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B7-0434/2014

MOTION FOR A RESOLUTION

further to Question for Oral Answer B7-0118/2014

pursuant to Rule 115(5) of the Rules of Procedure

on the 'top ten' consultation process and lightening the burden of EU
regulation on SMEs
(2013/2711(RSP))

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on behalf of the Verts/ALE Group

B7-0434/2014

European Parliament resolution on the ‘top ten’ consultation process and lightening the burden of EU regulation on SMEs (2013/2711(RSP))

The European Parliament,

- having regard to the European Charter for Small Enterprises, adopted by the European Council at its meeting in Feira on 19 and 20 June 2000,
- having regard to Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises¹,
- having regard to the Commission report of 23 November 2011 entitled ‘Minimising regulatory burden for SMEs – Adapting EU regulation to the needs of micro-enterprises’ (COM(2011)0803),
- having regard to the Commission communication of 23 February 2011 entitled ‘Review of the “Small Business Act” for Europe’ (COM(2011)0078),
- having regard to the Commission communication of 3 March 2010 entitled ‘Europe 2020 – A strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
- having regard to the Commission proposal of 30 November 2011 for a regulation of the European Parliament and of the Council establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (2014-2020) (COM(2011)0834),
- having regard to the European Council conclusions of 14 and 15 March 2013 and the Competitiveness Council conclusions of 26 and 27 September 2013,
- having regard to the Commission communication of 18 June 2013 entitled ‘Commission follow-up to the ‘TOP TEN’ Consultation of SMEs on EU Regulation’ (COM(2013)0446),
- having regard to the Commission communication of 7 March 2013 entitled ‘Smart Regulation – Responding to the needs of small and medium-sized enterprises’ (COM(2013)0122) and the accompanying staff working document entitled ‘Monitoring and Consultation on Smart Regulation for SMEs’ (SWD(2013)0060),
- having regard to the Commission communication of 2 October 2013 entitled ‘Regulatory Fitness and Performance (REFIT): Results and Next Steps’ (COM(2013)0685),
- having regard to its resolution of 23 October 2012 on ‘Small and Medium Size

¹ OJ L 124, 20.5.2003, p. 36.

Enterprises (SMEs): competitiveness and business opportunities'¹,

- having regard to the Commission staff working document entitled ‘Exploiting the employment potential of green growth’ of 18 April 2012 (SWD(2012)0092), accompanying the document ‘Towards a job-rich recovery’ (COM(2012)0173),
 - having regard to the Commission communication of 20 September 2011 entitled ‘Roadmap to a Resource Efficient Europe’ (COM(2011)0571),
 - having regard to the Commission Working Document of 10 October 2012 entitled ‘European Competitiveness Report 2012: Reaping the benefits of globalisation’ (SWD(2012)0299),
 - having regard to the question to the Commission on the ‘top ten’ consultation process (O-000049/2014 – B7-0118/2014),
 - having regard to Rules 115(5) and 110(2) of its Rules of Procedure,
- A. whereas enhancing support for SMEs, with respect to their competitiveness, sustainability and employment potential, is essential for economic recovery in Europe and is part of a horizontal effort that cuts across different policy areas;
- B. whereas 20.7 million SMEs employ over 65 % of the existing private-sector workforce, and whereas SMEs are among the most innovatory enterprises, with the best performance in terms of job creation and economic growth;
- C. whereas regulation provides a framework for balancing public and private interests and is essential for implementing environmental and social standards;
- D. whereas simplification of EU regulations should be pursued in such a way as to fully respect EU health and safety at work requirements, EU workers’ rights or principles and the objectives of EU environmental legislation;
- E. whereas SMEs need not just administrative simplification, but also better access to finance, access to information, skills and knowledge, and support for their innovative efforts;
- F. whereas SMEs are often at a competitive disadvantage compared to large industrial players in terms of taxation, standardisation, public procurement, intellectual property, research and innovation financing;
- G. whereas a significant part of the administrative burden attributed to EU legislation stems from national implementation or additional requirements established at national level;
- H. whereas the Commission has estimated that policies promoting a transition to a green economy, such as resource efficiency, energy efficiency and climate change policies, could generate more than 9 million jobs by 2020, particularly in the SME sector;

¹ OJ C 68 E, 7.3.2014, p. 40.

