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ENTERPRISE POLICY: A NEW DIMENSION FOR SMALL AND MEDIUM-SIZED ENTERPRISES

Proposal for a COUNCIL DECISION

revising the programme for the improvement of the business environment and the promotion of the development of enterprises, and in particular small and medium-sized enterprises, in the Community

(presented by the Commission)

ENTERPRISE POLICY: A NEW DIMENSION

FOR SMALL AND MEDIUM-SIZED ENTERPRISES

INTRODUCTION

1. Support for the activities of small and medium-sized enterprises (SMEs) - which are working "at the coal face" of economic life - and for the increasing and multifaceted cooperation taking place between enterprises is a cornerstone of the internal market project.
2. SMEs are the basic operational unit of economic activity in the Community, both from the point of view of their importance to the economy as a whole and to regional development, and from that of the part they play in terms of dynamism, productivity, adaptability and innovation.
3. The Commission's efforts in support of SMEs led in the 1970s to the development of the first initiatives, culminating in 1986 in the creation of a self-contained and visible framework backed up by a first Council resolution concerning an action programme.

Subsequently, the strenuous efforts made and the successes achieved paved the way for a further Council resolution in 1988 and for the Council Decision adopted by the Council on 28 July 1989 on the improvement of the business environment and the promotion of the development of enterprises, and in particular SMEs, in the Community.

4. Article 7 of that Decision states that: "For the period 1990 to 1993, the initial amount deemed necessary is estimated at ECU 110 million. A further estimated amount, of ECU 25 million, may be deemed necessary for expenditure in the same period should the Council so decide following a review of the programme."

5. The main instruments for provision of information (EICs) and for cooperation (BC-Net) have now completed their experimental phases. Our assessment has shown that both the EICs and BC-Net are valuable and efficient instruments, have performed the tasks assigned to them during the experimental period and have demonstrated their significance as part of the action programme for SMEs.

They have now entered a phase not just of consolidation but also of the working-out of qualitative and quantitative objectives and means to keep pace with the economic development of the Community in the run-up to 1992.

We cannot but recognize that market demand, taken as a whole, is growing stronger and stronger, with ever-greater calls being made on the instruments we have set up.

These instruments, which have proved successful in a short space of time, as witnessed by the increasing use being made of them and by ever-stronger demand, must therefore be allocated the resources required to make them more effective.

These resources should be employed in a new manner based on a coordinated and integrated approach and on a strengthened dialogue at all levels, these being essential components of the "network" effect.

It is very important to respond to this need in time, so that businesses can be better prepare for the single market.

6. A review of the programme thus needs to be carried out urgently to facilitate and increase as far as possible the services rendered to business people, in terms of both quality and quantity, thereby adding a new dimension to enterprise strategy.

This review is all the more important as the Council has insisted on covering a period which includes the first year of the single market, a fact which justifies taking it into account now in assessing future financing requirements.

The consequences of German unity, achieved on 3 October, are such that a further set of measures is called for.

The time is therefore ripe to make a quantum leap forward from the point of view both of the scale and of the future shape of enterprise policy.

7. The further ECU 25 million provided for in the Decision of 28 July 1989 is thus considered to be needed for the period 1990-93.

The success of the main instruments for providing information and ensuring cooperation - notably the EICs and EC-NET - justifies the allocation to them of additional resources as a matter of priority so as to satisfy the requirements of the phase of consolidation and qualitative and quantitative development.

Within this overall budget, an additional allocation of resources should also be devoted to supporting a series of pilot measures designed to meet certain market needs. These measures must form part of a general policy of support for the activities of SMEs and should be in keeping with the principle of subsidiarity.

These stimuli must be such as to create a forward momentum which will have to be continued and amplified through national, regional or local relay channels themselves capable of exerting a multiplier effect and hence extending the entire operation for the benefit of the greatest number of economic operators.

I. GENERAL APPROACH

8. The internal market is an essential step towards ensuring that enterprises look, think and act strategically beyond national frontiers.

As was indicated in the recent Commission communication on industrial policy, the process whereby industry keeps adapting to the signals emitted by the market is best described as "structural adjustment".

For the economy to be effective, the initiative in, and responsibility for, making such structural adjustment must be a matter first and foremost for economic operators. Hence the public authorities - whether Community, national or regional - can take stimulatory or flanking measures but can never replace enterprises themselves when it comes to making decisions.

