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*Committee on Employment and Social Affairs*

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**2010/2277(INI)**

16.2.2011

# **OPINION**

of the Committee on Employment and Social Affairs

for the Committee on the Internal Market and Consumer Protection

on a Single Market for Enterprises and Growth  
(2010/2277(INI))

Rapporteur: Raffaele Baldassarre

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## SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on the Internal Market and Consumer Protection, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Recalls that a single market based on free and fair competition is the EU's crucial economic reform goal and represents a key competitive advantage for Europe in the global economy;
2. Believes that the Single Market can and should be re-launched and fully completed in order to meet the objectives set in the Europe 2020 Strategy so as to offer more growth for businesses, including social economy enterprises (cooperatives, associations, mutual societies and foundations), and more and better jobs, as well as adequate protection for the rights of European workers and consumers in the EU; stresses, to this extent, that all proposals contained in the Single Market Act need an adequate assessment of their social, economic and environmental impact; considers that, in order to obtain all the benefits from the completion of the Single Market, free movement of workers, capital and services should be fully enforced and supported both at EU and at Member State level;
3. Underlines that employment depends not least on the effective protection of intellectual property rights; therefore welcomes the Commission's announcement of legislative proposals to tackle the new challenges posed by piracy on the Internet and to improve customs activities in this area;
4. Stresses that the balance of the proposals requires that a sectorial approach be taken to the orientations proposed: energy, transport, technological innovation, legal certainty for enterprises and workers etc. and that consultations be organised in each of these sectors;
5. Considers that the process of creating of a single market in energy should focus not only on enhancing businesses' competitiveness but also on maintaining energy prices accessible to both consumers and businesses;
6. Considers that small and medium-sized enterprises (SMEs) are the basis of the European economy and the main drivers of sustainable and quality job creation, employment, economic growth and social cohesion in Europe; emphasises that greater efforts must be made to improve SMEs' access to and participation in the Single Market, including the removal of all barriers to the development of e-commerce as identified in the 2010 'Digital Agenda', and support for the development of broadband availability as well as a broader application of ICT; considers that language learning should be promoted through life-long learning (vocational training), mostly for SMEs' employees, as a means of reinforcing the access of SMEs to the single market;
7. Points out that one of the main problems for SMEs in times of economic downturn is their access to finance; considers, however, that SMEs' financing needs can be better served by improved support from public banks rather than via stock markets and venture capital funds as proposed by the Commission; emphasises that the Commission's approach would make SMEs more vulnerable to financial market volatility and 'asset stripping' strategies,

endangering the stability of SMEs and employment stability;

8. Underlines that the ‘think small first’ principle has not yet been implemented so as to remove the burdens hampering SMEs; calls for a differentiated policy for SMEs; suggests that SMEs with a specific growth potential, high wages and good working conditions should be supported and calls for a differentiation within the Small Business Act in order to bring it into line with Europe 2020;
9. Welcomes the review of the Fourth and Seventh Directives seeking to further simplify financial reporting obligations with a common level throughout the European Union, and to reduce administrative burdens, especially for SMEs, in order to encourage further development of the single market and contribute to the creation of new jobs; demands that a reduction of the administrative burden must not reduce protection of workers, i.e. by lowering occupational health and safety obligations; underlines that high transparency and sufficient disclosure requirements have to be fulfilled in order to protect creditors;
10. Reiterates the need to create a more SME-friendly regulatory environment by carefully assessing the impact of any new regulatory or legislative measures on SMEs with a view to the reduction of red tape, the enhancement of competitiveness and the promotion of quality employment; stresses the need to keep existing health and safety provisions for workers; calls also for better reinforcement of the single market, as well as an increased role for and greater political will on the part of the Member States to improve it;
11. Stresses the importance of better communication and extension of the internal market information system as it is essential to provide SMEs in particular with clear information on the internal market;
12. Strongly favours the proposal for EU project bonds to finance European projects and considers that this is an urgent task for Europe with regard to strategic investments and job creation; is of the opinion that properly financed common European projects can contribute to EU competitiveness, exploiting the full potential of the single market and creating employment; calls for the projects to be selected according to their employment creation potential after a mandatory impact assessment;
13. Asks the Commission to carry out an annual assessment of public and private investment needs and how they are being, or should be, met in the framework of its proposal No 16;
14. Stresses the importance of using public procurement rules to support employment, social progress and sustainable development; urges the Commission to facilitate access to public procurement for SMEs, social economy enterprises and Fair Trade;
15. Stresses the importance of putting pre-commercial public procurement to better use in support of innovation, which is an essential condition for sustainable growth, employment and social progress; urges the Commission to undertake initiatives in order to take this concern into account in its proposal No 17 and to look into means to open up and facilitate access to public procurement for SMEs, including social economy SMEs, both in the EU and in third countries; calls on the Commission to further encourage the use of social and environmental standards in public procurement contracts, where appropriate;

