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COMMUNICATION FROM THE COMMISSION
THE CRAFT INDUSTRY AND SMALL ENTERPRISES,
KEYS TO GROWTH AND EMPLOYMENT IN EUROPE

**Results of the Second European Conference
on the Craft Industry and Small Enterprises
in Berlin, 26 and 27 September 1994,
follow-up measures and
recommendations to the Member States**

In its Resolution of 10 October 1994, the Council called upon the Commission to analyse the results of the Second European Conference on the Craft Industry and Small Enterprises, held in Berlin on 26 and 27 September 1994, and to present to it a report, before the end of 1995, on the follow-up which it intended to give to these conclusions and any initiatives which could be recommended to the Member States.

By means of this report entitled "The Craft Industry and Small Enterprises, Keys to Growth and Employment in Europe" the Commission follows up to the Council's request and intends to present a basis for discussion from which a certain number of priority actions should be taken. Two annexes are included to this political report:

- annex 1), which comprises the requests of the participants of the Berlin Conference to the Commission, other institutions and to the Member States;
- annex 2), in which the Commission, following the Council's request and in response to participants' requests, presents a draft of first measures it has taken since the Berlin Conference.

A. INTRODUCTION

The Commission wishes to respond to the desire for action on the part of the Member States and the European Union, with a view to combining efforts to improve the development and competitiveness of European enterprises, in particular the craft industry and small enterprises, so that they can meet the increasing challenge of creating jobs and reducing unemployment.

There are currently more than sixteen million craft enterprises and small enterprises in the European Union, accounting for more than 40 million jobs. Moreover, these enterprises play a major role in creating jobs, since they are directly responsible for sixty to eighty per cent of the jobs created in the last five years.

However, these enterprises can create jobs only if the conditions for their competitiveness are ensured. In launching a wide-ranging debate with the craft industry and small enterprises sector as part of the preparation for the Berlin conference, as well as during the conference, the Commission thus tried to identify the challenges facing the craft industry and small enterprises, to analyse possible responses to these concerns and to establish several priority measures and recommendations.

B. CONTEXT OF THE CONFERENCE

I. The challenges facing the craft industry and small enterprises

Craftsmen and the heads of small industrial and service enterprises are faced with a multitude of external and internal challenges.

a) At the external level, they have to face increasing competition from:

- the entry of large concerns into market niches traditionally reserved for small enterprises, as a result of flexible automation of production;
- the change of balance due to new forms of trade and distribution (creation of big commercial projects of the supermarket and hypermarket type where one job created destroys one or more jobs in the crafts or retail sectors);
- the emergence of new forms of living one's life and new consumption patterns (spread of the DIY movement);
- the scale of the informal sector and of undeclared working.

What is more, the craft industry and small enterprises suffer from considerable disadvantages in the area of competition by not receiving information in time and often not having enough resources to:

- comply with European standards and certification, which are replacing national regulation more and more;
- introduce new quality certification procedures increasingly demanded by public and private customers.
- comply with legislation on environmental protection and environmental management;

The high cost of labour forces them to turn increasingly to new technologies, while rapid technical progress in the field of materials, increasingly burdensome procedures and the growing amount of information put them on the defensive.

Finally, the globalisation of world markets is leading to an increase in competition in the production sector, especially in the sub-contracting sector which belongs to the crafts sector, and, to a lesser extent, in certain services industries who work for the most part on a local and regional level (repairs, after sales services, personnel services, cleaning, etc.).

b) At the internal level, the heads of craft and small enterprises are having to face several challenges, linked in part to the organization of their companies: limited resources; social, administrative and tax burdens; limited knowledge of strategic management and business organisation; financing; problems with recruitment of qualified personnel; vocational training for staff.

Resulting from the accumulation of these challenges and in the face of the growing complexity of the European economy in legal and technological terms, craftsmen and small enterprises should therefore be able to turn for effective help to operational intermediaries such as professional associations, chambers of crafts, and accompanying organizations who, with their advice, can directly assist a large number of enterprises.

However, these intermediaries often receive too little information on Community policies and are not sufficiently involved in the work of the consultative committees at the European level; they therefore suffer from major drawbacks in terms of knowledge of the process of European integration.

II. The Berlin Conference

The Second European Conference on the Craft Industry and Small Enterprises was organised in Berlin on 26 and 27 September 1994 by the European Commission in close collaboration with the German Presidency of the Council and in liaison with the European organisations representing the craft industry and small enterprises, including the Chamber of Crafts of Berlin. The theme was "Crafts and Small Enterprises, Keys to Growth, Employment, and Innovation." The conference was attended by 1300 representatives of the craft industry and small enterprises from 31 countries, in the presence of several ministers and senior officials of the Member States of the European Union and the other countries of the European Economic Area.

This conference was a major new step forward in taking account of the craft industry on the European, national and regional planes.

In the general opinion of the participants, the Berlin conference was a major success for three reasons:

1. The first is the progress accomplished since the first European Conference on the Craft Industry and Small Enterprises in Avignon in October 1990 by the national and European organisations representing the craft industry and small enterprises sector. Thanks to the awareness of their increasing political and economic importance at Community level, these organisations never worked together as much as in the two years leading up to the Berlin conference. Despite the differences in the definition and organisation of the craft industry and small enterprises¹, the way in which work proceeded at the Berlin conference shows that these differences are understood by the representatives of the craft industry and small industrial and service enterprises as being a source of riches in Europe. However, regardless of the traditions and culture of family enterprises, they are having to face new challenges for which they are often hardly prepared, or not prepared at all. Faced with this new uncertainty, the representatives of small enterprises are thus striving to intensify cooperation at European level with a view to strengthening their representation.

¹Due to fundamental differences between the situation of Member States, and without a common definition, the notion of craft industry and small enterprises the document is referring to also includes the small businesses from the industry and services sectors. This refers mainly to some activities in the food and health sector, enterprises involved in building, subcontracting and art activities. This latter activity is the activity most common to the largest number of Member States.

