



**2015/2320(INI)**

24.5.2016

# **OPINION**

of the Committee on Budgets

for the Committee on Employment and Social Affairs

on how best to harness the job creation potential of small and medium-sized enterprises (SMEs)  
(2015/2320(INI))

Rapporteur: Liadh Ní Riada

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## SUGGESTIONS

The Committee on Budgets calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas the EU budget should be used to boost the creation of long-term quality and qualified employment and the potential of SMEs to create decent and sustainable jobs;
  - B. whereas access to finance is still one of the main barriers to the creation and growth of SMEs, particularly in the case of social economy enterprises, given, inter alia, the lack of a sufficiently diversified range of equity instruments and risk capital across the Union, which is needed along the growth path of a company;
  - C. whereas SMEs play an important role in strengthening economic, social and territorial cohesion, while also contributing to smarter, sustainable and inclusive growth;
  - D. whereas even though 90 % of global growth is occurring outside the EU, only 13 % of SMEs have been internationally active outside the EU;
- 1. Underlines the need to increase investment in research, innovation, qualified training and development in order to spur the qualitative growth and job creation potential of European SMEs; stresses the fact that EUR 75 billion have been earmarked to support SMEs under the SME Window of the European Fund for Strategic Investments (EFSI); welcomes the successful implementation of SME financing under the EFSI among the approved projects so far;
  - 2. Welcomes the move towards using financial instruments for SME support, but believes that grant funding should be maintained where it plays a critical and necessary role in the promotion of innovation, development and research, which are critical for job creation and the future economic success of Europe;
  - 3. Recalls that the European Union committed itself to strengthening its industrial base by setting the target that industrial production account for at least 20 % of GDP by 2020, which should be increased to 30 % by 2030; considers that this is an essential prerequisite for improving the employment situation in Europe effectively;
  - 4. Notes that SMEs in Member States that do not have public investment banks may be at a disadvantage compared with those in countries with functioning publicly owned investment banks, as an assessment of public interest is not a priority for private banking institutions;
  - 5. Would welcome smart simplification initiatives aimed at improving application processes and the ex-anti assessment of projects, particularly in the case of microfinance; would further welcome accountability measures targeted at financial intermediaries which do not overburden SMEs or unreasonably increase costs;
  - 6. Insists that both public and private support to young people – that channels investment into education and skills, helps young people acquire entrepreneurial and financial skills

and matches SMEs' demand for skilled workers – should be strengthened; stresses that this support should be granted both for setting up a business and for improving the running and management of businesses already set up, including for businesses carrying out or intending to carry out their commercial activity outside the EU's borders; notes also that women entrepreneurs often face additional barriers, and emphasises that more should be done to unlock their potential as job creators and drivers of economic growth; stresses that this should be considered by the Commission as a measure of success or failure in its reports to Parliament, and calls on the Commission and the Member States to provide further support for female entrepreneurship, given that women still have to overcome considerable gender barriers in order to start up and develop a business;

7. Highlights that further efforts and incentives, especially for females and migrants to become entrepreneurs in order to boost the creation of employment, should be made in overcoming the migrant and asylum-seeker crisis; considers, in particular, that within the specific measures being taken to help Member States in their efforts to foster the settlement and integration of the migrant communities, the enhancement and facilitation of the possibilities for migrants benefiting from international protection to set-up micro-enterprises, social enterprises and SMEs beyond providing them with access to the labour market would help advance the EU objectives of a higher degree of local, regional and national integration and territorial cohesion in the EU;
8. Believes in the huge potential offered by the Digital Single Market for job creation, and thinks that EU policies should respond to new labour market demands spurred by the digitalisation of industry;
9. Draws attention to regional disparities and imbalances in SMEs' access to funding from national promotional banks, EU-funded programmes and other private and public funding institutions; calls for a level playing field for all SMEs – with special focus on less developed, poorer and more remote or isolated regions facing serious problems of depopulation and/or dispersion, and on countries that have been under financial and economic constraints – in accessing funding from EU-supported financial instruments while using intermediaries;
10. Invites the Commission, before it initiates a full-fledged debate with Parliament on the future Financial Framework and on cohesion policy in the post-2020 period, to carry out the quantitative studies necessary to gauge the impact of SME support policies and instruments, which would make it possible to carry out preparatory work by monitoring results and assessing their effectiveness compared with that of other forms of assistance not geared towards businesses below a given size;
11. Calls on the EIB and the Commission to keep Parliament informed of the concrete measures taken so far to enhance the access to funding of cooperatives and social economy enterprises, which, together with SMEs, can play an important role in creating more sustainable and decent quality jobs;
12. Calls on the Commission and the Member States to boost information and training channels for small businesses and entrepreneurs on the various European funding possibilities that they can access, so that they can acquire information on all the financial instruments available to them under the European budget; calls for the greatest possible simplification in terms of both documents and procedures in order to facilitate access to

these financial instruments, as well as greater flexibility in this regard.

## RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	23.5.2016
<b>Result of final vote</b>	+ :                    22 - :                    2 0 :                    1
<b>Members present for the final vote</b>	Jean Arthuis, Lefteris Christoforou, Jean-Paul Denanot, José Manuel Fernandes, Bernd Kölmel, Zbigniew Kuźmiuk, Vladimír Maňka, Ernest Maragall, Sophie Montel, Liadh Ní Riada, Jan Olbrycht, Younous Omarjee, Urmas Paet, Paul Rübig, Patricija Šulin, Eleftherios Synadinos, Paul Tang, Daniele Viotti
<b>Substitutes present for the final vote</b>	Georgios Kyrtos, Andrej Plenković, Ivan Štefanec, Nils Torvalds, Auke Zijlstra
<b>Substitutes under Rule 200(2) present for the final vote</b>	Laura Agea, Rainer Wieland