



Irish businesses trade problems for solutions

■ SOLVIT Ireland team members Michael Clarke, Louise Fogarty and Sean Smith

WHEN IRISH EXPORTERS ENCOUNTER DIFFICULTIES WITH INTRA-EU TRADE, THE SOLVIT SERVICE CAN HELP SOLVE THEIR PROBLEMS, SAVING THEM TIME AND MONEY. MARY ANNE KENNY TAKES A LOOK AT THE SYSTEM, WHICH LINKS EUROPEAN ECONOMIC AREA COUNTRIES IN AN EFFORT TO MAKE TRADE AS TROUBLE-FREE AS POSSIBLE.

Despite the EU's 'open border' policy, Irish exporters can still find their hands tied up in knots in red tape and bureaucracy when trying to trade abroad. Businesses can sometimes be faced with unexpected administrative obstacles, unjustified refusal of access to a national market or problems with VAT reimbursement. Although such problems may stem from simple misunderstandings and misapplications of EU law, long delays and damage to business can often be the result.

To counter any problems that may arise in EU cross-border trade, the European Commission launched an informal problem-solving network called SOLVIT in July 2002. Citizens and

businesses across the EU can raise cases with their SOLVIT centre if they feel they are being denied internal market rights in another Member State because authorities there are not applying internal market law.

The European Commission co-ordinates the network, provides the database facilities and, when needed, helps to speed up the resolution of problems. The Commission also passes formal complaints it receives on to SOLVIT if there is a good chance that the problem can be solved without legal action.

There are SOLVIT centres in the public administrations of each of the 25 Member States of the EU and in the countries of the European Economic Area (Iceland, Liechtenstein and Norway). The Irish SOLVIT centre is located within the Department of Enterprise, Trade and Employment.

Michael Clarke is the assistant principal with the Irish



SOLVIT team and the internal market section of the market access unit. "We're here to try and sort out cross-border problems," he explained. "When people contact us and we're satisfied that an EU law is being misapplied, we'll raise the problem with our counterpart in the country concerned on behalf of the citizen or business affected."

By means of an 'electronic handshake', the SOLVIT centre will make every possible effort to find a solution within 10 weeks.

The service is free of charge. "As well as SOLVIT, we're involved in the internal mar-

ket here anyway, so if there are any problems we're anxious to solve them," said Clarke.

Computer-based system

SOLVIT is essentially a computer-based system. Once the legitimacy of a case is verified and all the necessary information has been supplied by the client, case details are entered into an on-line database and forwarded automatically to the SOLVIT centre in the country where the problem has occurred, known as the 'lead centre'. "We have software that translates the information directly, so if it's entered into the database in English, it comes out to the lead centre in the right language," said Sean Smith, higher executive officer with SOLVIT's Irish branch.

An updated version of the software has been in use since January that has further sim-

Interactive Policy Mechanism

For problems relating to business-to-business disputes, or business-to-consumer disputes, the European Commission has another mechanism available – the Interactive Policy Mechanism (IPM). This is a feedback mechanism which is channelled through the Euro Info Centres (an EU-wide network of business-support centres, funded and controlled by the Commission). So, a company with a business-to-business problem can contact their local Euro Info Centre, located at the Irish Exporters' Association head office in Dublin, and also at based in Cork, Galway, Waterford and Sligo at the Chambers of Commerce. They will receive expert advice and the European Commission will be informed of their problem in an anonymous, free and totally confidential manner.

IF A PROBLEM GOES UNRESOLVED OR THE PROPOSED SOLUTION IS UNACCEPTABLE, THE CLIENT RETAINS ALL LEGAL RIGHTS AND CAN STILL PURSUE LEGAL ACTION THROUGH A NATIONAL COURT OR LODGE A FORMAL COMPLAINT WITH THE EUROPEAN COMMISSION.

Building Bridges through Capital Cities

A study visit and workshop to explore economic, social and cultural links between capital cities and the new accession states of the EU, takes place on 5 to 8 April Dublin. The four-day event, organised by Dublin City Development Board, Dublin City Council and Dublin Euro Info Centre, takes place within a programme called 'Building Bridges through Capital Cities' to promote positive links between citizens and businesses in Dublin and the capitals of the new EU member states.

The study visit and workshop involves participation in a number of

bi-lateral meetings designed to inform of the economic development of Dublin and Ireland and to develop links with key organisations here in the city. The visit culminates in a one-day workshop with Dublin business leaders, managers of statutory services and elected councillors on the theme 'Doing business through partnership in an enlarged Europe'. The focus of the workshop and the bilateral meetings is to create competitive city regions through co-operation and economic networking.

The visit includes the signing of a declaration

of friendship and co-operation between the mayors of the capital cities of the new member states and Dublin City.

Attending the conference will be the Lord Mayors of the new Member States, the Lord Mayor of Dublin, and representatives of Dublin City Council, Dublin City Enterprise Board, Enterprise Ireland, the IDA, and the ambassadors of the new Member States, along with their commercial counsellors, the EU's Permanent Representation Office, and also representatives of Irish business and entrepreneurs.