The internal market must therefore be bound up with as little red tape as possible and must not impose any unnecessary burdens on industry, and in particular on SMEs.

9. In this context, an analysis must be made both of the factors relating to the business environment and of those which concern the promotion and development of enterprises, in particular SMEs.

These two areas of activity must be examined in the light of the interaction between them, each having a considerable impact on the other.

The integration which must therefore exist between the legislative framework, on the one hand, and specific action to develop and promote businesses, on the other, is a key element in defining the programme's strategy and in making harmonious use of the various instruments for implementing it.

The same is true as regards publicizing the legal and economic policy aspects and the means placed at enterprises' disposal to facilitate their formation and expansion and to increase cooperation between them.

This policy will, of course, comply with the rules on competition laid down in the Treaty.

The objectives are together designed to increase the market transparency that is essential to foster European economic competitiveness, to promote growth in general, with its favourable impact on employment, and to create the climate of mutual trust needed by entrepreneurs in their search for partnership in the broad sense of the word.

It is likely that this partnership will help identify common objectives enabling the business world to position itself vis-à-vis the political, social and economic development of the internal market, international aspects included.

II. THE BUSINESS ENVIRONMENT: THE ACCOMPANYING FRAMEWORK ESSENTIAL TO THE STRATEGIC DIMENSION

II.1 THE LEGISLATIVE FRAMEWORK

10. Rules and regulations are still often regarded by economic operators as factors which restrain and even sometimes deter the entrepreneurial spirit when it comes to the creation and development of businesses.

This perception is particularly strong in the case of transnational cooperation, an area in which - in addition to the legal divergences which still exist between national legal systems - there are problems due to different national standards and quality criteria applicable to products and services and differing systems for the protection of intellectual property.

This being so, the aim of Community rules must be to remove obstacles to business activity, especially across borders. For example, European Economic Interest Groupings (EEIGs) provide a framework which can facilitate transnational or transregional cooperation between businesses.

11. The various strands of Community legislation need to be better woven together and more influence exerted on the competent national authorities, in order to ensure that the impact of the various Community and national measures on enterprises, and in particular SMEs, in every sphere of activity does not clash with the objectives of enterprise policy as regards the creation and development of businesses.

The Council has already drawn attention to the need for such measures in a recommendation on administrative simplification

The need for increased awareness is also highlighted in a Commission report setting out a series of specific measures to be taken in the fields of tax law, competition law, social development, environment law and consumer protection.

The same applies to the opening-up of public procurement to SMEs - a particularly important factor when it comes to integrating SMEs more closely into the economy and giving free rein to the forces of competition.

Special efforts will also have to be made to allow for environmental considerations, which cannot be left out of any new dimension of the Community's enterprise policy.

These objectives will have to be regularly monitored within the Institution against a background of closer cooperation; they will also have to involve all the appropriate contacts with national authorities.

12. Enterprise creation is a priority activity and is to be encouraged. Efforts have already been undertaken here, including under the programme on seed capital.

13. The rules will also have to be better suited to the various methods of transferring enterprises, in keeping with the requirements of a modern economic society.

A careful study of the question could be carried out shortly, possibly leading to the holding of a European symposium in conjunction with the national authorities and business interests concerned.

II.2 A NEW DYNAMIC FOR DEVELOPING SECTORS

14. The horizontal political dimension involves all types of business, small and medium-sized, in all the sectors concerned, whether in manufacturing or services.

All businesses must take up the challenge of 1993: their competitiveness is largely their own responsibility, even if they are entitled to expect from the public authorities a clearly mapped-out environment and framework for their activities.

There are some sectors which have to be taken into consideration here, in view of the comprehensive character of enterprise policy, which enables Community instruments for the benefit of SMEs to be used across the board, and because programmes concerning them do not cover development of horizontal instruments at the disposal of businesses in all sectors of the economy.

This is the case with cooperatives, the distributive trades, and tourism.

15. As regards craft industry, artistic activities and very small businesses, the Commission, as requested by the Council at its meeting on 26 September 1989, is examining what initiatives might be developed to help this sector, given its special characteristics.

A first European conference of government administrations and national and European trade organizations has just been held in Avignon to discuss what measures might gradually be adopted in this field.

The conference confirmed that the Commission was right in setting in motion the studies currently under way into the possible establishment of a draft programme of pilot measures.

