



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Employment and Social Affairs

2012/2042(INI)

11.7.2012

OPINION

of the Committee on Employment and Social Affairs

for the Committee on Industry, Research and Energy

on Small and Medium Size Enterprises (SMEs): competitiveness and business opportunities
(2012/2042(INI))

Rapporteur: Anthea McIntyre

PA_NonLeg

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. Notes that SMEs are of crucial importance to the European economy as a source of employment and innovation; points out that 23 million SMEs provide about 90 million jobs within the EU private sector, with 30 % deriving from micro-enterprises, and that 85 % of all new jobs in the EU between 2002 and 2012 were created by SMEs, in particular by new firms¹; views SMEs as having potential in promoting and spreading a dual system of vocational training and apprenticeship schemes to help young people to enter the labour market and thereby reduce youth unemployment;
2. Recognises that if the Member States are to deliver on the targets for an innovative, smart and inclusive Europe contained in the EU 2020 strategy, it is necessary to take into account, and facilitate the creation, of SMEs and microenterprises, as these have enormous potential for creating employment, in particular youth employment, and thereby in reducing poverty and social exclusion; notes that becoming self-employed and establishing a microbusiness can be a good and flexible option, particularly for women;
3. Emphasises that SMEs are the main actors in bringing together the objectives of innovation and sustainability, but that they need a stable, long-term and ambitious regulatory framework as a prerequisite for fully exploiting the potential for employment offered by a sustainable economy; calls, therefore, on the Commission and the Member States to define long-term environmental standards and financial incentives and, thereby, establish a secure climate for investment;
4. Recognises that SMEs play an important role in achieving social stability, cohesion and integration, particularly in areas that are faced with negative effects in their demographic development; calls on the Commission and the Member States to support SMEs in establishing a working atmosphere that will encourage workers to comply with the standards of labour law, worker protection and health protection, thus also contributing to social prosperity and the fight against poverty;
5. Stresses that, despite investments supported by the EU, there are still serious barriers to the start-up and development of SMEs, such as restricted access to finance and loans, a lack of transparency and openness in the management of EU funds in some Member States, the cost of finance, burdensome regulations, restricted access to export markets and limited capacity to develop them, long average payment times and skill shortages; emphasises that entrepreneurs, especially women, are often not offered the support they

¹

European Commission (Enterprise and Industry): ‘Member States competitiveness performance and policies: Reinforcing competitiveness, 2011 edition’, (Communication from the European Commission; ‘Industrial Policy: Reinforcing Competitiveness’ (COM(2011) 0642 final), and Commission staff working document: ‘Member States competitiveness performance and policies 2011’ (SEC(2011) 1187)), section 3.4.4: Challenges faced by SMEs, p. 39.

need, and calls therefore on the Member States to adopt policies to facilitate access to credit for the creation and growth of SMEs;

6. Underlines that the reduction of administrative burdens must not result in less health and safety protection for workers; recognises, however, that administrative burdens and financial risks can result in stress and other negative health impacts for employees and owners of SMEs and micro enterprises; stresses, therefore, the importance of ensuring that all measures are proportionate and do not create disincentives for the creation and development of SMEs and microenterprises;
7. Underlines the importance of discussions with the social partners during planning of national actions aimed at strengthening and promoting small and medium entrepreneurship;
8. Welcomes support for SMEs through initiatives such as PSCI, COSME and Horizon 2020 which, among other benefits, will create opportunities for employees within the SME and micro-enterprise sector to develop their skills and knowledge base; stresses that such measures must not create additional red tape, must demonstrate added EU value and value for money, and must complement Member States' initiatives;
9. Stresses that it is necessary to implement and apply extensive simplification measures, including simplified reimbursement methods, to help SMEs take part in EU-funded programmes;
10. Stresses that easier access to micro-credit through the European Microfinance Facility, and the further development of this instrument in the context of the Programme for Social Change and Innovation for the period 2014-20 and the future of the ESF, should be encouraged, so that the founders of microenterprises from socially disadvantaged sections of the population in particular can gain access to appropriate financial instruments; calls, in this context, on the Commission to include special information on cooperatives in the financial instruments managed by the European Investment Fund;
11. Stresses the need to support SMEs in order to encourage investment in innovative projects, creating a favourable environment for cross-border cooperation in order to create new sustainable jobs; emphasises, in this context, that SMEs need constantly to adapt to the increasing demands of the internal market, to be competitive internationally and to facilitate access to new markets, third countries, and public procurement, particularly in emerging countries;
12. Underlines the 'Think Small First' principle; recognises the benefits of e-commerce in providing opportunities for SMEs to access the single market and reduce costs; calls on the Commission to take steps to ensure that the European Observatory for SMEs also includes the voluntary/non-profit sector in its work;
13. Notes the need to reduce costs for SMEs in all ways, including the time needed for administrative procedures : developing e-government and one stop shops could permit SMEs to spend less time on administrative procedures and gain new business opportunities; notes that greater access to procurement markets can assist SMEs to unlock their potential for job creation and growth, allowing them to achieve the Europe