Commissioner

McCreevy will address the conference at its closing reception, in the EU office in Ireland, hosted by Dublin Euro Info Centre and sponsored by Smart Telecom. His address will be broadcast by live videolink from his offices in Brussels to the conference through a link organised by Smart Telecom.

For further information on the conference visit the City Development Board's website www.dublin.ie or contact Dr Ann Neville, Dublin Euro Info Centre @ 01-6612182, or email aneville@irishexporters.ie website www.eicdublin.ie

plified the whole process with extra facilities. "It's like dealing with one system, as opposed to 25 other Member States, which cuts down the time it takes to solve problems," Smith added.

Within seven days of contacting the lead SOLVIT centre, it should confirm that it will take on the case if it is well-founded and if there is a good chance that the issue can be resolved pragmatically. "If the solution to a problem means repealing a national rule rather than simply applying it correctly, this might require formal legal action, though SOLVIT can sometimes help persuade a Member State to waive the particular rule that's causing the problem pending its abolition," explained Clarke. The target deadline for finding a solution to the problem is 10 weeks.

The two SOLVIT centres will work together to try to solve the problem and the home centre keeps the client informed of progress. "Once a process has been initiated, the client can check its progress on their own computer so they don't need to keep asking us here. They can just log in and monitor the situation themselves," said Smith. Clients are also sent updated emails automatically whenever there are any developments in their case.

As an alternative dispute resolution mechanism, SOLVIT works much more quickly than making a formal complaint. "We're totally independent and our problem-solving approach is informal," he continued. "After a resolution has been proposed, it's up to the client to decide whether to accept it. We don't get involved in any legal aspects, so they can't challenge it formally through SOLVIT." Nevertheless, if a problem goes unresolved or the proposed solution is unacceptable, the client retains all legal rights and can still pursue legal action through a national court or lodge a formal complaint with the European Commission.

Due to SOLVIT's informal approach to problem-solving, the system is not used in situations where legal proceedings are already underway; where deadlines under national law need to be respected; or where the problem is a business-to-business or business-to-consumer one. It deals with national public authorities in other member states and not individual citizens or businesses.

Irish team spreads the word

There are three members on the Irish SOLVIT team and all are keen to spread the word about the service to Irish exporters.

"Not an awful lot of people are aware of us and that's what we're trying to change, so we're reaching out to other organisations," explained Louise Fogarty, the team's third member. "There may not be problems out there for Irish exporters, but if there are, we cannot help them if we don't know about them." The problems that have been reported to SOLVIT in Ireland, to-date, have mainly concerned issues with providing services and security control.

"We've only had 15 cases on the SOLVIT system so far, but there have been a lot of cases not officially put on the system but that we helped to resolve anyway," said Clarke. "Sometimes, problems can be resolved with a simple phone call. It might take an individual or a company ages to sort it out by themselves, but we usually know the relevant people to call so we can tackle it immediately at source."

There has been a steady increase in enquiries, however, as word gets out about the service. "We're less than three years old

make our services known," explained Smith. "These organisations come into contact regularly with their members and can pass the information about us on to them directly."

Expansion in EU members

With the addition of an extra 10 member states to the EU in May 2004, with the single market and with increased globalisation, there will inevitably be more trade and travel across borders in the years to come. According to Sean Smith, SOLVIT reflects this changing world economy and it will be there to help solve any problems arising from increased intra-community trade.

"We're very interested in seeing what effect EU expansion will have over the next while and if there will be future problems out there for Irish manufacturers, but they seem very up to speed with all the changes so far," he said.

Clarke is proud of his involvement with the SOLVIT system. "I've been involved in the Department of Enterprise, Trade and

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and we've been getting more calls than ever over the last six months. I wouldn't be surprised if there was a whole section for SOLVIT a few years down the line," said Clarke.

Following a review at the end of last year, SOLVIT Ireland is currently involved in a marketing push to further advertise its services. The team is contacting organisations such as the ISME, the Small Firms Association, InterTrade Ireland, the IDA, Udarás na Gaeltachta, Comhairle and Shannon Development to make them aware of what it can offer. Enterprise Ireland, the Irish Exporters' Association, IBEC and all government departments are also on the list.

"Rather than just blanket advertising, we're contacting 18 organisations directly to

Employment for over 26 years, and I think this is one of the most innovative systems of public administration that I've come across," said the assistant principal. "The main thing now is to make our services known and help Irish businesses to get themselves onto the bigger stage without any problems."

The Irish SOLVIT centre can be contacted at the Department of Enterprise, Trade and Employment, Earlsfort Centre, Lower Hatch Street, Dublin 2. Tel: 01-6312528; email: internalmarket@entemp.ie More Information on SOLVIT can be found at www.entemp.ie and on the SOLVIT website: www.europa.eu.int/solvit For IPM contact your local Euro Info Centre at www.eic.ie