

Opinion of the European Economic and Social Committee on the Proposal for a Decision of the European Parliament and of the Council amending Council Decision 2000/819/EC on a multiannual programme for enterprise and entrepreneurship, and in particular for small and medium-sized enterprises (SMEs) (2001-2005)

(COM(2004) 781 final — 2004/0272 (COD))

(2005/C 234/03)

On 11 January 2005, the Council decided to consult the European Economic and Social Committee, under Article 95 of the Treaty establishing the European Community, on the abovementioned proposal.

The Section for the Single Market, Production and Consumption, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 14 February 2005. The rapporteur was **Mr Pezzini**.

At its 415th plenary session, held on 9 and 10 March 2005 (meeting of 9 March), the European Economic and Social Committee adopted the following opinion unanimously.

1. Preface

1.1 Many EESC members from the Member States which joined the EU in 2004 have not had the opportunity to follow closely Community enterprise policy, particularly policy relating to SMEs, as it has developed over the past decades. This albeit very simple opinion is important because of the significance of the Commission's proposals, and it gives a brief overview of some of the different stages of the policy's development.

2. Historical overview

2.1 Within the Commission, from the second half of the eighties onwards, enterprise policy was addressed essentially by two directorates-general, DG Industry and DG XXIII, which was concerned, in particular, with the craft sector and SMEs. Throughout the nineties, DG XXIII, liaising closely with Member States' trade associations, held dozens of meetings every year to identify the specific needs of micro- and small enterprises.

2.2 In 1994, encouraged by DG XXIII, the Commission created the EIF (European Investment Fund), giving it two main tasks:

- 1) to finance networks, which were essential to enterprises' development;
- 2) to promote access to credit, particularly where SMEs were concerned, by underwriting loans.

At present, the EIF operates solely in the second area of activity.

2.3 The points raised by the many meetings with the above DGs were discussed at three European conferences, held in Avignon (1990), Berlin (1994) and Milan (1997) respectively. Thousands of entrepreneurs from the Member States were present at each of these events.

2.4 During that period, therefore, enterprise programmes were proposed either by DG Enterprise or by DG XXIII: programmes put forward by DG XXIII were concerned particularly with the craft sector and small and medium-sized businesses.

2.5 In 1997, the third multiannual programme for SMEs (1997-2000) was approved; it had been discussed initially with the trade associations and was then launched by DG XXIII.

2.6 On 20-21 November 1997, the Luxembourg Extraordinary European Council, whose agenda contained a single item — employment — launched three practical initiatives to help businesses stay competitive in the markets and called upon the Commission to put forward proposals that would boost the business sector and promote job creation in that field. The three initiatives were the ETF-Start Up Facility, the JEV (Joint European Venture) and the SME Guarantee Facility.

2.7 In 1998, with the direct involvement of the EIB and the EIF, the Commission launched the Growth and Employment Initiative (1998-2000), which was based on the measures decided on in Luxembourg.

2.8 In 1999, taking into account the decisions taken at the Cardiff European Council in 1998, the Council issued a report calling for the concept of sustainable development to be incorporated into enterprise policy.

2.9 In 2000, when the discussions on the fourth multiannual programme had reached an advanced stage, two fundamental texts for SMEs were adopted:

- 1) The European Charter for Small Enterprises, adopted by the Feira European Council,
- 2) The Charter on SME policies, promoted and adopted by OECD Industry Ministers.

2.10 Also in 2000, the Lisbon European Council launched the renowned Lisbon process, based on a knowledge-based society and economy, which would engage the Commission and the Member States for a long period of time.

2.11 The fourth multiannual programme for enterprise and entrepreneurship (2001-2005), which was adopted in 2000, built both on previous programmes and on the cultural development which had taken place during the nineties.

3. Introduction

3.1 The fourth multiannual programme (MAP) for enterprise and entrepreneurship, and in particular for small and medium-sized enterprises (SMEs) (2001-2005), was adopted on 20 December 2000, to run from 1 January 2001 to 31 December 2005, with a budget of EUR 450 million.

3.2 The MAP is designed to improve the overall business environment in Europe. It is coordinated by DG Enterprise and its activities are grouped within three pillars:

- business development policies, where the Commission and Member States study and disseminate policy recommendations designed to enhance the overall business environment;
- the Euro-Info-Centre (EIC) network, which supports and assists local information centres all over Europe, giving businesses access to Community assistance and support programmes and networks;
- financial instruments, which are targeted towards improving the financial environment for businesses, especially SMEs.

3.3 The MAP aims to achieve the following objectives:

- to enhance the growth and competitiveness of enterprises in a knowledge-based and internationalised economy;
- to promote entrepreneurship;
- to simplify and improve the administrative and regulatory framework for businesses;
- to improve the financial environment for businesses, especially SMEs;
- to give business easier access to Community support services, programmes and networks and to improve the coordination of these facilities;
- to support the implementation of the European Charter for Small Enterprises at Community level.

3.4 The delivery instruments are as follows:

- the exchange of experience and the identification of good practices among the Member States;
- the operation of a network of Euro-Info-Centres offering services and advice about European matters to enterprises throughout European regions;
- the provision, via the European Investment Fund (EIF), of Community financial instruments for SMEs.

