

European Communities

EUROPEAN PARLIAMENT

Working Documents

1983-1984

26 October 1983

DOCUMENT 1-901/83

Report

drawn up on behalf of the Committee on Economic
and Monetary Affairs

on the creation of a European Centre for Small and
Medium-sized Undertakings and Craft Industries

Rapporteur: Mr G. DELEAU

PE 85.625/fin.

On 10 March 1983 the motion for a resolution (Doc. 1-1351/82) on the siting of a European Centre for Small and Medium-sized Undertakings and Trades was referred to the Committee on Economic and Monetary Affairs and to the Political Affairs Committee each in their sphere of competence.

On 20 May 1983 the motion for a resolution (Doc.1-349/83) on the same subject was referred to the Committee on Economic and Monetary Affairs as the committee responsible.

On 21 April 1983 the Committee on Economic and Monetary Affairs appointed Mr DELEAU rapporteur.

It considered the draft report at its meetings of 27/28 September and 17/18 October 1983. At the last meeting it adopted the report by 10 votes to 6 with 1 abstention.

Present: Mr MOREAU, chairman; Mr HOPPER, vice-chairman; Mr DELEAU, vice-chairman and rapporteur; Mr BEAZLEY, Mr von BISMARCK, Mr DELOROZOY, Mr De FERRANTI, Mr HERMAN, Mr HEINEMANN, Mr LEONARDI, Mrs Tove NIELSEN (deputizing for Mr NORDMANN), Mr NYBORG, Mr PAPANTONIOU, Mr ROGALLA (deputizing for Mr MIHR), Mr von ROMPUY, Mr WELSCH and Mr von WOGAU.

The definitive text of this report was tabled on 18 October 1983.

C O N T E N T S

Pages

A. MOTION FOR A RESOLUTION5

B. EXPLANATORY STATEMENT..... 8

ANNEXES:

- Motion for a resolution (Doc. 1-1351/82) 16
- Motion for a resolution (Doc. 1-349/83) 17

A.

The Committee on Economic and Monetary Affairs hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement :

MOTION FOR A RESOLUTION

on

the creation of a European Centre for Small and Medium-sized Undertakings and Craft Industries

The European Parliament,

- having regard to its resolution of 19 February 1982¹ on the situation of small and medium-sized undertakings in the Community,
 - having regard to the action programme for a Community policy for small and medium-sized undertakings and craft industries drawn up at the opening conference of 1983, European year of small and medium-sized undertakings and craft industries, on 20 and 21 January 1983,
 - having regard to its motions for resolutions (Doc. 1-1351/82 and 1-349/83)²,
 - having regard to the report of its Committee on Economic and Monetary Affairs (Doc. 1-901/83),
1. Notes that 1983, the European year of small and medium-sized undertakings and craft industries, provides the occasion to promote general awareness of the major role of this category of undertaking in giving an impetus to competitiveness and employment in the Community, provided that conditions favourable to their development can be sustained ;
 2. Stresses that the representatives of small and medium-sized undertakings and craft industries in the Community expect the Community policy for the SMU's drawn up in the course of this year to be clearly and rapidly implemented; that if this does not happen, these categories of undertakings would be justified in doubting the Community's credibility;

