- 64. Calls on the Commission and the Member States to ensure that the disability dimension of activities under the European Year of Equal Opportunities 2007 build on and do not simply replicate the achievements of the European Year of Persons with Disabilities 2003;
- 65. Calls for more effort to be made with regard to elderly people suffering from a disability with a view to facilitating their integration or reintegration into the labour market and minimising early retirement among people with disabilities; notes that, in line with demographic change, the number of elderly people with disabilities is growing significantly; considers that elderly people with disabilities are in particular need of holistic care and a greater degree of social rehabilitation; calls on the Commission to study what is being done in the Member States in this area to guarantee care appropriate to people's needs; recommends that the results of this study be set out in the form of comparative best practices;
- 66. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States, accession and candidate countries.

P6\_TA(2006)0528

# Time to move up a gear — Creating a Europe of entrepreneurship and growth

European Parliament resolution on Time to move up a gear — Creating a Europe of entrepreneurship and growth (2006/2138(INI))

The European Parliament,

- having regard to the Commission communication entitled 'Implementing the Community Lisbon Programme: modern SME policy for growth and employment' (COM(2005)0551),
- having regard to the Commission communication entitled 'Time to move up a gear The new partnership for growth and jobs' (COM(2006)0030),
- having regard to the Commission communication entitled 'Implementing the Lisbon Community Programme for Growth and Jobs: Transfer of Businesses — Continuity through a new beginning' (COM(2006)0117),
- having regard to the Presidency conclusions of the Lisbon European Council of 23 and 24 March 2000, the Stockholm European Council of 23 and 24 March 2001, the Barcelona European Council of 15 and 16 March 2002, and the Brussels European Councils of 22 and 23 March 2005, 15 and 16 December 2005, and 23 and 24 March 2006,
- having regard to the Göteborg European Council of 15 and 16 June 2001 that decided to merge the Lisbon Strategy with a sustainable development strategy,
- having regard to conclusions of the Hampton Court informal Heads of State meeting of 27 October 2005,
- having regard to Council Recommendation 2005/601/EC of 12 July 2005 on the broad guidelines for the economic policies of the Member States and the Community (2005 to 2008) (1),
- having regard to the Commission communication entitled 'Working together for growth and jobs A new start for the Lisbon Strategy' (COM(2005)0024),

- having regard to the Commission communication entitled 'Integrated Guidelines for Growth and Jobs (2005-2008)' (COM(2005)0141),
- having regard to the Commission communication entitled 'Common Actions for Growth and Employment: The Community Lisbon Programme' (COM(2005)0330),
- having regard to the 25 national reform programmes (NRPs) presented by the Member States, and to the assessment of these NRPs by the Commission in Part 2 of its above-mentioned communication entitled 'Time to move up a gear The new partnership for growth and jobs',
- having regard to Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Funds, the European Social Fund and the Cohesion Fund (¹) and to the Commission communication entitled 'Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines, 2007-2013' (COM(2005)0299),
- having regard to the Commission proposal for a decision of the European Parliament and of the Council concerning the seventh framework programme of the European Community for research, technological development and demonstration activities (2007 to 2013) (COM(2005)0119) and the Parliament's position thereon of 15 June 2006 (2),
- having regard to the Commission communication entitled 'Implementing the Community Lisbon Programme: More Research and Innovation Investing for Growth and Employment: A Common Approach' (COM(2005)0488) and the accompanying Commission Staff Working Documents (SEC(2005)1253 and SEC(2005)1289),
- having regard to the European Innovation Scoreboard 2005 Comparative Analysis of Innovation Performance,
- having regard to the report of the independent expert group on R&D and innovation appointed following the Hampton Court Summit, entitled 'Creating an Innovative Europe' ('the Aho report') of January 2006,
- having regard to the Commission communication on 'Putting knowledge into practice: A broad-based innovation strategy for the EU' (COM(2006)0502),
- having regard to Commission Recommendation 94/1069/EC of 7 December 1994 on the transfer of small and medium-sized enterprises (3) (SMEs),
- having regard to the final report of May 2002 of the expert group of the BEST procedure project on the transfer of small and medium-sized enterprises,
- having regard to the Flash Eurobarometer No 160: Entrepreneurship survey and analytical report of April and June 2004 respectively,
- having regard to the final report of the Working group on venture capital comprising the United States Department of Commerce, International Trade Administration and the European Commission's Directorate-General for Enterprise and Industry, of October 2005,
- having regard to the Commission proposal for a decision of the European Parliament and of the Council establishing a Competitiveness and Innovation Framework Programme (2007-2013) (COM(2005)0121) and the Parliament's position thereon of 1 June 2006 (4),
- having regard to the Commission communication entitled 'Implementing the Community Lisbon programme: A strategy for the simplification of the regulatory environment' (COM(2005)0535),
- having regard to the Commission communication entitled 'Implementing the Community Lisbon Programme: Fostering entrepreneurial mindsets through education and learning' (COM(2006)0033),