2. The second reason is the quality of the preparatory work. In order to ensure the participation of the representatives of the craft industry and small enterprises in the preparations for the Berlin conference, the Commission supported the organisation of 12 preparatory workshops in 1993 and 1994 - one for each Member State. These were attended by more than 2000 representatives of public and private bodies, government representatives, heads of enterprises, experts and consultants from the craft industry and small enterprises sector.

The topics of the preparatory workshops reflect the hope, but also the concerns, of craftsmen and small enterprises vis-à-vis the process of European integration and market globalisation, viz.:

- Training in the craft industry and qualification of heads, managers and creators of businesses, Luxembourg, November 1993;
- Integration of the craft industry into the internal market, Rome, December 1993;
- The craft industry - a partner for environmental protection in Europe, Düsseldorf, February 1994;
- Quality, the craft industry and small enterprises, Paris, February 1994;
- Assistance to enterprises - the role of the professional organisations and public bodies, Lisbon, March 1994;
- Women heads of enterprises and co-entrepreneurs in family enterprises, Thessaloniki, March 1994;
- Frontier zones - opportunities and risks for small enterprises, Mons, April 1994;
- Cooperation with the countries of Central and Eastern Europe, Amsterdam, May 1994;
- Market access for the craft industry and small enterprises, Barcelona, May 1994;
- The economic weight of the contemporary crafts, London, May 1994;
- The life cycle of enterprises - from creation to transfer, the factors of success, Dublin, June 1994;
- Innovation in the craft industry and small enterprises, Copenhagen, June 1994.

On the basis of the results of the preparatory workshops, the Commission has produced a working document which was distributed to the participants in the Berlin conference in the languages of the European Union.

3. The third reason for the success of the conference is the quality and qualifications of the speakers and representatives of the governments (the ministers of the Troika also had the floor), the European Parliament, the Economic and Social Committee², the private sector at European, national or regional level, and the Commission.

²The Social and Economic Committee had produced an extensive advice on "SMEs and Craft Enterprises" (Schleyer Report: CES IND/455 of October 22, 1992), in which the Committee requested

In addition, alongside the conference, the senior government officials with responsibility for the craft industry and small enterprises met the Commission on 27 September 1994 to prepare the conclusions of the conference.

The conclusions of the preliminary workshops highlighted six priority topics (see annex 1) which were dealt with in greater depth in the six workshops held at the Berlin conference:

1. *The craft industry and small enterprises in Community policies*
2. *Vocational and further training for heads of enterprises and assisting spouses*
3. *Reinforcing the competitiveness of enterprises*
4. *Financing enterprises and access to credit*
5. *Craft and small enterprises in border areas*
6. *Cooperation with Central and Eastern European countries*

An exhibition, "Craft industries in Europe", organised as a sideline to the Berlin conference, was very successful. Representatives from 15 countries demonstrated their main activities and products. The main themes of the exhibition were the wide range covered by the craft industry, the incorporation of modern technologies and the symbiosis of craft work and design. The craftsmen of the new *Länder* completed the exhibition through displaying some workplaces in action. The German Presidency of the Council and the Commission as well as several European associations were also on display to visitors, and they organised meeting places at the exhibition. The exhibition also provided a forum for communication at European level.

Just as was the case for the first European Conference of Avignon, the proceedings of the Berlin Conference will be published by the Commission in the official languages of the European Union.

III. Evaluation of the results of the Berlin Conference

The European craft and SME organisations which supported the Berlin conference (UEAPME and EUROPME and several European trade federations) represent some five million enterprises employing twenty million people.

Compared with the first European Conference on the Craft Industry in Avignon (in October 1990), the number of participants has quadrupled. Approximately one-third of the participants were the elected chairmen (at regional, national or European level) or secretaries-general (in particular the fifty speakers on the programme) of horizontal or sectoral bodies, public or private. Entrepreneurs accounted for 40% of the participants.

the Commission to take more account of the needs of the crafts and small enterprises in the run up to the Internal Market.

In spite of the difficulties in organising sectors by countries, the entrepreneurs and their intermediaries were aware that the completion of the Single Market and the globalisation of markets present new challenges that account for a new positive approach to the process of European integration.

Indeed, the majority of these enterprises basically operate in local or regional markets. Only a minority have business contacts with entrepreneurs in other Member States. However, there is every indication that the proportion of small enterprises which are prepared to go international is increasing.

Traditionally, the craft worker or small businessman has been wary of structural changes, which he has difficulty in assessing and which might have an adverse effect on his competitive position. Accordingly, he has often fought shy of the process of European integration, which is perceived more as a constraint (because of legislation, technical regulations, standards and certification, which require considerable expenditure to comply with on the part of the craft worker or small businessman, whether he produces for the domestic or European market), rather than a new opportunity. All the more since the free movement of services in cross-border areas continues to be hampered by non-harmonized regulations. This lack of perception of a favorable perspective results in particular in a weak participation of representatives of the crafts sector and small enterprises in the process of preparation of community decisions.

Accordingly, it is very good to see that the elected representatives of craft and small business, or their intermediaries, attended the Berlin conference in large numbers and also spoke there.

As regards the results of the conference, the representatives of the craft and small businesses submitted 144 proposals for basic guidelines mainly to the European Commission, but also to other Community institutions and to the Member States. The beneficiaries of these proposals would be mainly the entrepreneurs and their intermediaries.

These proposals of the representatives of the crafts and small enterprises are given in annex 1.

The representatives of the craft industry and small enterprises are aware of the great contribution of their sector to growth, job-creation and innovation. However, to do this they need an economic environment which encourages the taking of initiatives and expansion of enterprises, so that they can attain their full potential and be in a position to create jobs. Only really competitive enterprises are able to create lasting and skilled employment.

IV. Follow-up by the Commission

The Commission, in co-ordination with a working group of the intermediate organizations, has made a summary list of 144 proposals, (annex 1) drawn up by people who attended the conference, which do not necessarily represent the opinions of the Commission or the Member States.

These proposals reflect the desire on the part of the representatives of craft and small enterprises to play a larger part in European policies. Their concerns highlight the limited resources for dealing with the administrative constraints arising from the ever-increasing tide of European legislation and regulations, whether they are producing for the domestic or European market.