1 OJ C 66, 15.3.1982, p.97

2 See annexes

3. Affirms, consequently, that the year 1983 should not be allowed to end without the Community having provided itself with the necessary administrative and financial resources to implement this policy ;
4. Considers in this connection that the creation of a European Centre for Small and Medium-sized Undertakings and Craft Industries, to cover, as from 1984, the needs of SMU's and craft industries and the implementation of measures necessary to their development, in accordance with the wishes already expressed on several occasions both by the European Parliament and by the representative professional organizations, will give concrete and permanent expression to this commitment;
5. Stresses that the creation of a European Centre for SMU's and Craft Industries meets a clear need of these categories of undertaking in the Community for information and representation; that its establishment moreover presupposes that the currently very limited resources available to the Commission will be strengthened accordingly;
6. Considers that the European Centre must perform the following functions:
 - disseminating information on the whole range of legal, regulatory and fiscal provisions, both national and Community, of concern to SMU's and craft industries. In this connection the Centre must have access to comprehensive data banks and be in a position in particular to act as a sub-contracting exchange;
 - giving an impetus to national and Community authorities to alert them to failures, shortcomings or inconsistencies in the rules governing SMU's, as regards the provision of finance, training, the legal, fiscal or economic environment, and to put into effect a genuine Community policy to promote these types of undertakings;
 - evolving ideas, including, in particular, defining the role of SMU's in tomorrow's world as breeding-grounds of technical, social and cultural innovation, and ensuring that SMU's are not left out of consideration in medium-term national and Community economic planning;

7. Notes that in order to carry out these functions with the necessary authority, the Centre must be so structured as to ensure that it can enjoy a high level of representativity and independence;
8. Stresses, moreover, that sufficient appropriations must be entered in the budget of the Communities for 1984 to enable the Centre to take up its duties rapidly and effectively and that, in addition, at least an equal amount is to be provided in contributions from the professional organizations concerned;
9. Instructs its President to forward this resolution to the Council and to the Commission.

EXPLANATORY STATEMENT

The European year of small and medium-sized undertakings and craft industries, 1983, which was launched as a European Parliament initiative has already reached a stage where it is possible to measure some of the potential of SMU's and craft industries along with some of the difficulties they face.

Aside from a few isolated measures, principally as regards adjustment of rules of competition, the SMU's and craft industries have not hitherto been the object of any particular interest in the Community. They have certainly not been subjected to any kind of consideration as a whole that could have led to implementation of a genuine Community policy concerning them.

Since the opening of the European year, therefore, the action programme drawn up in Brussels on 21 January 1983 has clearly stressed the need to implement without delay a Community policy for the SMU's and craft industries.

If the basic features of this policy remain to be set out between now and the end of this year, the means of its implementation as from 1984, including the establishment of a European Centre for SMU's and Craft Industries, must be prepared starting now. The need for such a Centre, its objectives, and the arrangements for its establishment, will be considered in turn .

I. NEED FOR A EUROPEAN CENTRE FOR SMU'S AND CRAFT INDUSTRIES1. Awareness of the situation of SMU's in the Community

In addition to the ten national colloquies of a Community character, a large number of other regional or national events, certainly totalling more than a hundred, will be held in the course of 1983 to discuss the difficulties that SMU's encounter and consider proposals for improving the situation.

The same intention was expressed in the motions for resolutions that lie behind this report¹ .

II. OBJECTIVES OF THE EUROPEAN CENTRE FOR SMU'S AND CRAFT INDUSTRIES

The establishment of a European Centre for SMU's will enable various services to be provided that have not hitherto been available. It is practical to consider three essential kinds of services, some of which would form part of the routine activities of the Centre while others would be medium-term objectives.

(a) A specialized information service

The European Centre for SMU's should provide a specialized information service that has not hitherto been available.

The Centre should in fact have access to comprehensive data concerning all legal, regulatory and fiscal provisions, both national and Community, of concern to SMU's. Its function would be to collect and distribute information and to make comparative assessments of topical questions.

At present, access to information of this kind that could provide contacts between interested parties and the different national and Community departments, along with specialized SMU centres, is extremely limited, since the Commission is not in a position to use the very limited services of its DG III to provide highly specialized information of this kind through its information offices.

The Centre should in particular include a department responsible for pooling the supply and demand for sub-contracting ; this service would be of inestimable value to SMU's and would contribute significantly to economic integration in the Community.

The Centre's information activity could also be extended to cover all events concerning SMU's and their coordination throughout the EEC.

¹ Motion for a resolution by Mrs Nielsen (Doc. 1-1351/82) and Motion for a resolution by Mrs Anglade and others (Doc. 1-349/83).