<sup>(1)</sup> OJ L 210, 31.7.2006, p. 25.

<sup>(2)</sup> Texts Adopted, P6 TA(2006)0265.

<sup>(3)</sup> OJ L 385, 31.12.1994, p. 14.

<sup>(4)</sup> Texts Adopted, P6\_TA(2006)0230.

- having regard to the Commission Green Paper on energy efficiency or doing more with less (COM(2005)0265) and the Parliament's resolution thereon of 1 June 2006 (1),
- having regard to the Commission communication entitled 'Biomass action plan' (COM(2005)0628),
- having regard to the i2010 initiative, in particular the i2010 eGovernment Action Plan: Accelerating eGovernment in Europe for the benefit of all (COM(2006)0173),
- having regard to the Commission Green Paper on a European strategy for sustainable, competitive and secure energy (COM(2006)0105),
- having regard to its resolution of 29 September 2005 on the share of renewable energy in the EU and proposals for concrete actions (2),
- having regard to its resolution of 19 January 2006 on implementing the European Charter for Small Enterprises (3),
- having regard to its resolution of 14 March 2006 on a European information society for growth and employment (4),
- having regard to its resolution of 15 March 2006 on the input to the Spring 2006 European Council in relation to the Lisbon Strategy (5),
- having regard to its resolution of 23 March 2006 on security of energy supply in the European Union (6),
- having regard to its resolution of 5 July 2006 on implementing the Community Lisbon Programme: more research and innovation investing for growth and employment: A common approach (7),
- having regard to Rule 45 of its Rules of Procedure,
- having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on Employment and Social Affairs, the Committee on Culture and Education and the Committee on Legal Affairs (A6-0384/2006),
- A. whereas the EU must strategically adjust its position in response to the changing rules of the new global economy and the increasing pace of global markets in order to avoid further stifling long-term economic growth,
- B. whereas, in order to ensure long-term economic growth, the EU and its Member States must close the gap that exists between research and the markets in the EU,
- C. whereas global market access offers SMEs new niche markets, lower R&D costs, improved access to financing, economies of scale and technological advantages, and risk-spreading opportunities,
- D. whereas progress towards meeting the Lisbon Strategy goals is not uniform across the EU and huge differences exist in the overall level of technological development and in Member States' performance levels,
- E. whereas the process of simplifying regulation poses major problems in terms of legal emendation, and mechanisms or procedures therefore need to be provided for the purpose of authenticating such emendation.

<sup>(1)</sup> Texts Adopted, P6\_TA(2006)0243.

<sup>(2)</sup> OJ C 227 E, 21.9.2006, p. 599.

<sup>(3)</sup> Texts Adopted, P6\_TA(2006)0022.

<sup>(4)</sup> Texts Adopted, P6\_TA(2006)0079.

<sup>(5)</sup> Texts Adopted, P6\_TA(2006)0092.

<sup>(6)</sup> Texts Adopted, P6\_TA(2006)0110.

<sup>(7)</sup> Texts Adopted, P6\_TA(2006)0301.