1. Supports the process of smart regulation to ensure that it is justified, non-discriminatory and proportionate, and applied in a manner that does not give rise to excessive administrative burdens for SMEs;
2. Welcomes the application of the ‘think small’ principle and processes for ensuring that the impact of SMEs is better understood throughout the regulatory cycle; believes it can improve the effectiveness of EU legislation, simplify implementation by the Member States, and facilitate the constructive involvement of SMEs in future consultations;
3. Notes the Commission’s ‘Top Ten’ initiative as part of the REFIT exercise; believes that the SME test, fitness checks and competitiveness tests should not be stand-alone processes, but be part of a comprehensive impact assessment which gives balanced consideration to all aspects (such as economic, social and environmental factors) and seeks to evaluate not just the costs, but also the benefits to society and potential for new markets; believes that these processes should not undermine the effectiveness of legislation or add additional layers of bureaucracy;
4. Stresses that the work of regulatory simplification must not be used as a pretext for lowering the level of ambition regarding issues of vital importance to the safety and wellbeing of employees or protection of the environment; warns against the promotion of a deregulation agenda on the pretext of reducing burdens for SMEs; calls on the Commission not to lower its level of ambition, and calls for the safeguarding of public policy objectives that cover environmental, social and health and safety standards;
5. Welcomes the Council’s statements in its Conclusions of March and October 2013 recognising that actions to reduce excessively burdensome regulation at EU and national levels must always take account of the need to protect citizens, consumers, vulnerable groups and employees;
6. Believes that exempting micro-enterprises by default is not the right approach and supports the development of adapted solutions and lighter regimes for SMEs where it can be demonstrated that these do not undermine the effectiveness of legislation, and that exemptions or lighter regimes do not foster fragmentation or hinder access to the internal market;
7. Encourages Member States to pursue administrative simplification for SMEs at national level by properly transposing European directives into national legislation; stresses the right of Member States to adopt national regulations if the EU has only adopted minimum provisions;
8. Expresses its concern about the possible implications of the regulatory simplification agenda for employees’ rights in the EU, and in particular the risk that the revision of the directive on informing and consulting workers, the simplification of the rules on cabotage, the overhaul of the directives on part-time and temporary work and the decision not to revise the directive on carcinogens may have a detrimental impact on employees; recalls the Commission’s duty to consider fundamental rights when drafting impact assessments;
9. Believes that the voice of SMEs should be better heard in legislative processes such as

those on standardisation, intellectual property, research and innovation funding or public procurement; regrets the reluctance of the Council to give greater consideration to the needs of SMEs in the adoption of legislation;

10. Calls on the Commission to step up its efforts to ensure that SMEs, especially innovative ones, are encouraged to flourish through the provision of targeted non-financial and financial support and the easing of access to finance, markets, skills and information;
11. Believes that SMEs are often disadvantaged by tax regimes in comparison to larger companies, thus stifling their potential growth and investment; is in favour of the better coordination of corporate tax systems in the EU through the introduction of a harmonised tax base, accompanied by action to combat tax evasion and aggressive tax planning; believes that ending unfair tax competition between Member States and between small and large companies is an essential element of an integrated European industrial policy;
12. Welcomes the actions provided for under Article 7 of the COSME proposal which are designed to promote entrepreneurship and entrepreneurial culture; expects that the measures and actions promoting entrepreneurship at European or national level will concern all types of enterprises, including cooperatives, craft businesses, the liberal professions and social enterprises;
13. Draws attention to the European Commission's 2012 Competitiveness Report which highlights the positive role that eco-innovation and resource and energy efficiency have on the EU's competitiveness, demonstrating that eco-innovating firms are on the whole more successful than conventional innovators, particularly in the case of manufacturing companies; believes that resource and energy efficiency are key to increasing the competitiveness of European industry and SMEs; urges the Council to adopt a resource efficiency target (30 % by 2030 as proposed by the European Resource Efficiency Platform) and ambitious and binding energy and climate targets for 2030; urges the Commission to underpin the objectives of EU investment funding with eco-innovation, in particular Horizon 2020 and innovation support for SMEs;
14. Highlights the job potential of the green economy provided that ambitious climate, energy and resource efficiency policies are put in place; calls on the Member States to ensure sufficient levels of investment in these sectors, to anticipate future skills requirements for workers and to guarantee the quality of 'green jobs'; urges the Commission to tackle SME knowledge and skill gaps in relation to green technologies, practices and business models and to support the development of educational and professional training strategies and programmes targeted at SMEs;
15. Highlights the potential of the single market for SMEs and points out that only 25 % of SMEs are involved in cross-border trade in the EU; calls on the Commission and the Member States to work together to improve the integration of the single market and to do more, where feasible, to achieve regulatory harmonisation across Member States in order to facilitate cross-border trade by SMEs;
16. Welcomes the establishment of EU-financed debt and equity facilities for SMEs and the

strengthening of EU venture capital and business angel networks and incubators, so that SMEs can seek investment from sources other than banks; believes that the European Investment Fund has a crucial role to play as a fund of funds in the development of venture capital markets in focus areas of European interest, and in particular for the deployment of sustainable technologies; believes that the difference in taxation between equity and debt should be removed in order to improve investment in the real economy;

17. Calls on the Commission to investigate how crowd-funding, equity-based crowd-funding and peer-to-peer lending could be further leveraged to help micro-enterprises and SMEs, including in the cultural sector and non-profit industries, and to develop a robust regulatory framework on crowd-funding;
18. Considers the consultation of SMEs to be a very useful exercise; has concerns regarding the Commission's review of the 'Top 10' most burdensome laws, and suggests adopting a more constructive approach that focusses more on the needs of SMEs than on an assessment of what could be considered as burdensome; calls on the Commission to continue to consult SMEs on a regular basis through the Eurobarometer; notes, however, a significant imbalance in the geographical distribution of responses to the 'top ten' consultation process; invites the Commission to carry out an ex-post evaluation of the reasons behind such an imbalance so as to ensure that the information collected is not skewed by a lack of awareness or other factors that may have distorted the feedback collected;
19. Instructs its President to forward this resolution to the Council and the Commission.