(b) An impetus to activity

The Centre's activities would not be confined to an information service alone, essential though that is, but would be designed to give an impetus to activities. An active function of this kind was central to the spirit of the objectives set out in the course of the European year of SMU's and Craft Industries, 1983. Indeed, one of the main objectives of the Centre's activities should be to enable the SMU's to make an impact at the Community level.

In this connection, the Centre should use all the means available to it to alert the national and Community authorities to failures, shortcomings or inconsistencies in the rules governing SMU's as regards financing, training, and the legal, fiscal or economic background. The Centre should not only stress the existence of these obstacles to development of SMU's in the Community, but should submit appropriate proposals to the relevant departments.

(c) Evolving ideas

The objectives of the Centre would, finally, include clarifying the role of the SMU in present-day society. The Centre can only contribute usefully to the developments of SMU's if an overall concept for their future development is gradually shaped. The Centre should, in particular, give an impetus to the emergence of SMU's as the focal points not only of technical, but also of social innovation.

To this end, the Centre should maintain close links with planning bodies at national level, the Commission's departments, and specialized university departments so as to ensure an SMU presence at medium-term economic planning with a voice in the initial stages of forward projections and projects, if, as seems likely, these undertakings are called upon to play a major role. In particular, it will be essential for the EEC's Medium-Term Economic Policy Committee **to widen the range of its** consultation to include SMU's and craft industries in particular, and here the European Centre could act as their representative.

These proposals as a whole, forming as they do a basic statement of the situation of SMU's and craft industries in the Community, will be incorporated in the final resolution of the European year as a Charter for the SMU's for years to come.

The heads of undertakings and professional organizations representing them would fail to understand and would be bitterly disappointed if, at the end of 1983, this programme, which is the fruit of a year's work, was not vigorously implemented. The European parliament, as the body responsible for launching this project and a stakeholder in its success, must also maintain its credibility with these categories of undertakings.

The creation of a European Centre for SMU's and Craft Industries will thus constitute a concrete and permanent acknowledgement of the need for a Community policy for SMU's.

2. Initial indications of an acknowledgement of the need for Community policy for SMU's and Craft Industries

Apart from the various national measures that have been considered or adopted, and which it is too early as yet to assess, the year 1983 saw a number of significant decisions taken in the Community.

These include in particular the decision to continue to allocate a significant part of resources under the New Community Instrument (NCI III) to loans to SMU's. This establishes the quasi-permanent character of allocation of Community loans to SMU's. More particularly, the Commission has also submitted a proposal for a decision on the granting of loans on favourable terms to SMU's for innovation projects¹.

The Council has also declared a strong interest in the development of a Community policy to assist SMU's and craft industries, as indicated in particular in the speech by Mr GENSCHER as Council President to the European Parliament on 11 January 1983².

¹ COM (83) 241 final

² 'In Europe today, we need an active policy to support small businesses, to open opportunities for the drive, the wealth of inventiveness and the ability to innovate which exists in small and in medium-sized enterprises.'

The year 1983 has hitherto been characterized by concrete proposals. The existence of a European Centre for SMU's and Craft Industries should ensure that the same momentum is maintained beyond the end of the year.

3. Significance of SMU's and craft industries and the extent of their needs

SMU's and craft industries account for 90% or more of undertakings in the Community as a whole, and employ about 60% of the total work force. Caught up as they are in the requirements of their trade, these types of undertakings are often isolated from each other in each Member State, and to an even greater extent in the Community as a whole. The high degree of specialization of these extremely diverse undertakings is reflected in the numbers of those employed by the national authorities that administer them and the professional bodies that represent them.

It is sufficient to refer to the most recent reports on the situation of SMU's and craft industries in the Community to assess the extent and diversity of their needs.

The importance of SMU's and craft industries and the complexity of their situation also justify the creation of a European Centre to act as the necessary link between the different national or European professional organizations of SMU's and craft industries, and between the numerous existing national organizations, offices and institutes, with the objective of taking the needs of SMU's into account as a whole, and securing implementation of the necessary measures.