The desires expressed by the participants pertain to four aspects:

- a) The participants wish that the European economic policy be oriented in the first place towards advantages in an improvement of the business environment for SMEs and crafts in order to allow them to make new contributions in favor of growth, competitiveness and employment.
- b) The people who attended the conference wanted Community programmes to be more open to their enterprises, while being better integrated in the decision making process on the regional, national or Community level, after the example of the Structural Funds.
- c) They also asked that the representatives of the crafts sector and the small enterprises be more closely involved in the conception and administration of Community programs that have an impact on enterprises, with a view to their accelerated integration in the internal market and to thus improve their competitiveness.
- d) Lastly, support was requested for training intermediaries, so that they would be in a better position to advise enterprises on European strategic options or to give them easier access to Community programmes.

The Commission has evaluated these proposals.

The Commission concludes that about 50% of them are already covered, either by Community policies or by schemes initiated just before or after the Berlin conference by the European Commission (annex 2).

- This is the case, for instance, for the new vocational training program LEONARDO, which started on 1 January 1995, giving new priority to SMEs and crafts firms, their heads and assisting spouses.

- This is also true of the specific research and technological development programs, in each of which there is a section for SMEs .

- Where cooperation with SMEs in Central and Eastern Europe is concerned, the PHARE and TACIS programs already set up give priority to SME development.

Nevertheless, according to the sector representatives there are still far too few small firms and craft firms taking part in those actions and Community programs.

Future measures.

The Commission is fully aware that the development of Community policies in support of SMEs would gain in value if they were better geared towards the needs of the craft industry and small industrial and service enterprises, while fully observing the subsidiarity principle.

Currently, however, Commission programmes rarely draw distinctions between small and medium-sized enterprises, which makes it difficult or impossible to assess at its true value the contribution made by small firms and craft firms in the Community programmes.

As for the proposals of the representatives of the crafts sector and the small enterprises not yet covered by Community initiatives, the Commission is aware that most of them reflect a genuine need. However, given restrictions on budget and human resource allocations, the implementation of the proposals can only take place progressively.

Some proposals may be included in the third multiannual programme in support of SMEs and the craft industry (1997-2000), which will soon be submitted to the Community institutions.

This programme should certainly aim more to incorporate small industrial, craft and service firms more firmly into the single market and improve their development and competitiveness, since they offered an important potential for job creation in Europe.

With due consideration to the subsidiarity principle, and subject to the available resources, the following initiatives appear to have the special priority .

1. Administrative simplification:

- Continuing the action of administrative simplification and strengthening of the procedure for the business impact assessment.
- Taking into account as much as possible in new European legislation the situation and the limited resources of the craft industry and small companies.

- Increase the transparency of programs and pilot actions and simplify the procedure for taking part in Community programs.

2. Integration of the Small enterprises in the Internal Market:

- Improve the participation of the craft industry and small enterprises in the matter of normalisation, especially while strengthening the means of the European association which is currently being created, and which is in charge of representing the special needs of the crafts industry and small enterprises in the European normalisation committees. About 500 new European norms are adopted every year. Voluntary in principle, they address all European companies, whether they export or not, and whereby national norms on the same subject have to be abolished. However, the recent action EUROMANAGEMENT Normalisation/certification has exposed the important deficit of SMEs and craft industries in this matter.
- Support the relevant national organisations of SMEs and craft industry networking to create systems of certification adapted to the needs of the enterprises. The public and other big buying entities ask more and more of craft industries and SMEs to have the "Quality Management." certification.
- Follow up measures to the EUROMANAGEMENT -Action, which has exposed the especially weak use by small companies and craft firms of the concepts of quality, normalisation, certification, and safety on the work place.

3. Support of cross border trade services for craft industries and small enterprises

As a strengthening of the ongoing pilot action operated by the Commission, support for the creation of cross-border development offices for the intra-Community borders for which such offices are not yet in existence. Those will have to be tightly linked to the craft industry and to the SME organizations and will be in charge of information and consulting, in order to reduce the barriers that hinder the execution of services provided by small businesses and craft firms in neighboring states. Those companies are confronted with numerous, non-harmonized pieces of regulation which hinder cross-border business activities and increase operating costs in a prohibitive way. It is proposed to group these organizations in a European network.

4. Transnational Co-operation

- A study which was made on the Commission's behalf reveals that distance is not a decisive factor for successful co-operation between small companies. In fact, those same companies could benefit from such partnerships to better succeed on foreign markets.
- Strengthening of transnational co-operation between crafts firms, supported by crafts organizations who help companies get in touch with each other. Support of small enterprises from different Member States taking part in trade shows and events within the European Union, at least with common stands.

5. Improving the international competitiveness of the crafts industry

- To initiate and implement, in close co-operation with other Community programs, the co-operation with organizations and companies in Eastern Europe and Central Europe as well as with Mediterranean countries.
- Support of a small number of actions to facilitate the participation of craftsmen and small firms in trade shows in third countries, at least with joint stands.

6. Measures of vocational training and perfecting of skills of managers of small businesses and craft firms, co-entrepreneurial spouses, interns and intermediaries, not covered by other Community programs:

- Training of intermediaries (employees of chambers of commerce and professional organizations) on European issues, including matters in the field of normalisation, certification and environmental management.
- Support for the construction of European networks of female heads of businesses, training of co-entrepreneurial spouses and of female heads of firms in order to better make them aware of the challenges offered by the Internal Market;
- Support for the creation of a European network of placement for young craftsmen to facilitate internships for further training in crafts firms in other Member States. Using modern administrative technology will speed up the placement of young workers in various fields of interest and in the Member States of their choice.

7. Common development of qualifications

Encouragement of the launch by CEDEFOP of work on the common development of qualifications; this is about facilitating, in concertation with professional organizations and the Member States, the European recognition of diplomas which could lead to the recognition of sandwich courses and the elaboration of European diplomas which will be devised from the beginning by the representative organizations of the crafts sector.