- F. whereas failure to implement important EC legislation and subsequent market fragmentation prevent economic growth and the creation of competition leading to the economy of scale needed for a highly competitive economy in the EU,
- G. whereas the EU must transform itself into an upgraded knowledge-based economy, as the creation, transfer and application of new knowledge is the major source of economic growth and sustainable competitive advantage,
- H. whereas Member States must continue to tackle challenges linked to social demographic change and sustainable social models, and use this opportunity to develop innovative processes, services and products,
- whereas well-funded R&D leads to innovation, economic growth, the creation of jobs and excellencebased research,
- J. whereas the EU must ensure a dynamic business culture by encouraging active policies such as lifelong learning, skills training, personal career coaching, youth placement and vocational training,
- K. whereas the European space for information and communication must more visibly and actively promote entrepreneurship and a culture of learning,
- L. whereas SMEs account for 70 % of all employment and whereas only 44 % of SMEs innovate in-house,
- M. whereas SMEs are the cornerstone of economic and social cohesion as they employ over 75 million people across the EU, contributing in some industry sectors to up to 80% of employment; whereas, in view of the role they play in terms of economic development and innovation, and the proportion of the market they represent, it is imperative that SMEs receive comprehensive support,
- N. whereas Member States must provide an enabling environment for private-sector development and address SMEs' specific needs, including a conducive business environment and regulations, adequate basic infrastructure services, access to short and long-term funding at reasonable rates, equity and venture capital, advisory assistance, and knowledge about market opportunities,
- O. whereas public-private partnerships (PPPs) are a valuable tool in achieving public-service quality and financial sustainability,
- P. whereas SMEs may suffer from weak entrepreneurial skills as well as deficiencies in the use of information and communications technologies and in accounting, and may have problems with linguistic barriers, production management, business planning, lack of resources and their ability to reach critical mass,
- Q. whereas support for intermediary organisations representing SMEs is indispensable, given the fundamental nature of their actions as regards information, back-up and follow-up for SMEs, in particular for the smallest among them,
- R. whereas SMEs are involved in cross-border and global markets and this has become strategic for their further development,
- S. whereas one of the main barriers to successful entrepreneurship, innovation and product development stems from a lack of variety in the forms of finance available along the capital chain,

- T. whereas the EU should support the incubation and pre-incubation of start-up projects in a marketoriented academic environment to help such projects achieve greater critical mass, higher valuations and higher initial investment by venture capital companies,
- U. whereas patenting is very expensive in the EU, at EUR 46700, in comparison with the US (EUR 10 250) and Japan (EUR 5 460) and whereas there is an urgent need for a Community patent,
- V. whereas NRPs must address the needs of SMEs and large enterprises in a sustainable way,
- W. whereas the 23 million SMEs in Europe in fact reflect a very great diversity of entrepreneurial situations which must be taken into account in drawing up and implementing Community policies, in particular within the framework of NRPs and particularly as regards the specificities of micro-enterprises and cottage industries which account for over 95 % of European SMEs,
- X. whereas clear State aid rules could help economic development and enterprise innovation in disadvantaged communities and regions,
- Y. whereas family firms account for, roughly, two-thirds of employment in the EU,
- Z. whereas the role and the development of existing EU programmes, such as Leonardo da Vinci, promoting mobility, innovation and quality of training through trans-national partnerships (enterprises, training establishments, liaison bodies must be stressed,

# The EU competing successfully in a global market

- 1. Reminds Member States that the only way to compete successfully in a global market is to create a European knowledge-based society of excellence;
- 2. Recognises the importance of fostering a culture that celebrates innovation and the need for this to penetrate all areas of national competitiveness strategies;
- 3. Emphasises the fact that, increasingly, organisational strength will be found not in core *competencies* but, rather, in core *competent individuals*;
- 4. Urges the Member States to encourage an entrepreneurial spirit from the earliest stages of education and to step up their support for lifelong learning;
- 5. Points to the improvement of the quality and efficiency of education and training systems in mobilising the necessary resources effectively, notably by enhanced private investment in higher education and continuing training;
- 6. Urges the Commission to take action to remove legal disparities between countries' trade laws in order to ensure an open and competitive market;
- 7. Stresses the need to strengthen cooperation, on the one hand, between regions facing the same problems and challenges, by encouraging the setting up of networks among enterprises located in these regions, and, on the other, cross-border regions with the aim of encouraging the development and coordination of policies catering for their specific needs; stresses the importance of SME clusters around technology parks, public laboratories and universities that create dynamic environments in Europe, able to exploit scientific knowledge and to create knowledge-based jobs;

