

# EUROPEAN PARLIAMENT

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*Committee on Employment and Social Affairs*

**2008/2237(INI)**

3.12.2008

## **OPINION**

of the Committee on Employment and Social Affairs

for the Committee on Industry, Research and Energy

on the Small Business Act  
(2008/2237(INI))

Rapporteur: Anja Weisgerber

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## SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the fact that the Commission has set in place a comprehensive political framework for dismantling bureaucracy for SMEs and with it has given a clear signal for the key role of the SMEs in economic growth, employment, social cohesion and innovation in Europe; stresses that, currently, most jobs being created in Europe are in SMEs, especially in craft industries and small businesses, and that SMEs are thus one of the foundations for achieving the Lisbon Strategy targets as regards the quantity and quality of jobs;
2. Notes that, despite the clear commitment made in the original Small Business Charter, the voice of SMEs remains muted within the context of the social dialogue; urges that this deficit is formally corrected by appropriate proposals within the context of the Small Business Act;
3. Welcomes the direct link made with current EU-level legislative reform –European Private Company, review of State Aid, reduced VAT rate, etc. – and with reforms which it has itself requested, such as that relating to micro-credits;
4. Sees a need, in the framework of the Small Business Act, for greater emphasis to be given to the area of labour law, especially in view of the concept of flexicurity, which enables SMEs in particular to respond more quickly to changes in the market and therefore to guarantee a higher level of employment and the competitiveness of the company, as well as international competitiveness, while taking into account the necessary social protection; in this connection refers to its resolution of 29 November 2007 on flexicurity<sup>1</sup>;
5. Furthermore, stresses the importance of labour law, especially in view of how its application to SMEs can be optimised, for example through better advice or the simplification of administrative procedures, and calls on the Member States to devote special attention to SMEs in connection with the specific approaches they adopt to flexicurity, including through active labour market policies, since SMEs enjoy leeway for greater internal and external flexibility owing to their low staffing levels but also need greater security for themselves and their workers; considers it essential that labour law, as one of the main pillars of flexicurity, provides a reliable legal basis for SMEs given the fact that these businesses often cannot afford a legal department or a human resources management department; points out that 91.5% of European companies employ fewer than 10 people (source: Eurostat, 2003);
6. Stresses therefore the need to ensure that the diversity of SMEs is taken into account in the responses adopted, including as regards single-person limited liability businesses and/or individual undertakings which, owing to their statute, face specific problems in

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<sup>1</sup> OJ C 297 E, 20.11.2008, p. 174..

terms of development and in the field of social and fiscal matters and access to financing;

7. Considers it necessary to introduce measures to combat undeclared work, which is unarguably a source of unfair competition for highly labour-intensive SMEs;
8. Is concerned about the continuing lack of qualified workforce, and the slowness in attaining the Lisbon Strategy objectives with reference to the quality and enhancement of social capital and to training, which might lead to further qualification shortages in the labour market; points out that SMEs are in competition with larger businesses for qualified workers and that they should be supported with training, and particularly vocational training, and in the acquisition, development and transmission of their staff's skills; welcomes in this connection the measures which the Commission has announced in the Small Business Act for young business people, journeymen and apprentices (Erasmus) and for the creation of a European Credit System for Vocational Education and Training (ECVET);
9. Calls on European and national public authorities to provide strong support for craft industries and SMEs by:
  - devising institutional financial solutions for SMEs at a supra-enterprise level in order to help them commit more actively to continuous and lifelong training,
  - encouraging sectors with a large proportion of SMEs to invest (or continue investing) in sector-specific forms of occupational training and retraining with a view to contributing to continuity in the sector as well as to overcoming potential qualification shortages on the labour market,
  - ensuring the availability on the market of tailor-made training that matches the specific requirements of SMEs at affordable prices,
  - supporting SMEs with flanking measures, such as advisory services in the field of internal flexibility (concerning, for example, new models for the organisation of working time) or ones helping SMEs offer better conditions for the reconciliation of family and working life;
10. Welcomes the Commission's invitation to the Member States to promote self-employment and entrepreneurship in school education and professional training, particularly in general secondary education, in order to encourage more positive attitudes towards entrepreneurship in European society; calls on the Commission to accompany the Member States in their efforts through 'best practice' procedures for innovative training and linking-up with higher levels of education and research;
11. Draws attention to the fact that measures to promote and support entrepreneurship are of critical importance in the new Member States, where many people have lost their jobs because of structural economic changes;
12. Reminds the Commission and Member States that it would be appropriate to promote business networks and cluster formations, based on best practices in the Member States, that enable the desired scale to be maintained and enable, for example, the sharing of

facilities, goods and services;