III. PROMOTING THE DEVELOPMENT OF ENTERPRISES: TOWARDS A STRATEGY OF ECONOMIC EFFICIENCY

16. An enterprise policy must be based on the actual conditions pertaining in the relevant regions and industries.

It is then for the Commission, in keeping with the principle of subsidiarity and in close cooperation with the relevant regional and national bodies, to identify the common objectives and how to achieve them.

The local dimension is essential to an understanding of how firms develop.

For several years the Commission has been financing a programme on the conditions for expanding employment at local level. This programme is now producing results and practical guides will soon be available.

17. This approach, which is an absolute prerequisite for the success of Community initiatives, should lead the Commission to stimulate and expand existing or future networks comprising all the economic operators concerned: administrations, trade organizations and businesses.

Magnifying the network effect will involve encouraging personal contacts and coordinating the various instruments that are of pivotal importance for the effectiveness of the system.

The network effect is of prime importance not only because of the relationships it creates and develops but also to ensure consistency between the activities of economic operators and the various aspects of enterprise policy in meeting the challenges of the single market.

18. It will be necessary to consolidate and develop the existing Community information and cooperation instruments in such a way as to enable them better to anticipate the needs resulting from the new dimension created by the single market.

Similar action could also be taken with regard to the partnership and subcontracting instruments in view of their recent success.

As a first step, those instruments will have to be more closely connected with each other, by means of appropriate data-processing and statistical tools, so that they can be used together for tasks requiring an overall approach, such as financial cooperation.

To that end, their role and means will be reviewed with a view to closer integration to enable them progressively to come to terms with the new Community dimension.

The instruments must also be the subject of a promotion campaign to ensure that they are given greater exposure and used as widely as possible.

19. The part played by intermediaries in such a campaign is particularly important as they can reach a large number of people, thus strengthening the action of the instruments and contributing to their continuous improvement for the benefit of businesses.

The contacts already established by working from the centre have already yielded encouraging results but they must be expanded in order to cover the widest possible area. This will provide feedback to the centre and hence a better understanding of actual market realities.

In this context, an open network of enterprise consultants could be created. The new network could make a valuable addition to the range of existing instruments. It would then be possible to expand the special, direct contacts with what is happening at grass-roots level.

The various operators involved in enterprise should be encouraged and given the opportunity to communicate with each other - including at the personal level - by increasing the opportunities for exchanges of experience, knowledge and views, in order to encourage joint initiatives.

III.1 INFORMATION FOR ENTERPRISES

20. The EICs and their branches, which to date have dealt with over 100 000 "questions and answers", now cover the whole of the Community. Their task is twofold: they relay Community information to the 13 million SMEs in the Community and they provide the Commission with an indication of SMEs' aspirations and problems and how they are developing.

The EICs reflect the Commission's aims of decentralization, their on-the-spot location in the regions enabling information to be distributed as widely as possible.

21. With such "live" information, it should be possible for enterprises to anticipate market changes in order to respond effectively to the ever-changing demands of production and marketing.

To that end, it is necessary to change the nature of the information distributed so that it can be used as part of a more operational approach. The EICs will thus have to distribute selective information (selective sectorally, regionally and functionally), according to the characteristics of their environment, on the basis of an active dialogue with both the centre and the enterprises themselves.

This approach will require the intermediaries to play a larger part as dispersal centres for the operational information, acting as distributors supplying an additional service direct to the enterprise. This will also apply to all aspects of the return of information to the national authorities and the centre, either from the EICs or from the intermediaries.

At rural level, the Commission has proposed that a network be set up comprising a hundred or so centres for information on rural development initiatives and agricultural markets. This network should inter alia make an important contribution to ensuring the supply of information to rural businesses.

22. The Community contribution to the financing of EICs should cease to be seen in subsidy terms, but rather as a question of payment for a service provided and for efforts made and results achieved.

This change will be the result of the quantum leap the EICs will be required to make to become both vehicles and actors in order to amplify the impact of the various Community measures and to act as receivers, identifiers and counsellors for the problems faced by enterprises in the regions.

The EICs are to liaise closely with the Community offices concerned by their spheres of activity. A high profile needs to be given to publications concerning the internal market and to 1992 awareness and promotion campaigns that should be conducted on as broad a basis as possible.