8. Integration of small enterprises and craft industry in the information society

Permitting, in strict co-operation with the other Commission services, professional organizations to better help small businesses and craft firms to take advantage of the numerous possibilities offered by new information technologies. With this in mind, it is being proposed to launch several actions to identify new possibilities and to transmit those to the intermediaries.

9. Improvement of the access to financing of craft firms and SMEs

- Development of mutual guarantee schemes
- In order to obtain a better dialogue in the framework of a "round table of high officials from the banking world" , stimulating the bank-enterprise co-operation.

10. Improving the knowledge, visibility and representativity of the craft industry and of small enterprises on the European level

- Support for the setting up of a European academy for crafts and small enterprises, which will be a place of information, exchanges and concertation for the sector, so that the identity of the sector be strengthened, as well as its role, particularities and presence in European regions. It is to be well understood that the initiative for this academy will have to come from the sectoral representative organizations.
- Cofinancing competitions among young European craftsmen from different fields in order to highlight the European identity;
- European prize of craftsmanship, which will be the most important denominator in the Union for the crafts sector and small enterprises. This prize will be composed of a European prize for established craftsmen, in order to recognise their talent and know-how, and of a prize for young craftsmen, so as to stimulate their vocation.
- Improvement of the economic role of the sector, by launching economic analyses geared towards small- and craft firms, female entrepreneurs, and spousal co-entrepreneurship. The elaboration of statistics with the help of Eurostat and national statistical offices, using methods permitting to not put an extra burden on craft- and small firms while at the same time producing satisfying results.
- Giving a more important role to craft- and small businesses in the administrative committees of Community programs (in particular the structural funds and research and technological development), including a more systematic consultation of intermediate organizations. Analysis of the participation of small enterprises and craft firms in these programs, identification of barriers, organisation of a European conference on this study.

The Commission will specify further the actions to take under the framework of the third pluriannual program in favor of SMEs and the crafts sector (1997-2000), and will accompany that with a financial proposal.

V. Identification of possible Recommendations to the Member States and to National and European Committees of normalisation

In its resolution of 10 October 1994, the Council has asked the Commission to state the recommendations to be made to the Member States for implementing the conclusions of the Berlin conference. The Commission will begin with a consultation on the identification of the subjects which have been kept.

The Commission is aware of the major differences at national level in the organisation, traditions, reglementations, and representativeness of craft firms and small industrial firms. These differences make it more difficult to draw up recommendations, since these do not always take account of the special position of small firms, which often have a long tradition behind them. Moreover, experiments which succeed in one Member State may not be as successful in other Member States if there are no experienced public or private bodies or craft and SME associations governed by the self-management principle.

Several recommendations can nevertheless be formulated. At this stage they will primarily concern improvements to the exchanges of best experience. In cooperation with the Member States, the European Committees of normalisation and the representatives of the craft and small business sector, the Commission will examine the topics set out above to establish whether a formal recommendation from the Commission could have added value.

1. Strengthen the involvement of the representative organizations of small firms and craft firms in the elaboration of national positions within the framework of Community programs. Craft and small business intermediaries play a decisive role in business development, in both vocational training and support. In those Member States which have developed intermediary structures, such as local chambers of commerce etc., usually governed by the self-management principle, small firms and craft firms receive high-quality services which enable them to become more competitive. Those intermediaries can assure the important functions in the domain of economic and technical assistance to enterprises in the field of initial and continued training, as well as in the matter of training of management and, in particular, as far as advise companies in the face of the new challenges such as quality assurance and environmental management goes.

Different Member States have different practices where the links between the representative organisations and local, regional and national consultative bodies are concerned. In view of the great job-creation potential of small enterprises it therefore seems desirable to open up consultative bodies to their intermediaries.

Within the framework of certain Community policies, including regional policies, recognise the role and responsibility of the organisations representing the craft industry and small enterprises in providing training, support and links with local, regional and national consultative bodies.

2. Promoting apprenticeship and vocational training: Where vocational training is concerned, sandwich courses for apprentices yield excellent results for the apprentices themselves, for the small firms or craft firms involved and for the economy as a whole.

While at the same time taking courses in professional schools, the apprentices are thus involved in the life of the firm throughout their apprenticeship contract and thus have less difficulty in finding a job after the final examination. Therefore, the youth unemployment rate is lower.

Promote the introduction of apprenticeship schemes and sandwich courses.

3. Promotion of initiatives to start new enterprises:

The theme of the creation of independent and new enterprises calls for a new political approach. Thirty to forty-five per cent of the total of new jobs are being created through the creation of small firms and craft firms. However, it needs to be noted that in the last few years the entrepreneurial spirit and the willingness to create new enterprises have greatly diminished, so that the number of self-employed, and small firms and craft firms has seen a reduction.

This diminution seems to be linked strongly to the period of education and training becoming longer. The intention to start a company and become self-employed diminishes when the period of education in one's life becomes longer. Studies done in several Member States demonstrate that only 5 to 20% of the starters of small businesses have finished secondary education. It seems, therefore, that the educational and university systems do not particularly favor the entrepreneurial spirit in terms of creation of enterprises and in terms of establishing oneself as an entrepreneur, self-employed person or craftsman. They even have a demotivating effect on young people and contain numerous obstacles to the development of a spirit for starting a business: insufficiently pluridisciplinary approach, too important a place given to big institutions and to being an employee, insufficient familiarity with the world of business and with being a craftsman. Before anything else, it would be desirable to improve information about starting a business and starting businesses so that new generations consider being self-employed as an attractive career choice.

Create the right conditions for small businesses and craft firms for a strengthening of the spirit for enterprise creation, in particular by developing a pedagogic method and a new approach to include the spirit of business creation into the educational systems, from primary school through university.

4. Strengthening the access to consulting:

The survival of a newly started business can only be secured when the entrepreneur is capable of facing the numerous challenges which pose themselves at the time of starting the company, but also at later stages, and notably in the field of administration. All too often, the entrepreneur is not capable of finding lasting solutions and is forced to close shop. On the other hand, the life span of a company increases when the quality of the consulting received has increased as well. It is thus desirable to increase and strengthen the consulting given to starting entrepreneurs, both at the occasion of setting up the firm and down the road. The consulting should comprise aspects of organisation, financial and administrative management, marketing, and the use of new technologies in the company.

