

EER - Mechanism for Promoting the Small and Medium Enterprises in Europe

Jana MAFTEI¹, Dorin MATEI²,

¹ „Danubius” University, PhD Lecturer, Faculty of Law, janamaftei@univ-danubius.ro

² “Danubius” University, Master’s student, Faculty of Law, matei.dorin@univ-danubius.ro

Abstract.

In this paper we aim at presenting a new initiative of the Region’s Committee, consultative organ of the European Union that comprises European regional and local authorities with the purpose of offering an impulse in the economic growth and employment at a regional level. Within the 7th edition of the manifestation “OPEN DAYS- European week of regions and cities” in Brussels, October 5-8 2009, the Region’s Committee, in partnership with the European Commission, launched the pilot-project EER (Entrepreneur European Region). Its purpose aims at identifying and rewarding the regions of the EU that have an exceptional entrepreneurial view, irrespective of their size, prosperity or competence, as well as encouraging the local and regional authorities in a more sustained promotion of small and medium enterprises in Europe, that represent a source of economic growth, employment and innovation.

Keywords: Committee of the Regions; European Union; Open Days; regional policy; the European Entrepreneurial Region.

1. Introductory Considerations

Starting with the initiative of Robert Schuman, the French foreign affairs minister, on May 9, 1950 (which himself called “a jump in the unfamiliar”) (ROTH, 2007) in favour of “*an organized and alive Europe*” (VOICULESCU, 1997), almost 60 years have passed in which this unique construction, today the European Union, faced a qualitative evolution from a “purely economic” (SCĂUNAȘ, 2005) union to a political, economic, judicial and social union that counts 27 states. Romania, the most recent member state together with Bulgaria, has entered the big European family, following the 5th expansion from January 1st 2007.

Together with the ratification of the Lisbon Treaty by all the member states and its coming into force, the European Union is offered a legal frame and all the necessary judicial means to be able to face the future challenges and the exigencies of the European citizens through improving the efficiency, coherence and transparency in what concerns its institutions (PROFIROIU, PROFIROIU, & POPESCU, 2008).

The creation of this institutional system that is unique in the world began with the establishment of CECO and comprises in the present permanent community institutions: European Council, European

Parliament, European Commission, Council of Ministers, Court of Justice, Social and Economic Committee, Court of Auditors, Committee of Permanent Representatives, Committee of the Regions, Ombudsman, Central European Bank, European Investment Bank, decentralized organism of the EU (agencies) as well as temporary institutions: Association Council, Association Committee, Association Parliamentary Committee. (TESCAȘIU, 2009) This listing is not exhaustive and does not represent the institutions, from a historical perspective, according to the act or the moment they were established. The classification of the community institutional system is difficult to achieve, since the European Union, as stated in the doctrine, is “*more of an international organization in a classic sense*” and “*is not a federation to which the national authorities are subordinated to*”. (ȘTEFAN & ANDREȘAN-GRIGORIU, 2007) But the purpose here is not to analytically approach this problematic and we will focus our attention on the role, competencies and composition of The Committee of the Regions, on the EU regional policy and on the importance of the EER project in what concerns the boost of region development and the process of transforming the EU in “*a high class environment for Medium and Small Enterprises*”, as Günther Verheugen, European Commission Vice-President responsible for Enterprise and Industry stated during the launching of the EER initiative.

2. Committee of the Regions

The Committee of the Regions, the newest community institution, was established in 1992 by the Maastricht Treaty, article 198A, functions since 1994 and comprises the representatives of the regional and local communities (ȘTEFAN, Introdúcere în dreptul comunitar, 2006), 344 experts of the 27 EU member states and are distributed as follows:

Table no. 1. Number of members in the Committee of the Regions

<i>State</i>	<i>Number of members after the 5th expansion</i>
France, Germany, Italy, Great Britain	24 members/each
Spain and Poland	21 members/each
Romania	15 members
Austria, Belgium, Greece, The Netherlands, Portugal, Sweden, Bulgaria, Czech Republic, Hungary.	12 members/each
Denmark, Finland, Ireland, Lithuania, Slovakia	9 members/each
Estonia, Latvia, Slovenia	7 members/each
Cyprus, Luxemburg	6 members/each
Malta	5 members