III.2 COOPERATION BETWEEN ENTERPRISES

23. Cooperation between enterprises is a key aspect of what a large, frontier-free Community market will entail.

Apart from its function of establishing contacts, which is the first step, cooperation constitutes a special opportunity for enterprises to develop flexibility and acquire the critical mass needed to maintain and improve their competitiveness.

In addition, by multiplying links with international market realities and promoting the development of a European network of business consultants in this field, cooperation helps to identify and promote potential development opportunities so that SMEs can diversify and thus secure their continued existence and development.

This is particularly important in view of the fact that, faced with stronger competition, SMEs must not only be adaptable and able to innovate, but must now also develop their capacity to anticipate and react to world market trends.

24. The Business Cooperation Centre (BOC) acts as a kind of clearing house for cooperation opportunities. Any enterprise seeking a commercial, technical or financial partner can apply to the BOC, which registers the application and sends it to correspondents in the countries or regions where a partner is sought.

The BOC is currently represented in 36 countries world-wide for non-confidential matching. Recently, there has been a significant increase in the number of applications.

In view of its characteristics, the network of BOC correspondents must be targeted on the trade organizations representing economic interests (national, regional and sectoral) and capable of disseminating cooperation offers and requests and maintaining direct contact with the centre.

The network will be considerably expanded over the next few months and will be accompanied by appropriate support measures.

25. The Business Cooperation Network or BC-Net is a computerized system linking up some 460 public-sector and private-sector business consultants located throughout the Community.

BC-Net enables real-time comparisons to be made of offers and requests for cooperation submitted by the thousands of enterprises that make use of the consultants.

Unlike the BOC system, BC-Net cannot be accessed directly by enterprises; only consultants can enter the confidential offers and requests into the system, through a cooperation profile which is coded according to a special nomenclature.

BC-Net has processed over 25 000 cooperation profiles since its inception in July 1988, with a constant increase in the number of profiles, especially those sent using computerized communications technology.

Its experimental and assessment phases having been completed, BC-Net is now starting to consolidate and expand its network both inside and outside the Community, to improve the quality of the system and to promote its utilization by SMEs.

To that end, its network of consultants must play an active part in improving the quality of the instrument and help to produce an expanded data-processing tool capable of allowing an active dialogue.

In addition, the monitoring system that has been set up will be developed in order to enhance the instrument and so that the results obtained in terms of cooperation agreements can be assessed as soon as they become available. This objective, which does not jeopardize the confidentiality of BC-Net data, will make it possible, in association with the consultants, to identify the appropriate monitoring measures for the post-matching phase.

The creation of an advisory group on BC-Net monitoring will be proposed so as to allow the network to participate directly in the preparation of policy development measures.

This step should also be accompanied by proper preparation for the introduction of a scale of charges taking account of services supplied.

In the meantime, the various areas of cooperation concerned will be analysed in order to give a larger role to research and development, in view of its importance to the European economy in general and to the endogenous development of enterprises in particular.

The aim will be to improve the system for identifying technological cooperation opportunities under Community R&D projects. BC-Net could use a subnetwork of consultants offering services connected with advanced technologies and could help exploit research results in terms of cooperation between businesses, in conjunction with the VALUE programme (specific programme for the dissemination and utilization of scientific and technological research results).

A similar project could be set up for efforts to find SME managers, according to the identified needs of firms.

26. Partnership is a concept which reflects the growing desire for more exchanges of ideas and aims and for large-scale pre-competitive cooperative ventures to be established on a European scale. It involves a form of cooperation aimed both at reducing enterprises' costs and at optimizing the investments of the partners concerned.

Thus it is a Community concept on a large scale, which concerns both the development of conventional Europartenariat ventures on behalf of the regions referred to in Objectives 1, 2 and 5b of the Community's structural policy, and the development of new measures by region or sector.

27. In the context of economic and social cohesion, an important element of the Community support frameworks based on the financing of operational programmes through the structural Funds is the provision of services to enterprises, which include R&D, innovatory activities and technical training. A large part of the ERDF is allocated to these areas, with investment in tourism playing a major role.

It should also be noted that a series of Community measures supported by the structural Funds are specifically aimed at the development of SMEs. The same is true of the pilot scheme provided for in Article 10 of ERDF Regulation (EEC) No 4254/88.