Creation of a positive environment for consulting to starting entrepreneurs and recently created enterprises, in particular through exchanges of experiences on the impact of minimum education needed (especially in the field of finance and management) so as to improve the chances of survival for newly established craft firms.

5. Improve the taking into account of the interest of small firms and craft firms in the field of technical harmonization:

About 500 new European norms are made every year. Eventhough these are voluntary, they will have to be used and implemented by small business and craft firms, whether they export or not, in particular because the old national norms must be abolished.

The EUROMANAGEMENT action Normalisation/Qualification demonstrated that SMEs are mostly unaware of the body of European norms and participate to an even lesser extent in the European process of drafting norms. This is true on the national as well as on the European level. On this point, however, a great number of differences exist between the Member States.

It would be useful if in the process of negotiating European technical norms the European Committees of normalisation, the national committees of normalisation and the European SME-organisations would analyse their impact on craft firms and SMEs.

Recommendation to the European and national normalisation authorities to introduce a business assessment form procedure for SMEs in the field of standardization.

6. **Conclusions**

The second European Conference on the Craft Industry and Small Enterprises in Berlin was a step in an ongoing process. Craft firms and small businesses now face other challenges which deserve discussion and exchanges of experience on a European scale, so as to incorporate such firms into the single market and make them more competitive. The information society and the opportunities it offers to these businesses, the role of the craft industry and small businesses in local, rural and urban development, the cooperation of craft firms and small businesses in the Mediterranean basin, and improvements to quality and environmental management all deserve special attention.

The Commission proposes to organise a third European Conference on the Craft Industry and Small Enterprises in 1997 to measure the progress made on these themes.

4 July 1995

Second European Conference on the Craft Industry and Small Businesses
BERLIN, 26-27 September 1994

List of proposals from representatives of the craft industry and small businesses

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This document contains the proposals from representatives and experts from craft and small business organisations at EU and Member State levels, and heads of enterprises, as expressed at the preparatory symposia, expert meetings and seminars of the Berlin Conference. It does not represent the opinions or positions of the European Commission. It is addressed to the European Commission, other EU-institutions, the Member States as well as the craft and small enterprise sectors.

Craft industries and small businesses in Community policies

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
1. Understanding the economic role of the sector	1. Demonstration of the economic and social role of the sector, particularly with regard to employment creation, by performing comparable statistical analyses at the European level and specific studies	<i>setting up of a group of statistical experts from the national craft organisations with responsibility for defining, orienting and launching useful statistical analyses in collaboration with EUROSTAT.</i>	X		
		<i>performance of thematic studies on a European and national scale on subjects defined jointly between the craft organisations and the Member States</i>	X		X
	2. Encourage national and European economic and social research work	<i>organisation of a symposium on the subject of identification criteria and the identity of the craft industry and small businesses in the Member States</i>	X		
2. Measurement of the impact of Community legislation	1. Take account of the effects of Community legislation on small businesses and the craft industry, by examining the effects at administrative, legal and fiscal levels, and by simplifying the administrative activity of businesses at each stage of their operation	<i>examine the impact of new European legislation on the craft industry and small businesses by systematically applying the business impact assessment procedure to the craft industry and small businesses</i>	X		
		<i>allow European craft organisations to take part in committees for administrative simplification and improvement of the business environment</i>	X		

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General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Membr. States
		<p><i>adapt the principle of extended implementations for Community legislation or that of total or partial exemption for small enterprises to be examined on a case basis or for certain occupations as a result of the investments required to conform to the legislation.</i></p> <p><i>Pay attention to the need for small and craft enterprises to receive adequate implementation periods to apply Community legislation under the most favourable condition taking account of the investments required.</i></p> <p><i>develop within Europe "approved management centres" or "tax assistance centres" to help businesses with their accounting and fiscal obligations.</i></p>	X		X
			X		X
			X		X
3. Strengthening of representation in the European Union and development of the craft industry's image	1. Creation of a department "Craft and Small Enterprises" in DG XXIII	<i>Change DG XXIII's organisation</i>	X		
	2. Creation of a European Craft and Small Business Academy as a place of information, exchange and dialogue	<p><i>support for the formation of a Working Party to define the orientation of the Academy</i></p> <p><i>support for the organisation of preparatory work (expert meetings, pilot programmes...) and for the creation of the Academy</i></p>	X		
			X		

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
	3. Facilitate dialogue and groupings among representative organisations	<p><i>encourage the grouping of European representative organisations</i></p> <p><i>develop a language training programme for the organisations' managers within the framework of the LINGUA programme</i></p> <p><i>develop trans-national exchanges in the form of placement schemes for the organisations' managers</i></p> <p><i>develop the system of "craft experts' meetings" with specific themes and facilitate the exchange of best practices</i></p> <p><i>put in place a training programme on European affairs for managers, business advisors and those in charge of craft organisations within the framework of the LEONARDO programme</i></p> <p><i>ensure that the "guide to craft and small business organisations" is regularly updated and extended to cover the new Member States of the EU.</i></p>	X		X
			X		X
			X		
			X		X
			X		

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
4. Consultation with the craft and small business representative organisations and inclusion in the Social Dialogue	1. Include the European craft and small business organisations in the process of drafting Community texts		X	SEC	
	2. Participation of the European craft and small business organisations in advisory committees and working parties at Community level, including the Social Dialogue		X	EP SEC COR	
	3. Systematise the principle of providing a hearing of the craft and small business representative organisations in the proceedings of the European Parliament			EP	
5. Participation in Community programmes	1. Take account of the specific nature and particular needs of the craft sector in Community programmes, if need be, through budgetary allocations for small enterprises	<i>analyse of the participation of small businesses and of their intermediary organisations in Community programmes, Training programmes, Research and Development programmes, as well as Structural Funds, including Community Initiative Programmes)</i>	X		