3.5 In preparation for the new 2006-2010 programme, the Commission has had regular evaluations carried out, both internally and by independent experts. In order to take into account as many suggestions as possible, it has produced a document highlighting the points which should underpin the new programme.

4. Gist of the Commission proposal

4.1 In a single article, it is proposed to amend Council Decision 2000/819/EC⁽¹⁾, extending the multiannual programme until 31 December 2006 and thus increasing the financial reference amount by EUR 81.5 million, from EUR 450 million to EUR 531.5 million.

5. Reasons for the Commission's proposal

5.1 The public consultation and the proposals made in the independent experts' report indicated strong support for a wider basis for policy analyses, development and coordination as well as for specific measures to help enterprises to be competitive and innovative.

5.2 The current multiannual programme (MAP) did not incorporate the lines for action provided for by the European Charter for Small Enterprises clearly into its annual work programmes until 2003 and 2004, and much remains to be done to put the Charter's recommendations into practice.

5.3 The multiannual programme includes various activities to support enterprise policy, but it fails to stimulate innovation and business cooperation.

5.4 The measures provided for in the MAP were a response to the needs and requirements of the 15-Member State Europe, and are not sufficiently flexible to meet the needs of businesses from the new Member States.

⁽¹⁾ OJ L 333, 29.12.2000. Decision as last amended by Decision No 593/2004/EC of the European Parliament and of the Council (OJ L 268, 16.8.2004, p. 3).

6. The EESC's views

6.1 The EESC fully endorses the proposal and deems it appropriate that the Commission, taking into consideration any suggestions from the European Economic and Social Committee or other stakeholders from organised civil society, should draw up a proposal for a framework programme which takes into account:

- the progress made in recent years towards a knowledge-based economy;
- the new innovation drives businesses need in order to remain competitive;
- the provisions of the new Financial Perspective 2007-2013;
- the genuine needs expressed by businesses (in particular, micro-, small and medium-sized enterprises) from the new EU Member States;
- valuable, necessary synergies with the priorities of the new Structural Funds and the Cohesion Fund;
- expectations, particularly the expectations of the new Member States, regarding the role of the EICs.

6.2 An in-depth debate is currently in progress on the content of the Sixth Framework Programme for research and innovation, which expires at the end of 2006. The current MAP devotes a great deal of attention to research — which is undoubtedly extremely important for large businesses — but little attention to innovation or competitiveness, which are crucial for SMEs. A longer reflection period would enable new, dynamic synergies to be planned between the next framework programme for research and innovation and the next framework programme for enterprise and entrepreneurship.

6.3 A number of instruments provided for in the current MAP have not yielded the results hoped for⁽²⁾: this may well be because, although the post-Lisbon initiatives were taken into account when these instruments were set up, the needs of micro-, small and medium-sized businesses were not specifically taken into consideration.

7. Conclusions and proposals

7.1 Unlike the old Member States, the Member States which joined the European Union in 2004 have not had a chance to discuss this subject in depth or to contribute to the drawing-up of an enterprise and entrepreneurship policy with a solid, widely-supported base.

7.2 The EESC believes that it would be extremely appropriate, during the year in progress and the year-long pause provided by the extension (i.e. 2005-2006), for DG Enterprise to hold a series of meetings in the new Member States with representatives of SME organisations from all Member States, with the aim of discussing best practice and focusing on the specific difficulties of the new Member States. This would make it possible to highlight many of the issues that need to be taken forward under the new framework programme.

7.3 Using the information yielded by these preparatory meetings, the EESC believes that a fourth European conference on micro-, small and medium-sized enterprises could be held during 2006 in one of the countries which have recently joined the EU, with the aim of exploring, in a wider context, solutions to the most pressing issues raised by the new Member States in the field of enterprise policy.

7.4 The Commission should discuss with the EESC the results of the external valuation it commissioned as soon as possible and analyse the results yielded by the current MAP. Moreover, many of the EESC's members come from the world of enterprise and the EESC is already in a position to make a valuable contribution, with its usual pragmatism and commitment.

7.5 After these many years of discussion, and thanks, not least, to the internal debate which takes place while opinions are being drawn up, the EESC has come to the following conclusion: in order to achieve high-quality, practical development policies, it is necessary both to step up the debate among and with those whose lives are directly affected by enterprise issues (employers and workers), and to acknowledge that the problems of micro- and small enterprises are different from those of large enterprises, or, where this is not so, that they have different characteristics, because the resources, instruments and support systems used to address them cannot be compared with those at the disposal of large enterprises. It is therefore essential that these considerations be taken increasingly into account in the quest for new resources and development instruments.

7.6 The EESC is therefore in favour of the proposed extension but calls upon the Commission to implement the measures proposed in this opinion and to submit a report on the action it has taken to the European Parliament and the EESC.

Brussels, 9 March 2005.

The President
of the European Economic and Social Committee
Anne-Marie SIGMUND

⁽²⁾ See also the negative outcome of the JEV Programme and the conclusions of SEC(2004) 1460 of 15.11.2004