28. Three Europartenariat projects have already been successful in Ireland, Andalusia and Wales.

Europartenariat will have to take rapid stock of the new situation created by the incorporation of eastern Germany into the Community. A second Europartenariat should be set up in that part of Germany in 1991 in the form of a pan-European meeting-place for enterprises from the western and eastern parts of Europe.

Europartenariat will undertake two actions a year in 1991, and this should continue for the duration of the present programme, in order to deal with the many requests already received from the regions concerned.

Europartenariat will be assessed when it is completed in order to check its performance and its potential for the future.

29. In response to the growing number of partnership ventures, a new pilot scheme, known as Interprise (initiatives to encourage partnership between industries and services in Europe), is being developed to promote contacts either within cross-frontier regions, or between regions with complementary development prospects, or again in specific sectors.

The scheme will receive support from the existing instruments, in particular the EICs, EC-Net and the BOC, and might take the form of awarding a label or providing financial or technical assistance.

30. "Forum"-type or "carrefour"-type projects which encourage partnership in all its forms will also receive support as promotional vehicles for enterprise, in conjunction with similar action under SPRINT (investment forums and technology transfer events).

31. Subcontracting

In order to improve cross-border subcontracting and thereby create the conditions for a true European market in that area, the Commission has drawn up a programme on the development of subcontracting in the Community which was the subject of a Council Resolution in September 1989.

The programme has three main aims:

- to create a propitious environment for the development of subcontracting: An examination of the problem of payment periods, the liability of subcontractors and their legal status where they operate in the public procurement sector is already under way. Another aspect concerns working conditions of workers from one Member State engaged in another Member State on work under the principle of freedom to provide services, and specifically for a subcontracting firm;
- to improve communication between main contractors and subcontractors: Eight multilingual sectoral terminologies on subcontracting are now available together with a practical guide to the legal aspects of industrial subcontracting in the Community. A detailed preliminary investigation has also been carried out into ways of improving the supply of information on subcontracting opportunities at Community level;
- to promote Community subcontracting and enhance its image among third-country investors: Following a fact-finding mission on subcontracting in Japan in November 1988, a conference was held in Brussels in June 1990 on contract opportunities offered by Japanese investors in Europe. Enterprises found this extremely useful.

The constantly changing size of enterprises reflects the fact that throughout the world the search for the right balance between the advantages and drawbacks of different sizes is a matter for strategic debate.

In that context, subcontracting provides a special vantage point between large and small enterprises from which to analyse the homogeneity of distribution patterns, standards and product quality.

In addition to an analysis of the situation by country and by sector and to the ramifications in terms of international cooperation, a plan will be prepared for a European subcontracting forum which will take account of the varying dimensions of this area of economic activity.

III.3 EUROMARKETING

32. The opportunities afforded to American firms by "coast-to-coast marketing" gives them an advantage in the market-place which is not currently within the reach of European enterprises looking for new activities.

In this connection, meetings to discuss ways of disseminating marketing techniques could be organized to make it easier for businessmen to identify new niches and to detect obstacles and find means of overcoming them.

Embryonic measures already initiated, albeit on a small scale, by firms themselves are now giving rise to a demand from the market for a reference framework to meet their concerns.

A pilot scheme could be considered to back up the measures that firms have already taken.

Dissemination of marketing techniques will facilitate access by SMEs to the internal market since, in conjunction with similar action by national administrations, they will be such as to provide SMEs with a suitable range of possible options to maintain or improve their market positions.

The aim of these techniques will be to define, design, promote and manage on a viable basis in a competitive environment products and services which are constantly adapted to the needs and expectations of the target customers and to the constraints of the Community-wide market, which is due to be opened up even more to imports from third countries after the Uruguay Round.

III.4 PREPARING MANAGERS FOR THE SINGLE MARKET IN 1993

33. In addition to other Community measures in favour of enterprises, businessmen should be provided with the commercial and management skills which are vital to modern business management if it is to meet the requirements of an open single market.

An experimental training scheme has been set up to make managers of SMEs more aware of the need for a more fundamental reappraisal of the management and organization of their firms and to give them the means to achieve better control in a radically changing environment.

This scheme consists of three complementary measures:

- a small group of SME managers are being trained in business analysis and individual counselling methods;

- SME managers are being trained in business cooperation strategies;
- a broad section of SMEs are being made aware in a series of seminars of the regional and sectoral challenges to be met in 1993.