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
	2. Improve the information available on Community programmes	<i>gear Community information down towards regional and local structures, notably through the creation of EICs in national craft organisations</i>	X		
	3. Extend the principle of "feasibility bonuses" to allow small businesses easier access to Community programmes		X		
	4. Encourage the European craft and small business organisations to participate on a national (national co-ordination committees) and regional level in the management of Community programmes	<i>address a recommendation to the Member States</i>	X		X
6. Understanding and taking account of the specific situation of small businesses and craft industries	1. Make it easier to take account of small and craft businesses who have particular needs due to their geographical distance, particularly, those in outlying regions and remote island locations	<i>organisation of a European symposium on small and craft business in remote island locations, to define ways of promoting local development as well as foreign trade</i>	X		

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
	2. Strengthening of the craft and small business aspect in the European Union's Mediterranean policy	<i>analysis of the situation and of the experience gained, particularly with regard to co-operation and training</i> <i>organisation of a European symposium between the bodies and businesses from the whole of the Mediterranean basin</i>	X		X
	3. Support the operation of craft and small businesses on a local level (rural and urban)	<i>encourage a higher participation of the businesses targeted in LEADER and URBAN</i>			X

Vocational training and proficiency of craftsmen, business managers and entrepreneurial spouses

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
1. Revaluation of apprenticeship and promotion of sandwich course training	1. Understanding and exchange of existing sandwich course systems	<p><i>conduct a comparative study on sandwich training course systems already in existence in EU countries (CEDEFOP)</i></p> <p><i>analyse the feasibility of transferring existing systems to other countries, bearing in mind national socio-cultural characteristics</i></p>	X		X
	2. Obtain recognition for apprenticeship within the legislation of all Member States	<i>Recommendation to the Member States</i>	X		
	3. Encourage co-operation between schools and businesses	<p><i>conduct a study on actions taken by craft organisations, the public authorities and the professional circle in the Member States. analysis of best practices</i></p> <p><i>organisation of experts meetings or working groups under the responsibility of CEDEFOP</i></p> <p><i>introduction of specific financing for co-operative actions between schools and businesses, within the LEONARDO programme</i></p>	X X		X

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
	4. Encourage exchanges of practices concerning the status of young people in training as well as that of apprentices' instructors		X		X
	5. Create a positive image of the craft industry and of the career potential it provides amongst the young, their families and the teaching body	<i>support a European campaign to promote apprenticeship</i> <i>production of a video film showing the qualities of and the opportunities provided the craft industry</i>	X		
	6. Involve craft organisations in the management of national and European mechanisms for sandwich course training	<i>promote the participation of organisations in management committees for Community programmes, particularly LEONARDO</i>	X		
	7. Encourage co-operation and exchanges between training centres	<i>formation of a working group with representation from DGXXIII, DGXXII, DGV, CEDEFOP and European craft organisations</i>	X		
		<i>encourage the LEONARDO programme to take them into consideration</i>	X		X

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
	8. Establish equivalents between general training and vocational training and achieve mutual recognition of this training and of European qualifications	<i>Berufsbildungspaß</i>	X	X	
2. Qualification of entrepreneurs and further training	1. Adapt the training to new needs: 1) training specific to each business, 2) general training covering areas of European interest, 3) training of trainers and apprenticeship instructors, 4) development of distance training and computer assisted training techniques	<i>CEDEFOP to carry out a special analysis of the needs in these different areas, including the approaches of the national craft organisations</i> <i>implementation within the framework of the LEONARDO programme of pilot training programmes, including language courses (LINGUA), designed specifically for the heads of craft businesses</i> <i>support for the use of telematic training tools in training centres and businesses</i>	X		
	2. Develop the training of business advisors	<i>carry out an analysis of best practices and experience in the Member States</i>	X		
	3. Encourage training for entrepreneurs prior to business creation	<i>conduct a pilot project to support national training schemes for business creators</i>			X

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
3. Improve apprentice and post-apprenticeship exchange schemes	1. Develop the skills of future entrepreneurs and employees	<i>evaluate existing experience</i>	X		
		<i>support for twinnings between craft organisations</i>	X		
		<i>initiate discussions on the social statutes of young trainees</i>	X		
4. Increase participation in Community programmes	1. Include the heads of craft businesses, co-owner spouses and young people in the orientation of the programmes	<i>evaluate the participation of the craft industry in European training programmes</i>	X		
5. Support the economic and social role of co-owner spouses	1. Clarify the social role of co-owner spouses	<i>carry out a study on the economic importance of the role of spouses, their legal situation and status</i>	X		
		<i>examine the best existing national practices</i>	X		
	2. Support the formation of an European network of organisations working to support co-owner spouses	<i>produce a guide of co-owner spouse organisations</i> <i>support for the formation of European network for assisting spouses</i>	X		
	3. Encourage co-operation between spouse organisations and training organisations	<i>support through the European Programme for Equal Opportunities or LEONARDO</i>			

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
6. Improve the qualifications of co-owner spouses	1. Collect and disseminate information on existing training programmes in the Member States	<i>distribution of information</i>			
	2. Encourage training for spouses	<i>incorporate training for spouses into the priorities of the LEONARDO programme</i> <i>develop an experimental programme on trans-national training</i>	X X		
7. European training policy to assist small businesses and the craft industry		<i>Incorporate the needs and priorities of the craft industry into the "1996 - European year for education and training" programme and ensure the involvement of craft and small business organisations in the preparation and running of this programme</i>	X		

Improving the competitiveness of businesses

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
1. Support for the introduction of Quality policies; taking into account the particular constraints of small businesses in the technical regulations	1. Raise awareness within craft businesses of the problems posed by European standardisation and certification: craft businesses are not familiar with these standards which are often experienced as constraints, especially with regard to production standards, machine safety standards and EC marking	<i>media information and awareness-raising campaign in conjunction with the craft and small business organisations to raise awareness amongst businesses, based on the experience of national organisations and on the results of Community projects</i>			X
	2. Raise awareness amongst national legislators and certification bodies of the effects on small businesses of demands related to the application of technical regulations and standards, particularly with regard to adjustment costs.	<i>finance, at Member State level, information seminars bringing together craft organisations, certification bodies and the public authorities concerned</i> <i>introduce a business impact assessment for European standardisation</i> <i>study and analyse the problems arising for small and craft businesses in the application of standards</i> <i>distribution of the conclusions of EUROMANAGEMENT - Standardisation, Certification, Quality</i>	 X X X		X

