On this occasion, three presentations were given on the work of voluntary organisations operating in the field of on-line networks of investors, community networks, teleworking, as well as distance learning and distance training. Most of the participants made a contribution and the large number of issues raised helped fuel the debates.

The participants in this meeting called for a National Conference to be held in Vienna, on 12 and 13 November, to study these issues in greater detail.



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JEV - Joint Europe Venture: the programme takes off

The JEV programme, created by a Commission decision in November 1997, aims to stimulate cooperation between SMEs by supporting the creation of joint ventures between SMEs in the EU. The Council of 19 May 1998 agreed to allocate the programme a sizeable budget within the framework of the Growth and Employment initiative.

Initially, JEV is financing 50% of all costs linked to the development and implementation of the Joint Venture (with an upper limit of 50,000 ECU). At the end of this phase, the two enterprises shall decide if, and in what form, the joint enterprise is created. Aid of 10 % is provided for investments made by this new enterprise. The total amount of aid per JEV project is limited to 100,000 ECU.

Alongside the share capital of the new enterprise, the investment support should make it easier to obtain access to loans, whether it be a question of risk capital resources or long-term loans. Of course, the intermediary financial institution, whose role is essen-

tial, will be much more inclined to finance the planned investment if it is presented with a positive feasibility study.

Currently, around 80 institutions are members of the network and JEV is represented in each Member State. The first projects were adopted in mid-July and a second batch of projects is planned for October. From now on, in order to guarantee speed of decision making, which is one of the features of the JEV programme, the Steering Committee which adopts the projects will meet every month. According to estimates, around 150 projects are already on the desks of financial intermediaries.

In this way, JEV will make a substantial contribution to cooperation between enterprises and will stimulate investments and the creation of long term employment. Enterprises that have joint venture projects are asked to contact financial institutions belonging to the JEV network as soon as possible.

The list of financial intermediaries is available at each EIC or on the web site:

http://europa.eu.int/en/comm/dg23/guide_en/jev.htm



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Paris: commemoration of the Mutuality Charter

The commemoration of the centenary of the adoption of the Mutuality Charter and the tracing of the origins and consequences of the law of 1 April 1998 were the subject of the scientific conference, which brought together some 400 participants on 24 and 25 September at the Assemblée Nationale in Paris.

During the conference, universities from Germany, Italy, Belgium and Spain, spoke about laws concerning mutual societies which had been adopted in their respective countries at



more or less the same time, and described how the mutual society had changed throughout their history of their countries. In certain Member States, the mutuality system has remained closely linked to social security, whereas other countries have seen mutual societies moving away from their initial field of activities, placing themselves much more firmly in the marketplace and competing with insurance companies, thus establishing very different relationships with the public authorities.

In bringing the event to a close, Martine AUBRY, the French Minister for Solidarity, announced the forthcoming "modernisation" of the Mutuality Code, which should change the way mutual societies operate and bring them into line with Community insurance directives. In May 1998, the European Commission decided to open proceedings against France for failing to transpose these directives into its laws on mutual societies. Moreover, Michel ROCARD, former Prime Minister of France, had been instructed to consider the matter so as to find the components for a solution that would be in line with Community law and the interests of mutuality.

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Portugal: first "Pesca Partenariat"

The first "Pesca Partenariat" was held on 21 and 22 September 1998 in Porto, Portugal. This event, which was organised by the Commission in collaboration with the Portuguese Ministry of Agriculture, Rural Development and Fisheries, was aimed at SMEs operating in the fishing and aquaculture sector as well as those involved in downstream activities (processing, marketing). This event, which was organised according to the procedures and "know-how" developed by Directorate General XXIII through the Interprise Programme, was the first "Partenariat" event in Europe financed within the framework of the Community PESCA initiative.

During this two-day event, 35 Portuguese enterprises were able to discuss and negotiate potential projects with about 80 enter-

prises from the rest of the European Union. In total, more than 400 bilateral meetings between Portuguese enterprises and visitors were organised as well as around a hundred bilateral meetings between visitors.

INFORMATION

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Agenda

Vienna: conference on the implications and advantages of information technology for the tertiary sector

Vienna, Austria, 12-13 November 1998

"The World of NGOs", in cooperation with DG XXIII, is organising a conference, on 12 and 13 November 1998, in Vienna, Austria, to consider the issue of "Promoting the Role of Associations and Foundations in Europe". The key theme will be: **"the implications and advantages of information technology for the tertiary sector in Europe"**.

This conference will focus on the impact of new technology, the possibilities that it offers to the tertiary sector and the training requirements that it gives rise to. This conference is aimed at representatives of the tertiary sector in the European Union and the of Central and Eastern Europe countries, as well as representatives of the Commission, the Parliament and the Austrian public authorities.

INFORMATION

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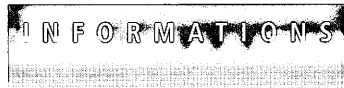
Promoting the role of the Associations and Foundations in Europe: experts' meetings

As part of the steps taken to implement the Commission conclusions on **Promoting of the role of Associations and Foundations in Europe**, the EU's executive arm is organising three meetings in Brussels.

23/11/98 the associations/foundations and management

11/12/98 The associations/foundations and enlargement I

18/12/98 the associations/foundations and enlargement II

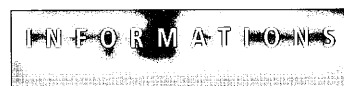


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REMINDER!: "Cooperative entrepreneurship in Europe in the year 2000"

The conference on **"Cooperative entrepreneurship in Europe in the year 2000"** will take place on 30 November and 1 December in Bologna. For registration details and further information, contact: CIRIEC-International c/o Université de Liège at Sart-Tilman - Bâtiment 33 - boîte 6 - B-4000 Liège.

A detailed article on this subject was published in the September issue of EURO-info.



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Calls for proposals

In 1998, the Commission published a call for proposals in the field of:

The globalisation of SMEs: Interprise - Official Journal of the European Communities N° C 291/5 of 19.09.98. Final date for receiving proposals:

31.12.1998 (events from 1.10.1999 to 31.12.1999)

31.03.1999 (events from 1.01.2000 to 31.03.2000)

30.06.1999 (events from 1.04.2000 to 30.06.2000)

30.09.1999 (events from 1.07.2000 to 30.09.2000)

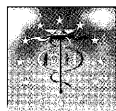
The Commission has also published a call for expressions of interest concerning:

A **"Support mechanism for the creation of transnational joint ventures for SMEs: expressions of interest from financial institutions"**.

Official Journal of the European Communities N° S 42/36 of 28.02.1998. Validity of the expressions of interest: maximum 3 years.

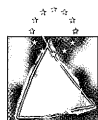
Reminder: the following notice, which was published in 1997, remains open till 30.06.1999. **Call for tenders for the extension of the BC-NET (Business Cooperation Network) in the Member States.** Official Journal of the European Communities N° S 157/50 of 14.08.1997.





Payments in euros accepted

REGIE



IBEX



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Ireland		1800.55.32.62
Italy		167.78.06.74
Luxembourg		0800.32.77
The Netherlands	00 800	0800.11.22
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United Kingdom		0800.78.36.553
Iceland	00 800	0800.11.22
Norway	00 800	0800.11.22



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