The Committee of the Regions’ members have to be holders of an electoral mandate within a regional or local association, or to be politically liable to an elected assembly. The mandate of the members in the Committee of the Regions (as well as the mandate for the members of the Economic and Social Committee) is not imperative. They exert their functions in full independence, in the general interest of the EU. According to the modifications introduced by the Lisbon Treaty, the term of the mandate was increased from four to five years and starts once the official appointment in office, by the Council, comes into force.

The President of the Committee of the Regions and his office are elected from its members, for a two years mandate. The Committee gathers five times per year in plenary sessions, in Brussels. The Committee can be convened by its president upon the Council's or the Commission's request, but can also reunite on its own initiative, according to article 198a from the Maastricht Treaty (art.264 in the Amsterdam Treaty). The Lisbon Treaty amends these provisions as well, increasing the mandate of the Committee of the Regions' President and office at two and a half years and includes in the European Parliament's competences the possibility to ask the President of the Committee of the Regions to convene this assembly (VĂTĂMAN & DAVID, 2008).

The Committee of the Regions is a political assembly that was established following the request of local and regional organizations, to be represented within the EU. During the 15th anniversary of the institution, the Committee of the Regions expressed the following in the "Mission Declaration", adopted in April 2009:

According to the provisions of the Treaties (Maastricht and Amsterdam) this structure has both technical and consultative character (BĂRBULESCU, 2008 and ȚĂNCU, 2006) as the Commission and the Council have the obligation to consult the Committee of the Regions every time new proposals are made in fields that affect the regional and local level. The Committee of the Regions issues notices on its own initiative in cases it considers to be useful and regarding any problem of community interest.

The attributions of the Committee of the Regions refer to the following fields: economic and social cohesion, European infrastructure network, health, education, culture (according to the Maastricht Treaty), to which labour force use policy, social policy, environment, professional development, transportation are added (within the general conception expressed in the Amsterdam Treaty) (VĂTĂMAN & DAVID, 2008). The Committee of the Regions' activity regarding these fields is deployed within specialized commissions that have the responsibility to elaborate the notice and resolution projects:

Table no. 2. Specialized Commissions in the Committee of the Regions

COTER	<i>Commission for territorial cohesion</i>
ECOS	<i>Commission for economic and social policy</i>
DEVE	<i>Commission for sustainable development</i>
EDUC	<i>Commission for culture, education and research</i>
CONST	<i>Commission for constitutional affairs and European government</i>
RELEX	<i>Commission for external relations and decentralized cooperation</i>
CAFA	<i>Commission for administrative and financial affairs</i>
	<i>Temporary ad-hoc commission for reviewing the EU financial frame</i>

3. Place of OPEN DAYS within the EU regional policy

In the doctrine, the EU regional policy was defined as being “*first of all, a policy of solidarity, built around the objective of social cohesion*” (CONSTANTIN, FRENTZ, RĂDUCU, FOLESCU, & VOINEA, 2007).

The European Parliament established that the collocation “region of development” defines “*a territory that geographically represents a net unity or a similar ensemble of territories in which continuity exists, in which the population has certain common elements and is willing to preserve the specificity deriving from them but also to develop with the purpose of stimulating the cultural, social and economic progress*” (PROFIROIU, PROFIROIU, & POPESCU, 2008).

The European Union is a community comprising 27 states, 271 regions and approximately 500 million inhabitants. Although it is considered to be one of the richest areas on the planet, the inhabitants’ income establishes certain differences between its regions. This is the reason why, through its regional policy, the EU aims at modernizing the regions that are less developed and helping the citizens in these regions in order to establish a balance, to create the possibility that these regions reach the level of the other ones, leading thus to the disappearance of inter regional disparities. Thus, Romania, as an EU member state, has benefited from technical and financial assistance even in the pre adhesion stage, the main financial instruments being the three community programs: Phare, I.S.P.A. and S.A.P.A.R.D. (MARCHIS, 2009). The disparity between the Romanian regions and the regions of the EU member states is obvious, for example the development report between the Inner London regions (United Kingdom) and North East (Romania) reaching the level 12,6:1 (MARCHIS, Impactul extinderii Uniunii Europene asupra strategiilor și politicilor regionale, 2009).