4. The principle of the establishment of a Centre

Since direct elections, the European Parliament, being aware of the role of SMU's and concerned as to their future, has drawn attention to the need to create a European Centre for SMU's that would act as a link between the SMU's themselves, national governments and Community departments¹.

This request was finally accepted by the Commission and led to the inclusion of Article 7777 on the creation of a European Centre for SMU's in the preliminary draft budget of the Community for 1983.

The Council opposed this proposal. In doing so, the Council set itself against a widely recognised and highly desirable need.

The European Parliament, in its resolution of 19 February 1982, together with the Economic and Social Committee in its opinion by Mr Kolbenschlag of 27 May 1982, expressly reiterated this request.

Subsequently, at the opening colloquy of the European year of small and medium-sized undertakings and craft industries, on 20 and 21 January 1983 in Brussels, all participants supported the request for a European Centre to be established.

To meet the expectations that have been raised by the year of SMU's and craft industries, 1983, to take due account of the specific needs and diversity of SMU's, and to implement resolutely a Community policy for SMU's, the establishment of a European institute for SMU's and craft industries on the terms of the resolution drawn up at the opening colloquy of the European year 1983, with the objective of helping to set out an overall medium and long-term Community policy to assist them, is clearly indispensable².

¹ See Oral question No. 212/79, sitting of European Parliament of Monday 8 December 1979

² Cf. Action Programme for a Community policy for SMU's and craft industries - paragraph 15

III. ARRANGEMENTS FOR CREATING THE CENTRE

1. Operation of the Centre

In creating the Centre, it will be possible in certain respects to draw inspiration from various types of European Centre already in existence, such as CEDEFOP (European Centre for the Development of Vocational Training), the European Foundation for the Improvement of Living and Working Conditions, the European Trade Union Institute or the Textiles Institute. However, it appears that the European Centre for SMU's and Craft Industries should be given a very specific structure corresponding to its area of activities, the functions assigned to it and its means of performing them. The Centre would comprise :

- a Board of Management drawn equally from representatives of European SMU organizations and suitably qualified members or former members of the European Parliament. Its President, elected by the board, would be a Member or former Member of the European Parliament.

Appropriate representation of the Member States and the political groups in the European Parliament would be reflected in the membership of the Board of Management.

Other ex-officio members would be a member of the Commission of the European Communities and the Chairman of the Economic and Social Committee.

- a secretariat; its duties and the conditions for the appointment of its members to be laid down by the Board of Management.

The Centre would submit an annual report on its activities to the European Parliament.

2. Financing of the Centre

So as to ensure that the Centre can be established as from 1984, it will be necessary to open a new item in the budget of the European Communities for 1984 under the heading 'establishment of a European Centre for SMU's and Crafts' and to enter the necessary appropriations.

Having regard to the sums allocated to other existing centres ¹, a payment appropriation of ECU 750,000 should be entered for 1983. This payment, for the launching of the Centre, would be without prejudice to the level of subsequent appropriations having regard to its development. Supplementary financing by professional organizations might, moreover, be envisaged.

¹ 1983 Budget, item 7779: CEDEFOP - payment appropriation
Dublin Foundation - payment appropriation

MOTION FOR A RESOLUTION (DOCUMENT 1-1351/82)

tabled by Mrs T. NIELSEN

pursuant to Rule 47 of the Rules of Procedure

on the siting of a European Centre for Small and
Medium-Sized Undertakings and TradesThe European Parliament,

- A. having regard to its resolutions of 16 February 1978¹ and 19 February 1982² on small and medium-sized undertakings and the communication from the Commission to the Council (COM(80) 726 final),
1. Believes that it would be appropriate to create a European Centre for Small and Medium-Sized Undertakings and Trades and that this should be located in Denmark
 - since Denmark has no Community institutions,
 - since, as a result of Denmark's industrial structure, practically all the country's undertakings are either small or medium-sized, and
 - since Denmark already has the tradition of research as regards small and medium-sized undertakings needed to allow the Centre to provide the required information and coordination for small and medium-sized undertakings and trades in the Community;
 2. Instructs its President to forward this resolution to the Council, the Commission and the Member States' Governments.