16. Welcomes, in addition to proposals No 19 and No 20 on tax issues, the implementation of Mario Monti's proposals for the establishment of a Tax Policy Group, which brings together representatives from the Member States;
17. Welcomes the Commission's proposal to publish a VAT strategy; believes that better tax coordination between Member States is needed to avoid unfair tax competition and market distortions; welcomes, in this regard, the Commission's proposal for a directive introducing a common consolidated corporate tax base (CCCTB); believes that a CCCTB will boost the competitiveness of SMEs in particular by reducing burdens arising from administrative complexity and by tackling fiscal impediments to growth due to fragmentation, thus achieving a potentially positive impact on public finance and employment;
18. Is concerned about the distortion created in the internal market as a result of the different levels of tax fraud in the Member States; urges the Commission to act decisively to create a regime of incentives and sanctions against tax evasion and illicit capital flight, including initiatives against tax havens, which is hampering the European economy; to this extent, asks the Commission to add to its proposal No 19 an impact assessment to evaluate the different problems caused by tax evasion and the black economy in all Member States;
19. Underlines the importance of removing legislative barriers to cross-border activities; calls on the Commission to create a 'level playing field' for all forms of enterprises within the Single Market by taking the necessary steps to introduce proposals for European statutes for associations, mutual societies and foundations, to propose a feasibility study and an impact assessment for the statutes for associations and mutual societies, and to complete the impact assessment for the statute for foundations in due course;
20. Strongly supports the efforts to pursue international trade negotiations with the aim of removing obstacles to trade, so as to obtain better access for European companies to third countries' markets, notably in the field of public procurement; reiterates in this respect the importance of including social and environmental standards in trade agreements concluded between the EU and third countries in order to promote corporate social responsibility within the context of these negotiations, where applicable; emphasises, in this respect, the importance of an effective implementation of the ILO's standards and its Decent Work Agenda and the OECD Code of Conduct for Multinational Enterprises.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	14.2.2011
<b>Result of final vote</b>	+: 27 -: 8 0: 15
<b>Members present for the final vote</b>	Regina Bastos, Edit Bauer, Jean-Luc Bennahmias, Pervenche Berès, Mara Bizzotto, Philippe Boulland, Milan Cabrnoch, David Casa, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Sergio Gaetano Cofferati, Marije Cornelissen, Tadeusz Cymański, Karima Delli, Proinsias De Rossa, Frank Engel, Sari Essayah, Richard Falbr, Ilda Figueiredo, Thomas Händel, Marian Harkin, Roger Helmer, Liisa Jaakonsaari, Danuta Jazłowiecka, Martin Kastler, Ádám Kósa, Patrick Le Hyaric, Veronica Lope Fontagné, Olle Ludvigsson, Elizabeth Lynne, Thomas Mann, Elisabeth Morin-Chartier, Csaba Óry, Siiri Oviir, Rovana Plumb, Konstantinos Poupakis, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Traian Ungureanu
<b>Substitute(s) present for the final vote</b>	Raffaele Baldassarre, Françoise Castex, Jelko Kacin, Ria Oomen-Ruijten, Evelyn Regner, Emilie Turunen
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Catherine Bearder