13. Agrees, in the context of impact assessment for new legislative proposals, with the introduction of a compulsory 'SME test', the results of which would be assessed by an external, independent body; calls on the Commission in this connection to avail itself of procedures such as cost-benefit analyses or the regular consultation of stakeholders; calls on the Commission to allow SME associations more time to take part in consultations relating to new legislative proposals;
14. Stresses the importance of encouraging young entrepreneurs and female entrepreneurs through, amongst other things, the introduction of tutoring and mentoring programmes; points out that an increasing number of women and young entrepreneurs work in SMEs, albeit primarily still in the smallest businesses (micro-businesses), and remain prey to ill effects of stereotyping and prejudice in connection with business transfers and successions, especially in the case of family businesses; calls therefore on Member States, taking account of the impact of the ageing population, to implement suitable policies and mechanisms, in particular by introducing diagnostic, information, advisory and support tools for business transfers;
15. Reiterates the importance of ensuring access to credit, including micro-credit, especially in the current period of crisis and turmoil on the financial market, and calls on Member States to strengthen and amplify their policy measures in support of SMEs, for example by doing more than simply providing a second chance to honest entrepreneurs who have faced bankruptcy and by introducing guarantee funds and 'honour loans' for developing innovative projects geared towards sustainable development; furthermore, calls for account to be taken of SME cooperative arrangements in the Small Business Act, since it is established that such networks run less risk of insolvency than individual enterprises;
16. Points to the need for the issue of reconciling the working life and family life of both female and male entrepreneurs to be addressed through operational policies and instruments, with reference to maternity, paternity, parental and family leave and leave for training and participation in associational life, providing for integrated forms of support and replacement services;
17. Invites Member States to enhance the inclusion of SMEs owned by underrepresented ethnic minorities in the mainstream economy by developing supplier diversity programmes which aim to provide equal opportunities to underrepresented businesses competing with larger undertakings for contracts;
18. Supports the development of micro-credits (up to EUR 25 000) through the Microfinance Fund to a value of EUR 40 million, in order to encourage new business start-up in particular and calls upon the European Investment Bank to ensure rapid implementation at regional level; welcomes the fact that the European Social Fund also provides for measures to encourage business start-up, in particular to promote female entrepreneurship, and calls on the Member States to make good use of this possibility;
19. Is concerned that the present 'credit crunch' may have a disproportionately negative effect on cashflow for SMEs, as larger customers put pressure on smaller suppliers to grant extended payment terms; urges that the consultation period relating to the impact of the

Late Payments Directive<sup>1</sup> is re-activated in early 2009 so that the latest trends can be accurately monitored and assessed;

20. Points out that direct commitments from the Commission should be incorporated into the fourth set of proposed policy measures, not least as regards ways of improving access to information, both on the relevant regulations and on planning and financing possibilities, including through the network of offices already in operation, such as the Europe Direct offices;
21. Reiterates the importance accorded to the corporate social responsibility of small-scale businesses, which necessitates horizontal links, networks and services; considers it ineffective to refer to the European Environmental Management and Audit system certification, both because this will detract from existing certificates, and because it links in solely with the environmental challenge.

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<sup>1</sup> Directive 2000/35/EC of the European Parliament and of the Council of 29 June 2000 on combating late payment in commercial transactions (OJ L 200, 8.8.2000, p. 35).

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	2.12.2008
<b>Result of final vote</b>	+: 39 -: 2 0: 0
<b>Members present for the final vote</b>	Jan Andersson, Edit Bauer, Iles Braghetto, Philip Bushill-Matthews, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Luigi Cocilovo, Jean Louis Cottigny, Jan Cremers, Proinsias De Rossa, Harald Ettl, Carlo Fatuzzo, Ilda Figueiredo, Stephen Hughes, Ona Juknevičienė, Elizabeth Lynne, Thomas Mann, Jan Tadeusz Masiel, Maria Matsouka, Juan Andrés Naranjo Escobar, Csaba Őry, Siiri Oviir, Marie Panayotopoulos-Cassiotou, Pier Antonio Panzeri, Rovana Plumb, Bilyana Ilieva Raeva, José Albino Silva Peneda, Jean Spautz, Gabriele Stauner, Ewa Tomaszewska, Anne Van Lancker
<b>Substitute(s) present for the final vote</b>	Gabriela Crețu, Petru Filip, Marian Harkin, Magda Kósáné Kovács, Sepp Kusstatscher, Jamila Madeira, Viktória Mohácsi, Csaba Sógor, Anja Weisgerber