- 8. Stresses the need to recognise the particular situation and encourage the development of industrial clusters and zones, by means of European programmes, taking into account their specific characteristics and providing them with adequate support; calls on the Commission to encourage the exchange between Member States of good practice on the setting up of enterprise clusters and on how to improve the links between businesses and universities, both of which are considered valuable in encouraging innovation and enterprise creation:
- 9. Urges the advancement of transatlantic economic relations with a view to creating a larger free trade area than the European single market;
- 10. Urges Member States to market openness further and to implement outstanding legislation geared towards this purpose, improving coherence and European competitiveness globally;
- 11. Urges Member States to complete and integrate the services sector and thereby to boost their labour productivity growth rate;
- 12. Acknowledges that Europe needs a truly integrated energy policy which guarantees security of supply and minimal environmental damage;
- 13. Points out that simpler regulation is an essential objective, but a difficult one to bring about, and that it can in some respects and to some extent be likened to codification; urges the Commission to promote simplification by producing a proposal laying down a straightforward mechanism for authenticating the legal emendation of the changes made to European regulations with a view to simplification and to suggest that Member States individually establish similar mechanisms of their own, as each of them would then be encouraged to take action;

# Let Europeans' creativity flow

- 14. Emphasises the need for Member States to reinvigorate knowledge, research and innovation; considers that research is a vital prerequisite for successful innovation and economic growth; believes that it is important to create a European knowledge-based society, using lifelong learning, language training and Information and Communication Technologies (ICT) in order to reduce skills gaps and unemployment, thus improving workers' mobility within the EU;
- 15. Stresses that ICT, e-learning and e-business are crucial elements in improving SMEs' competitiveness; believes that further impetus should therefore be given to projects promoting such opportunities for SMEs;
- 16. Supports the widest use of the Key Competence for Life Long Learning to meet the needs of European students by ensuring equity and access in particular for those groups who need support for their educational potential, such as people with low basic skills, early school leavers, the long-terms unemployed, migrants and people with disabilities;
- 17. Emphasises the fact that the only way to have a market for the EU's SMEs and industry is to close the gap that exists in the EU between research and the marketing of innovative processes, services and products;
- 18. Emphasises the need for open innovation models that are less linear and more dynamic and will bring added value to companies;
- 19. Urges Member States to further not only the use of PCs, but also of software packages, as these extensions of the mind can improve efficiency in various administrative tasks;

- 20. Stresses the need for a user-friendly Community patent and for improved reciprocity between the European, United States and Japanese patent systems in order to best protect European enterprise and ideas, and in particular to promote their use by SMEs;
- 21. Commends the aims of the EU Market Access Strategy and calls for the EU to do more to promote its database amongst the SME community and to keep it up-to-date; recommends that Member States and regional and local authorities create common one-stop information shops and encourages government departments to offer more of their services by Internet (e-government);
- 22. Urges the Commission, via its Euro Info Centre Network, to promote greater access to international markets;
- 23. Urges the Commission to reform and enlarge this network, incorporating various business support agencies that exist within national networks and are able to provide comprehensive and reliable services to SMEs:
- 24. Emphasises that it is therefore important that the Euro Info Centre (EIC) network be evaluated, improved and reorganised with regard to both its operational efficiency and the efficiency of its action, in order to enable it to function in a more targeted and rapid manner; believes that the EICs should be transformed into identifiable one-stop trouble-shooting shops for SMEs encountering obstacles in the internal market and should become genuine mediators between SMEs and the Member States, approaching each problem by applying Community law as practically and pragmatically as possible; recognises that to achieve these objectives, EICs will require greater funding;
- 25. Calls on the Commission actively to promote the better visibility of EICs and emphasises that all SMEs should have easy, free access to the information, services and advice offered by EICs, whether or not they are members of the organisations that carry out the EIC function; calls on the Commission to ensure that SME panels drawn up by the EICs include SMEs from outside the host organisation; considers that it is vital that the Commission set ambitious targets to promote the use and visibility of EICs among all SMEs, not only the SMEs that are members of the host organisation;
- 26. Considers that efforts should be made to group together all networks that are operated by the Community and geared to the needs of SMEs (for example, Euro-Info and Innovation-Relay Centres); considers that these establishments could, for example, be incorporated into professional associations for SMEs;