As a proof of cooperation and dialogue between the European institutions, each year, Brussels hosts a very important event for the EU regional policy: OPEN DAYS- “European Week of Regions and Cities”. This large manifestation is organized by the European Commission, though the General Directorate of Regional Policy and the Committee of the Regions and is meant to be a debate forum for all the European local and regional actors, interested in the regional policy and the EU cohesion; local and regional authorities, international organizations, experts, bank representatives, civil society representatives, media representatives etc.

Each OPEN DAYS edition is focused on a certain theme, important for the EU regional policy:

2004 – “Managing Regional Development”

2005 – “Working together for Regional Growth and Jobs: Preparing the next Generation of Structural Funds Programs”

2006 – “Investing in Europe’s Regions and Cities: Public and Private Partners for Growth and Jobs”

2007 – “Making it happens: regions deliver growth and jobs”.

2008 – “Regions and cities in a challenging world”.

The 2009 OPEN DAYS EDITION, the 7th, named “*Global challenges, European responses*” was held between 5 and 8 October and aimed at realizing a dialogue and exchange of ideas between regions and cities within over 100 conferences and seminars on 4 main subjects:

- Restoring growth: Innovation in Europe's regions and cities
- Regions and climate change: Europe's way to sustainable regional development
- Territorial co-operation: Working together across borders
- Achieving results, looking ahead: EU Cohesion Policy's evaluation and future prospects
- Re establishing economic growth: innovation in the European regions and cities.

Over 200 local events have been added to these, organized under the title “Europe in our Region/City”.

During the opening of this manifestation, the President of the European Commission, Jose Manuel Barroso underlined the necessity of:

“Europe, its Member States and its regions must invest in far-reaching and innovative changes in order to preserve the European model of society and remain competitive on the world stage. Globalisation is not the enemy of subsidiarity. In fact the exact opposite is true. The regions are the foremost area for the acquisition of knowledge and for economic activity, employment, social cohesion and innovative systems.”

4. The European Entrepreneurial Region (EER)

Within the OPEN DAYS 2009 manifestations a new system of boosting the economic development and labour force occupation at a regional level was established, called: *The European Entrepreneurial Region*. This initiative that belongs to The Committee of the Regions and the European Commission, with the support of entrepreneurs’ organizations BUSINESSEUROPE, UEAPME and EUROCHAMBERS derived from the need to offer support to the small and medium enterprises that activate at a local level, wanting to apply the motto “*Think Small First*”, the leitmotiv of the *Small Business Act*, inducement addressed by Günther Verheugen when launching EER.

The EER project aims at encouraging the appearance of dynamic, ecologic and entrepreneurial regions in Europe, stimulating the local and regional authorities in what concerns the identification of new ways to generate long term economic growth through entrepreneurial spirit, in essence developing the regions’ entrepreneurial potential.

EER aims at identifying and recompensing the EU regions that have an exceptional entrepreneurial vision by granting the “The entrepreneurial region of the year” award. This initiative is addressed to any region of Europe, irrespective of the size, population or wealth.

The selection is addressed to all the regions that have political competencies and the capacity to apply a general entrepreneurial vision.

The enlistment is made through the EER Website. The enlisting deadline is January 15 2010 for the EER 2011 and 2012. The filling in of the *Application Form* has to include a presentation of the vision for the specific region, the action plan and the provisioned communication activities as well as a demonstration of the existence of real political commitment in order to turn the vision into reality. Thus, in maximum 3 pages, the entrepreneurial potential of the region will be described, the SWOT

analysis of the entrepreneurial potential, the resources it has in order to accomplish the vision but also the directions included in the action plan, in maximum 10 pages, such as: mainstream ‘a SBA for Europe’; introducing entrepreneurship in schools; support at critical levels of business growth; development of cluster policy; demonstrate optimal use of (EU) public funding and building up cost efficient forms of partnership between public and private sector. The EER activities and communications will have to be described in maximum 2 pages.