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
	3. Facilitate the involvement of small business organisations in standardisation and certification work, at both national and Community levels	<p><i>Commission representations to the CEN</i></p> <p><i>support for a European standardisation office for SMEs and the craft industry, capable of contributing to the work of European standardisation organisations</i></p> <p><i>support for national organisations with a view to their participation in the work of national standardisation bodies</i></p>	X		X
	4. Support the drawing up of prescriptive reference documents and good practice guides	<p><i>analysis of actions taken in the Member States</i></p> <p><i>consider financial assistance for national and European professional organisations to help them in drawing up European codes of good practice and application guides</i></p>			X
	5. train experts from craft organisations and small businesses in the areas of standardisation, certification and quality	<i>encourage, within the framework of Community programmes, trans-national training within craft organisations for European standardisation, certification and quality</i>	X		
	6. Inform and support small businesses in their approach to quality	<p><i>launch of a EUROMANAGEMENT Quality programme for the craft industry</i></p> <p><i>exchange of best practices in aid to improve quality in craft businesses</i></p> <p><i>support for the creation and distribution of effective teaching tools for raising awareness and help with self-training</i></p>	X		

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
2. Involvement in environmental protection policies	1. Adapt national and European regulations to the specific needs of small and craft businesses	<i>incorporation into Community legislation of the principle of a longer period of adaptation for small businesses in the implementation of regulations, and if necessary, provide for an exemption system in matters not relating to essential hygiene, health and safety requirements</i> <i>simplify and codify the implementation regulations</i>	X		X
	2. Ensure the involvement of national and European organisations in <u>national and European</u> regulation work		X		X
	3. Facilitate the respect of regulations by businesses	<i>establish a European regulation to systematise tax reductions when a business applies environmental standards</i> <i>develop, within the framework of EIB and EIF funds, preferential aid for investment by businesses to use environmental protecting technology</i>	X		
	4. Inform and support businesses by introducing innovative support mechanisms	<i>facilitate trans-national training for craft organisations experts within the framework of Community programmes</i> <i>support for the creation and distribution of effective awareness raising teaching tools, including for self-training</i> <i>a European study on Member States' practices regarding support for the introduction of environmental mechanisms in craft businesses and an analysis of best practices</i>	X X X		X X

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General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
		<p><i>support within the framework of the Structural Funds for the formation of resource and advice centres to assist the craft industry in environmental matters</i></p> <p><i>support for the creation of training and qualification modules on the environment within initial and further training programmes</i></p> <p><i>take account of the needs of small businesses in the Ecoaudit system</i></p> <p><i>launch of a EUROMANAGEMENT environment policy in favour of small and craft businesses</i></p>	X		X
			X		X
			X		
3. Development of research, transfer of technology and support for innovation	1. Recognition of the current situation	<p><i>analysis of the actions and measures taken in the Member States relating to support for innovation and for the transfer of technology in the craft industry</i></p> <p><i>analysis of the involvement of small and craft businesses in research and technological development programmes, authentication of the research results</i></p>	X		X
	2. Encourage the transfer of technology across sectors and geographical areas and promote access to leading-edge technology	<p><i>distribution of a guide on centres of technology transfer</i></p> <p><i>support the involvement of small businesses in the 4th Community R&D programme</i></p>	X		
4. Improve business co-operation	1. Analyse specific problems of craft businesses	<i>organise meetings between experts from Member States organisations</i>	X		X

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Mcmb. States
	2. Improve Community co-operation tools in favour of small businesses	<i>Participation of craft businesses withing the EUROPARTENARIAT scheme</i> <i>facillitate the development of craft-INTERPRISE especially in cross-border regions</i> <i>support craft industry pilot projects for co-operation</i>	X X X		
	3. Encourage the creation of combined marketing actions (guides, buying syndicates, group participation in trade fairs and purchasing actions)	<i>support the joint participation of craft businesses of at least three member states to faires and exhibitions</i>	X		
5. Encourage the use of industrial or artistic design	1. Promote design education and training	<i>draw up a list of best teaching practice in the Member States</i> <i>produce a guide of bodies specialising in training and advice on industrial design</i> <i>support the design and distribution of training modules particularly within the framework of the LEONARDO programme</i>	X X		X
	2. Create a European award for craft design	<i>set up a group of experts to develop the principle</i> <i>launch a pilot project</i>	X		

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Mem. States
6. Support for the creation and transfer of businesses	1. Identify the needs and specific situation of small and craft businesses	<i>support for the creation of a European Observatory for the establishment and transfer of businesses</i>			
		<i>exchange of best practice on help available for business creation / transfer</i>	X		X
	2. Improve training prior to business creation or transfer	<i>support training prior to business creation or transfer within Community programmes</i>	X		
		<i>encourage business creators to take part in prior training</i>	X		X
	3. Improve conditions for business creation	<i>identify the administrative difficulties associated with the formalities of establishing a business</i>	X		
		<i>encourage the setting up business formality centres</i>	X		X
		<i>exchange of best practices by means of conferences</i>	X		X
		<i>launch a pilot project for venture capital specially adapted for small and craft businesses</i>	X		X
4. Improve the conditions for business transfer	<i>improve European support programmes for the creation of businesses by women</i>	X			
	<i>identify the negative factors that hinder transfer: report and recommendation</i>	X		X	
		<i>analyse best practices in the Member States</i>	X		X