# The motor of competition: the preconditions for successful competition and SMEs

- 27. Urges the Commission and Member States wherever possible to apply the principle 'think of the small ones first' based on the European Charter for Small Enterprises so as to enable micro-enterprises and cottage industries in particular fully to realise their growth and development potential both at local level and in export markets;
- 28. Urges Member States to raise the profile of entrepreneurship and individual responsibility, rewarding effort and encouraging the social values of risk-taking and entrepreneurship;
- 29. Notes that technological advances and excellence are at the heart of competitive advantage in a knowledge-driven society;
- 30. Regards it as important to give a more prominent role not only to the provision of information, but also to the transfer of best practices, for SMEs and microenterprises; to that end, regards the teaching of business-related knowledge, including the knowledge needed for tendering procedures, as a priority area;

- 31. Urges Member States to promote successful e-business models to facilitate the uptake of ICT;
- 32. Urges Member States to establish common standards or voluntary agreements in areas where the lack of these is hindering SME growth;
- 33. Urges Member States to revitalise European businesses by cutting red tape, improving the quality of regulation, reducing administrative burdens, improving the participation of SMEs within the consultation process, simplifying tax compliance procedures in their favour and streamlining administrative processes and social security schemes for workers and employers; asks Member States to abolish administrative thresholds for cross-border cooperation between SMEs, industry, research institutes and universities;
- 34. Encourages Member States to offer more support to redress the insufficient number of start-ups and to consider and apply appropriate incentives and introduce special aid arrangements that will encourage growth in terms of size and employment; notes the importance of business transfers in maintaining jobs and capital; welcomes the new communication on the transfer of businesses: Implementing the Lisbon Community Programme for Growth and Jobs: Transfer of businesses Continuity through a new beginning, which is linked to the aim of reducing the intrinsic risk associated with entrepreneurship; notes that successful business transfers are increasingly important, given Europe's ageing population and the fact that over a third of European entrepreneurs will retire in the next ten years; therefore calls on Member States to give equal political attention to start-ups and business transfers and incorporate practical measures in national policies for the implementation of the Lisbon Strategy and adopt specific timetables;
- 35. Endorses the proposals to facilitate the launch of new businesses and reduce the time-frames and costs entailed in starting up, but notes that while tax incentives pose no problems, the concept of low-interest loans does not automatically accord with Community legislation, which, on the contrary, seeks to bring about a level playing field; proposes the promotion of relevant measures, such as tax incentives and flexible corporate law arrangements to facilitate the continuation of enterprises and in particular the transfer of family enterprises to third parties or employees;

# A modern social protection system and labour market

- 36. Urges Member States to review inefficient social models in the light of their financial sustainability, changing global dynamics and demographic patterns so that these become more sustainable;
- 37. Urges Member States to take pragmatic policy decisions to compensate for both their ageing populations and a falling birth rate, such as increasing the retirement age in accordance with rising standards of healthcare and introducing more family-centred policies with incentives for childbirth and childcare;
- 38. Emphasises the need to support women entrepreneurs notably in access to finance and entrepreneurial networks:
- 39. Stresses the need for Member States to work towards full e-inclusion across Europe;
- 40. Emphasises the need for labour market flexibility to deal with changing social patterns and ageing society issues;
- 41. Reminds the Commission and Member States that non-wage costs are one of the major obstacles facing one-person enterprises and preventing them from employing additional workers; urges the Commission and Member States to respect the principle of proportionality and flexibility when considering EU employment legislation, given the high levels of unemployment experienced in Europe, particularly among young people;