The applications will be evaluated by a jury comprising nine members, representatives of the Committee of the Regions, the European Commission, the General Directorate for Regional Policy and General Directorate for Enterprise and Industry, as well as Business Europe, Euro-chambers and UEAPME:

- Mr. Luc VAN DEN BRANDE, President of the Jury, President of the Committee of the Regions;
- Ms. Constance HANNIFFY, Chairwoman of the CoR Ecos Commission and Rapporteur of the CoR opinion on the Small Business Act,
- Ms. Christine CHAPMAN, Member of the CoR Ecos Commission and Rapporteur of the CoR opinion on the post 2010 Lisbon Strategy,
- Ms. Mechthild WÖRSDÖRFER, Representative of the European Commission, DG Enterprise and Industry, Head of Unit Promotion of SMEs competitiveness,
- Mr. Mikel LANDABASO, Representative of the European Commission, DG REGIO, Head of Thematic Coordination and Innovation Unit,
- Mr. Bendt BENDTSEN, Member of the European Parliament and newly elected President of the SME Circle (gathering more than 60 MEPs), Former Danish Minister for Economic and Business Affairs
- Mr. François MOUTOT, Representative of UEAPME, Director General of Permanent Assembly of Chambers of Metiers,
- Mr. Peter MIHOK, Deputy-President of Euro-chambers, President of the Slovak Chamber of Commerce and Industry
- Mr. Paul JACOBS, Representative of Business Europe, Vice-President of SME Committee.

The jury will evaluate the requests received from the regions, analysing the specific features of each candidate region as well as the general presentation of the action plan elaborated and the sustainability and credibility of the proposals, by granting scores as follows: Criteria Points of the Application

Table no. 3. Criteria Points of the Application

<i>Score</i>	<i>Criteria</i>
30 points	the completeness of the proposed efforts
10 points	the overall presentation
10 points	the ambitions of the political vision
10 points	the sustainability and ‘low carbon economy’ oriented plan
10 points	the degree of social inclusion, innovation, corporate social responsibility and entrepreneurship
10 points	the integration of the measures proposed
10 points	the stakeholders’ involvement in the plan
10 points	the activities and communication during the EER year.

The award consists in granting the “Entrepreneurial Region of the year” title and will be awarded every year to three regions, the ones with the most credible action plan and the longest term vision. The granting ceremony of EER will be held once a year, around the plenary session of the Committee of the Regions. The first EER titles will be awarded in February 2010.

5. Conclusions

The establishment of the EER award motivated the local and regional authorities to discover, propose, develop and analyse ways in which they can help the Small and Medium Enterprises to solve their problems and needs and adapt to the new challenges imposed by the 21st century.

The initiative aims at encouraging the regions in what concerns the creation of a favourable business environment that would help create and develop the Small and Medium Enterprises, enabling the access to financing, their capacity to create jobs, by stimulating the development of trans-boundary cooperation and regional business partnerships, by supporting the Small and Medium Enterprises in export activities, by promoting the entrepreneurial culture, through the development of an effective partnership between the local and regional authorities and the economic actors, by increasing the competitiveness in a globalized economy based on knowledge and through these measures, generate long term economic growth, contribute to reducing the development disparities between the EU regions.

In the speech held at the Opening Session at OPEN DAYS 2009, Luc Van den Brande, the present Committee of the Regions’ President, was optimistically assuring us that “*The member states and Europe can count on regional and local players when it comes to giving a regional response to the economic crisis*” and in the speech held when closing the manifestations, he was expressing a strong belief that “*European Entrepreneurial Regions is an initiative that can contribute as well as stimulate the development of dynamic, ecologic and entrepreneurial regions through Europe*”.

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