2020 targets; notes that e-government could be used to provide access to all relevant information on compliance with employment legislation and tax regimes, as well as information on accessing different levels of European, national and regional funding and support schemes for SMEs and micro-enterprises;

14. Notes that when it comes to cross-border services, the one-stop shop can also, together with the social partners, provide comprehensive information about the working conditions in the destination country where services are to be provided;
15. Notes that the lack of appropriate infrastructure in rural areas, e.g., broadband internet access, presents a serious barrier to employment and growth, particularly for SMEs, micro-enterprises, the self-employed and 'self-starters', types of enterprise which could otherwise benefit from locations outside cities and high rent areas;
16. Notes that costs associated with compliance can have a disproportionate effect on SMEs, especially on micro-enterprises, and that these costs can present a major obstacle to expansion of these businesses and their capacity to employ and retain staff; encourages the Member States to take this into account when reviewing their national tax and social security regimes;
17. Member States must not be prevented from applying standards at the national level that go beyond the minimum standards agreed within the EU; emphasises that the benefits to the national economy and general economy must be weighed against the costs; emphasises in particular that it is necessary to consider that the high-quality working environment and high-quality jobs available in Europe tend to lower healthcare costs and reduce absenteeism caused by injuries at work, occupational diseases and invalidity, and that by increasing productivity and growth can also have an impact on national budgets and the sustainability of social security systems;
18. Calls, in the context of fitness checks, for the identification of areas characterised by excessive burdens, inconsistencies or ineffective legislation that impact adversely on SMEs; calls on the Commission to ensure that the objectives of health, safety and equality and social provisions are met;
19. Emphasises that the reduction of the administrative burden should not lead to a situation where the ILO standards and the ILO Decent Work Agenda are not adequately implemented in SMEs and micro-enterprises;
20. Notes the introduction of a micro-enterprises dimension in a strengthened SME test (see COM(2011)0803) through which all available possibilities – such as exclusion from the scope of some burdensome EU legislation, individual provisions, extended transition periods or lighter regimes – are systematically assessed; emphasises that new employment and social legislation which passes the enhanced SME test should be applied in the least complicated form, guaranteeing compliance with European legislation on health and safety at work while keeping the administrative burden to the minimum needed to meet the standards set by national traditions and customs; calls on the Member States to carefully consider the intended objective of employment legislation, and the impact of introducing additional requirements not explicitly required under EU law;

21. Recognises that the internationalisation of SMEs can contribute to greater employment in the EU, and emphasises that internationalisation is a process and that, to be successful, requires that SMEs have support services not only in third markets but also at the local level; points out that administrative and bureaucratic obstacles should also be avoided, and that all EU initiatives must comply with the principle of subsidiarity and should offer a clear additional benefit;
22. Recommends that the Commission and the Member States improve the general conditions for new entrepreneurs in order to make better use of the potential for new and sustainable employment; emphasises the need to remove the administrative obstacles faced by small and medium-size enterprises when recruiting workers from other Member States; calls on the Member States to provide information from a single source for entrepreneurs seeking to invest in a Member State and create jobs there, while still maintaining the European social model.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	10.7.2012
Result of final vote	+: 32 -: 4 0: 1
Members present for the final vote	Regina Bastos, Edit Bauer, Heinz K. Becker, Phil Bennion, Pervenche Berès, Vilija Blinkevičiūtė, Philippe Boulland, David Casa, Ole Christensen, Minodora Cliveti, Marije Cornelissen, Emer Costello, Karima Delli, Sari Essayah, Marian Harkin, Roger Helmer, Nadja Hirsch, Stephen Hughes, Danuta Jazłowiecka, Adam Kósa, Jean Lambert, Veronica Lope Fontagné, Olle Ludvigsson, Thomas Mann, Csaba Óry, Siiri Oviir, Konstantinos Poupakis, Sylvana Rapti, Elisabeth Schroedter, Nicole Sinclair, Joanna Katarzyna Skrzydlewska, Jutta Steinruck
Substitute(s) present for the final vote	Georges Bach, Kinga Göncz, Svetoslav Hristov Malinov, Anthea McIntyre, Evelyn Regner