- 42. Considers it essential to boost the investment of SMEs in human capital in order to increase the employability of workers and to enhance productivity; recognises the need for training programmes and activities that are specifically aimed at the entrepreneurial activities of SMEs, including on-the-spot training; emphasises the necessity of offering appropriate vocational training (training in new technologies) to older workers and disabled persons so that they can stay in employment or more easily find employment and in order to meet the needs of employers and disabled persons;
- 43. Proposes the teaching of essential business skills in the curricula of secondary schools and encourages the involvement of SMEs in areas of education where they can provide complementary practical information and advice; supports the policy of universities of including in their teaching programmes content which meets the needs of the economy;
- 44. Stresses the need to encourage SMEs that use environmentally-friendly practices within the framework of corporate social responsibility and the EU's strategy for sustainable development;
- 45. Appreciates the Commission's pursuit of dialogue and promotion of regular consultation with SMEs and their representative organisations, and calls for this method to be put into practice systematically by involving European enterprises, including through their trade associations, not only in the implementation of Community programmes but also in the development of those programmes; notes that the consultation process in its current form is problematic for SMEs, as the eight-week time-limit does not allow organisations representing SMEs time to gather views and submit them; asks the Commission urgently to review this constraint;
- 46. Maintains that all measures in support of SMEs should be applicable to the self-employed, especially those concerning the different forms of social security systems and the benefits provided under them and the prevention of occupational hazards;
- 47. Recommends that the Member States endeavour, as far as possible, to create a legislative environment which guarantees flexibility of employment for SMEs without prejudice to social security aspects;
- 48. Points to the need to complete the internal market and calls on the Member States to help achieve that shared aim by encouraging the free movement of workers;
- 49. Recalls that the drive to encourage entrepreneurship is vital, particularly in the face of demographic change whereby Europe will see a third of its entrepreneurs retire in the next ten years; calls on the Commission to facilitate the exchange of best practices among Member States in this area, considering for example 'Silver-entrepreneurship' schemes for older people, how better to encourage young people to set up businesses, and the promotion of female entrepreneurs in particular, which might include looking at measures to better reconcile work and family life;

# Financial sustainability

- 50. Urges Member States to respect the principles of budgetary discipline so as to ensure healthy public finances:
- 51. Encourages a revision of public service models, their financing and management, including discussion of the roles and benefits of PPPs:
- 52. Encourages Member States to promote PPPs as the most appropriate model for providing business support services for SMEs, including the creation of venture capital funds and thus to create sufficient leverage effect for greater private sector involvement;

- 53. Urges Member States to improve SME access to public procurement procedures, which represents a significant barrier to growth; reminds the Commission and the Member States of the occasionally perverse effects of the public procurement directives which have for example led to some awarders of public contracts asking for fees from prospective suppliers for processing their tender applications; notes that such fees can be crippling for small businesses and therefore calls on the Commission to consider this point when producing its guidance document on implementation of the revised public procurement directives later this year;
- 54. Considers that eco-innovation can also be stimulated by using the purchasing power of public budgets, as the greening of public procurement could help to create a critical mass so that environmentally friendly businesses can enter the market on a wider scale, something which will benefit European SMEs that are very active in this sector;
- 55. Urges the use of fiscal incentives that encourage investment in venture capital and use of resources available through the European Investment Fund and the structural funds which could contribute to building a domestic risk capital investor base;
- 56. Considers it imperative, in connection with financing and business-related risks, for SMEs to receive comprehensive and reliable information on the possible forms of risk-sharing;
- 57. Considers SMEs to be an essential part of the European economy and that in order to exploit their potential in the field of R&D, the 7th Framework Programme must be streamlined in order to facilitate the participation of smaller research bodies by earmarking funding of SMEs and of clusters of small firms and laboratories;
- 58. Commends the approach taken by the March 2006 Brussels European Council to ease and widen business access to loans from the European Investment Bank, particularly for SMEs;

#### NRPs in action

- 59. Urges all Member States to pay particular attention to measures for SMEs in their NRPs on the view that success will depend on actively involving and consulting SME business organisations to verify their efficiency;
- 60. Regrets the loss of the concrete dimension that was present in the reporting on the European Charter for Small Businesses and urges the Commission to offer the possibility to Member States to hold bilateral meetings (including national stakeholders) on progress with concrete SME measures in preparation for the annual NRP reports;
- 61. Regrets the lack of a coordination among Member State NRPs;
- 62. Emphasises the value of reporting and communicating the successes and failures of NRPs;
- 63. Urges the Member States to clarify how they intend to proceed in implementing the objectives they set themselves in NRPs;

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64. Instructs its President to forward this resolution to the Council and the Commission, and the parliaments and governments of the Member States.