34. The evaluation process, which is nearing completion, should reveal the need to improve ways of preparing SME managers in terms of making them aware of the need for more intensive training and of the training itself.

The instruments emerging from the pilot scheme will have to be tested more widely in the light of the scale of the needs identified in the course of cooperation ventures between firms.

The process of extending these experiments could be carried out in close cooperation with the parties concerned and with institutions involved in similar measures in the Member States. It could result in the setting-up of a network of training bodies more specifically geared to training managers for the Europe-wide market.

III.5 THE FINANCIAL INSTRUMENTS AVAILABLE TO SUPPORT PILOT SCHEMES

European financial assistance in the various stages of the development of the enterprise should be characterized by the best possible use of the range of financial instruments available.

35. Seed capital: the overall aim of this pilot plan is to encourage the creation of enterprises in the Community by increasing the possibilities of financial assistance for new enterprises and improving the quality and viability of business start-up projects.

The process of establishing 24 funds covering the whole of the Community is nearing completion. It will have to be brought to a successful conclusion as an important step forward, particularly as regards its positive effects in terms of the creation of enterprises.

The network is developing rapidly. Once an assessment has been carried out, the measure could be expanded.

One important factor will be close coordination with the BIC network (Business and Innovation Centres) set up under the Community's regional policy.

36. Venture consort is a pilot project launched in 1985 with a view to encouraging transfrontier cooperation between venture capital companies in order to finance innovative SMEs in Europe.

The project is currently undergoing evaluation, and this should soon lead to an analysis of the results obtained in the areas of innovative projects.

In the event of a positive assessment, fresh impetus should be given here.

37. As regards Eurotech capital, the function of which is to finance transnational high-technology projects, an initial start-up phase has been followed by a real take-off, with several "Eurotech Capital" labels being granted. The flanking measures "Eurotech Projects" and "Eurotech Data" have also been put in place. This take-off will have to be consolidated and maintained particularly as regards the emerging possibilities of closer cooperation between regions in the various Member States.

38. The feasibility awards under the ERITE/EURAM programme, designed to stimulate dynamism in research-oriented businesses, have been a major step forward - which should be extended - in the process of adapting Community measures to support research and development, a characteristic of European SMEs with a high technological content.

The Commission could also play a major role by proposing feasibility awards for certain other industrial research and development programmes.

This action would complement other projects financed under Community research programmes such as the CRAFT pilot project, aimed at enabling SMEs facing a technical problem but not possessing R&D potential to cooperate in order to establish a common approach and to entrust a third party (universities, research centres or enterprises) with the task of carrying out technological development on their behalf.

39. A study will be carried out to see whether a guarantee fund should be set up for certain investments by Community SMEs; the first stage could cover investments in Central and Eastern Europe.

In addition, under the PHARE operation, a programme is currently being studied aimed at encouraging and helping Community businesses, especially SMEs, to set up and develop joint ventures in Central and Eastern Europe with local partners, with the help of Community financial operators.

111.6 COMPUTERS AS AN AID

40. The establishment of a "value-added network and services" (VANS) will provide the Commission with an integrated system putting all its instruments in permanent contact with their supporting networks.

Added to this will be the possibility of horizontal contacts within the networks and of active messages in both directions by means of an appropriate telematic message system.

This instrument is essential given the objectives already pursued with coordinated measures, which are needed for the interaction that is a feature of Community instruments.

The members of the various networks will thus be afforded direct access to the data bases and to information exchanges.

III.7 STATISTICS AS A TOOL

41. The development of suitable systems of statistics is a part of, or useful complement to, most of the projects being envisaged. Statistics enable measures taken to be assessed and set in context.

Developing statistics is closely linked with attempts to coordinate data collection, so as to avoid duplication of effort and an increased burden on business, and with making optimum use of the capacities offered by the various networks which have been set up, in particular computerized ones.

The aim is to improve and develop the supply of information which will enable the structure, activity and product lines of businesses to be assessed, taking into account their size and geographical distribution.

This tool should be fitted into the framework set up by the European Communities' statistics programme.

III.8 POSSIBILITY OF SETTING UP A EUROPEAN MONITORING CENTRE FOR SMEs: A FORUM FOR ANALYSIS AND DIALOGUE

42. Making efficient use of all the instruments and forms of assistance available will require increased cooperation and appropriate interaction with measures taken under other Community policies.