¹ OJ No. C 63, 13.3.1978, p. 38

² OJ No. C 66, 15.3.1982, p. 97

MOTION FOR A RESOLUTION (DOCUMENT 1-349/83)

tabled by Mrs ANGLADE, Mr ANSQUER, Mr von BISMARCK, Mr BEYER de RYKE, Mr BONACCINI, Mr BORD, Mr COUSTE, Mr DELATTE, Mr DELEAU, Mr DELOROZOY, Mr DESCHAMPS, Mrs DESOUCHES, Miss de VALERA, Mr FERNANDEZ, Mr FLANAGAN, Mr Ingo FRIEDRICH, Mr GAUTHIER, Mr GEROKOSTOPOULOS, Mr GERONIMI, Mr GIAVAZZI, Mr DE GUCHT, Mr HABSBERG, Mr HERMAN, Mr ISRAEL, Mr LALOR, Mr LEONARDI, Mr MACARIO, Mrs Louise MOREAU, Mr Jacques MOREAU, Mr MOUCHEL, Mrs NEBOUT, Mrs Tove NIELSEN, Mrs Kalliopi NIKOLAOU, Mr NORDMAN, Mr d'ORMESSON, Mr PAPANTONIOU, Mrs PAUWELYN, Mr PESMAZOGLOU, Mr PETRONIO, Mr PFLIMLIN, Mrs PHLIX, Mr PONIATOWSKI, Mrs PRUVOT, Mr RADOUX, Mr REMILLY, Mr ROGALLA, Mr SABLE, Mrs SCAMARONI, Mrs SCHLEICHER, Mr SCHNITKER, Mrs SCRIVENER, Mr SIMONNET, Mr VIE, Mr WAGNER and Mr von WOGAU

pursuant to Rule 47 of the Rules of Procedure

on the creation of a European Centre for Small and Medium-sized Undertakings and Craft Industries

The European Parliament,

- A. having regard to its resolution of 19 February 1982¹ on the situation of small and medium-sized undertakings in the Community,
- B. having regard to the programme of action for a Community policy on small and medium-sized undertakings and craft industries adopted at the opening conference of the European Year of Small and Medium-Sized Undertakings and Craft Industries, 1983, on 20 and 21 January 1983,
 1. Points out that the aim of the European Year of Small and Medium-Sized Undertakings and Craft Industries, 1983, is to define and put into effect the main lines of a Community policy to promote these innovative and job-creating types of undertakings;
 2. Urges therefore that a European Centre for Small and Medium-Sized Undertakings and Craft Industries be set up to ensure that from 1984 onwards the needs of SMUs and craft industries are always taken into account and the measures necessary for their development are put into effect, in accordance with the wishes already expressed on several occasions both by the European Parliament and by the representative professional organizations;

3. Believes that such a centre, given the special character of SMUs and craft industries, is essential to the performance of the following tasks, among others:
 - disseminating information on the whole range of legal, regulatory and fiscal provisions, both national and Community, of concern to SMUs,
 - acting as a watchdog over national and Community authorities, to alert them to failures, shortcomings or inconsistencies in the rules governing SMUs in the provision of finance and creation of the legal, fiscal or economic environment, and to put into effect a genuine Community policy to promote these types of undertakings,
 - evolving ideas, including, in particular, defining the role of SMUs in tomorrow's world as breeding-grounds of technical, social and cultural innovation, and ensuring that SMUs are not left out of consideration in medium-term economic planning;
4. Believes that to carry out these tasks the Centre must be given a structure and resources sufficient to guarantee its independence and effectiveness;
5. Calls on the Commission to submit, without delay, a draft regulation setting up such a centre, capable of being adopted by the Council by the end of 1983;
6. Instructs its President to forward this resolution to the Council and the Commission of the European Communities, and to the governments of Member States.

¹ OJ No. C 66, 15 March 1982, p. 97