Apart from the requirements that it implies in terms of information and telematics infrastructure, this objective comes up against the need for an analysis of information and data.

To meet this need for analysis and strategic reflection, the setting-up of a European monitoring centre for SMEs could be proposed. A feasibility study will be launched to that end.

The centre would have the task of helping the Commission to evolve the broad lines of European enterprise policy on the basis of the coordinated development of a statistical information system. This would be especially useful to businesses (for their own strategic analyses) and to the Commission (for monitoring and assessing the impact of its measures). It would also provide the basis for indispensable studies, using both quantitative and qualitative data and relying on networking between institutions specializing in making assessments and forecasts for SMEs.

These functions would make it possible to provide SMEs with regular information which could assist their development, having regard to their particular circumstances. The information could be communicated by means of the instruments already established for firms.

The centre would take its place alongside the other Community instruments already set up, most notably those concerning innovation, the information market and various aspects of employment.

IV. THE EXTERNAL ASPECT: COOPERATION WITH ALA-MED-ACP

43. The instruments which the Community has available in order to improve the business environment and promote the development of enterprises with a view to the single market have aroused lively interest in third countries, some of which have asked to be allowed to participate.

While it is true that the instruments which the Community is progressively setting up are aimed primarily at Community businesses, the extension of some of the benefits to businesses outside the Community should not be ruled out, provided it would not jeopardize the operation of the instrument concerned and would be of mutual advantage or would help promote cooperation with development partners.

44. BC-Net has already been extended to include some third-country correspondents (Brazil, Mexico and Tunisia). Further extension is being examined with a number of other countries (in Central and Eastern Europe, EFTA members, Australia, Canada, the United States).

In view of the importance of having effective relay points, a Commission communication is about to be brought forward on support for setting up in certain third countries centres to act as correspondents for Euro-Info-Centres. Subject to the provisos mentioned above, we should examine, with the countries concerned, what services they would have access to and what the practical arrangements would be.

45. In addition, the new guidelines for economic cooperation in the 1990s with the countries of Asia, Latin America and the Mediterranean basin take into account the new context of the internationalization of SMEs and the resulting potential for transfers of technology and know-how. New cooperation instruments have thus already been developed (the EC-IIP facility, for instance).

There will also have to be an information and awareness policy for the promotion of joint ventures and technology transfer to the ALA-MED countries. This should be based on existing intermediary bodies and on relaying bodies for SMEs (trade organizations, chambers of commerce, development agencies, etc.) that have experience of networking at Community level (EC-NET, EOC, SPRINT, EUROGUIDE) and specific synergy should be achieved between networks to assist operators in the ALA-MED countries.

46. As regards the ACP countries, contacts are under way to formulate an approach on possible ways of opening up the EC-Net system.

V. CONCLUSION

47. The frontier-free single market to be established by 1993 represents a fundamental challenge to all European enterprises, and in particular SMEs.

In this connection, the Commission considers that all the measures for improving the environment of businesses and promoting their development represent an important form of assistance to business operators, notably SMEs, in the context of a new "enterprise dimension".

This aspect is all the more important as SMEs already need to be helped to grasp the strategic needs of the single market, so that they can adapt in what is a very short time-scale.

48. A quantum leap is thus necessary in enterprise policy involving integrated action under the various instruments and a dynamic impetus from the network effect, in order:

- firstly, to expand the measure aimed at removing unjustified administrative, financial and legal constraints which are holding back the development and creation of SMEs;
- secondly, to enhance the effectiveness of the methods used to inform businesses on national and Community policies, rules and activities affecting them or likely to affect them, and to provide appropriate support;
- thirdly, to expand the promotion of cooperation and partnership between businesses, and specifically between SMEs, from the different parts of the Community and different sectors of economic activity and to provide them with an opening to outside markets.

49. Accordingly, review of the programme, as provided for in Article 7 of the Council Decision of 28 July 1989, is warranted along the new lines set out above.

The Council is therefore requested to approve the review of the programme to support SMEs and the resultant guidelines set out above.

The Council is called upon to adopt the proposed Decision making available, in accordance with Article 7 of the Decision of 28 July 1989, the amount of ECU 25 million considered to be necessary for implementing the strategy for the qualitative and quantitative development of the instruments set up to help businesses.

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of enterprises, and in particular small and
medium-sized enterprises, in the Community

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 235 thereof,

Having regard to the proposal from the Commission,¹

Having regard to the opinion of the European Parliament,²

Having regard to the opinion of the Economic and Social Committee,³

Whereas on 28 July 1989 the Council adopted Decision 89/490/EEC on the
improvement of the business environment and the promotion of the
development of enterprises, and in particular small and medium-sized
enterprises, in the Community;

Whereas Article 7 of that Decision states that for the period 1990 to 1993,
the initial amount deemed necessary is estimated at ECU 110 million, and
that a further estimated amount, of ECU 25 million, may be deemed necessary
for expenditure in the same period should the Council so decide following a
review of the programme;

Whereas a review of the programme has shown that it is necessary to give
this policy a new dimension with a view to the completion of the internal
market and other means deriving from the Single European Act;

Whereas that review concerns in particular support for the activities of
SMEs in dealing with concrete economic realities and the many and growing
forms of cooperation between businesses, which is a basic element in the
completion of the internal market, given the importance of SMEs not only in
economic activity in general and the development of the regions but also of
the role they play in terms of dynamism, productivity, adaptability and
innovation;

Whereas this new approach, based on the ascertained efficacy of the action
so far undertaken, implies a strategy for the qualitative and quantitative
development of the instruments available to businesses and thus justifies
resort being had to the ECU 25 million deemed necessary for this purpose;

Whereas the Treaty does not provide, for the adoption of this Decision,
powers other than those of Article 235,

1 OJ
2 OJ
3 OJ

HAS DECIDED AS FOLLOWS:

Article 1

In order to improve the business environment and promote the development of enterprises, and in particular small and medium-sized enterprises, the programme of assistance to SMEs is hereby revised in accordance with Article 7 of Decision 89/490/EEC.

This revision concerns in particular:

firstly, expansion of measures for the removal of administrative, financial and legal constraints and the formulation of rules facilitating economic activity in general, including, for example, the creation and transfer of enterprises, the opening-up of public procurement and administrative simplification;

secondly, increasing the efficiency of the ways in which enterprises are informed of national and Community policies, rules and activities which concern them or might concern them, and supporting them in the matter;

thirdly, expanding the promotion of cooperation and partnership between enterprises, especially small and medium-sized ones, in the different regions of the Community and the different sectors of economic activity, and opening up external markets to them.

Article 2

Consequently, for the period 1990 to 1993, a further amount of ECU 25 million, as provided for in Article 7 of Decision 89/490/EEC, is deemed necessary in order to achieve the aims set out in Article 1.

The appropriations for implementing the programme shall be determined each year under the budgetary procedure.

Article 3

This Decision shall be published in the Official Journal of the European Communities.

Done at Brussels,

For the Council

LA POLITIQUE D'ENTREPRISE : UNE NOUVELLE DIMENSION POUR LES PME

Plan financier 1990/1993 (Poste B7770/B5-320)		(écus)			
		1991	1992	1993	Total
1	ELIMINATION DES OBSTACLES ADMINISTRATIFS, JURIDIQUES, FISCAUX ET FINANCIERS	625,000	750,000	700,000	2,075,000
2	INFORMATION DES ENTREPRISES	2,100,000	3,200,000	2,600,000	7,900,000
3	COOPERATION ET PARTENARIAT	2,675,000	3,900,000	4,000,000	10,575,000
4	ASSISTANCE AUX ENTREPRISES (1)	1,200,000	1,325,000	1,400,000	3,925,000
5	EVALUATION ET DEVELOPPEMENT DE LA POLITIQUE D'ENTREPRISE	100,000	175,000	250,000	525,000
TOTAL (2)		6,700,000 (3)	9,350,000 (4)	8,950,000 (4)	25,000,000

(1) Les programmes Venture Consort et Eurotech Capital relèvent de la ligne budgétaire B7910.

(2) Ces montants comprennent les dépenses de fonctionnement relatives à chacune des actions citées.

Les besoins nécessaires en personnel statutaire seront à trouver par voie de redéploiement ou dans le cadre de la décision de la Commission du 22 mai 1990 relative aux mini-budgets.

(3) Ce montant tient notamment compte des besoins découlant de l'unification allemande proposés dans le cadre de l'APB 1991.

(4) Ces montants prennent en compte le plein effet de la nouvelle dimension communautaire.

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