Financing and access to credit

General Policy	Orientation	Actions	Address see		
			Comm.	Other Comm. Inst.	Memb. States
1. Understanding of specific situation of small businesses and the craft industry including that of female heads of businesses with regard to financing and access to credit		<i>draft a Commission communication on:</i> - <i>the exchange of best practices regarding the financial management of businesses</i> - <i>access to credit on a national and European level</i> - <i>consolidatio of capital</i> - <i>other forms of finance</i>	X		
2. Improve the relationship between banks and business	1. Encourage co-operation between banks and businesses	<i>support a working group comprised of representatives from the sectors concerned to propose new practical measures for adoption</i>	X		
	2. Encourage the creation and development of management centres and centres for financial and accounting formalities	<i>study and analyse the existing systems in the Member States</i> <i>development of certified management centres and centres for financial and accounting formalities</i> <i>help with contacts and the exchange of practices between centres</i>	X		X X

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
3. Offer products and financial conditions adapted to the needs of small businesses	1. Develop mutual guarantees	<p><i>set up a system of mutual guarantees in countries where they do not already exist via partnerships between businessmen, banks, public authorities and European institutions</i></p> <p><i>harmonise taxation relating to mutual guarantee schemes on the basis of deduction of withheld profits</i></p> <p><i>increase the guarantee capacity of mutual guarantee firms</i></p> <p><i>grant mutual guarantee firms the opportunity to receive Community funds</i></p> <p><i>exchange of best practices on the system</i></p>	X		X
	2. Take into account the specificity and constraints of small businesses within the framework of financial conditions	<p><i>- lead EIB and EIF funds towards investments in standardization issues</i></p> <p><i>- creation of global incentives (EIB) granted to financial or guarantee institutions in order to develop "micro loans" to individual companies</i></p>	X		X

Border zones

General Policy	Orientation	Actions	Address sec		
			Comm.	Other Comm. Inst.	Memb. States
1. Improve the procedures relating to the formalities of trans-national activities	1. analyse the obstacles and technical barriers presented	<i>produce a report by the Commission on the constraints and difficulties encountered by small businesses in all border zones</i>	X		
	2. continue the work begun on simplification and the administrative, technical, legal and fiscal deregulation necessary to secure real freedom to provide trans-national services	<i>establishment of an "appeal centre" at Commission level to deal with disputes, concerning obstacles and barriers encountered by small businesses, that cannot be solved locally</i>	X		X
		<i>involve craft and small business organisations in impact analyses of Community legislation</i>			X
		<i>encourage the setting up of discussion and exchange groups for each border zone to deal with the constraints upon competition between local and neighbouring businesses. Launch a pilot programme to promote dialogue (meeting days) (INTEREG)</i>	X		X
	<i>encourage the creation of formality centres which would advise businesses or carry out the formalities for them, including taxation formalities</i>	X		X	
3. harmonise the social security conditions in the areas concerned					
4. speed up the work to introduce a final system for applying VAT in the country of origin			X		X

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
2. Improve the general operation conditions of businesses	1. Improve the information available to businesses on the conditions for pursuing their activity in the adjacent country and on market knowledge and the potential for development. Support the translation of useful regulations into the language of the neighbouring country	<i>under the INTEREG programme support the production of brochures and trans-regional information documents for craft businesses</i> <i>launch a support programme for the translation of passages of legislation and of administrative forms</i>	X		X
	2. Encourage business co-operation and partnership meetings to share trans-border information	<i>authorise "INTERPRISE" or similar meetings between two border regions, and not necessarily between three countries</i> <i>create a programme to assist direct co-operation between two businesses to support the follow-up of co-operation projects in the areas of commercial, technical and R&D co-operation</i>	X X		
	3. Introduce training programmes adapted to trans-border activity, dealing essentially with language, economic and cultural aspects	<i>under the LEONARDO programme, grant priority to trans-border training</i>	X		X
	4. Support for co-operation between bodies representing co-owner spouses across adjacent regions		X		X
	5. support for apprentice exchanges between border businesses	<i>support from the LEONARDO programmes</i>	X		X

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
3. Support for the heads of businesses	1. Develop trans-regional support structures for SMEs in the private sector to provide assistance with administration, information promotion and co-operation with businesses from neighbouring countries	<i>develop and improve the Commission initiative to support the creation of trans-border offices</i>	X		X
		<i>support the setting up of a network of trans-border offices</i>	X		X
		<i>envisage a medium to long term prospect for these trans-border offices</i>	X		X
	2. Encourage the training of economic trans-border advisors	<i>set up, within the framework of the LEONARDO programme, a training programme on cross-border activities for business advisors</i>	X		X

Co-operation with Central and Eastern Europe

General Policy	Orientation	Actions	Address	Comm.	Other Comm. Inst.	Memb. States
			Comm.			
1. Understanding of the situation of small businesses in the CEEC	Socio-economic analysis of the situation and needs	<i>launch of a study to provide legal and economic statistics concerning the situation and role of small businesses</i>	X			
2. Understanding of local representative organisations and assistance for their development	Encourage the creation and development of support structures (chambers of commerce and craft industries) to be run by businesses	<i>Identify existing organisations</i> <i>support for co-operation and twinning with craft industry chambers and professional organisations in the EU, especially through the development of training placements for the managers of these organisations in the EU countries</i> <i>financial assistance for the formation and development of organisations</i> <i>support for the secondment of managers from EU organisations in order to assist in the formation of organisations in the CEEC</i>	X X X X			X X
3. Encourage the implementation of national and regional policies in favour of craft industries and small businesses	Assist governments in the implementation of measures in favour of the development of craft industries and small businesses	<i>information / training for government officials notably through training placements in EU Member state administrations</i>	X			X

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
4. Encourage the development of craft and small businesses	1. Organise specific training programmes instituts	<i>put into place pilot sandwich course programmes, pilot training programmes for entrepreneurial spouses, language training programmes for business advisors and heads, training programmes for trainers, designed in collaboration with EU organisations, within the framework of PHARE and TACIS</i>	X		X
		<i>finance pilot in-service training programmes within craft businesses in the areas of technological development, financial management, accounting and marketing</i>	X		X
	2. Encourage commercial and technological co-operation with EU businesses	<i>implement a pilot programme, within the framework of PHARE and TACIS, for personalised support for businesses, through partnerships between EU and CEEC organisations in the form of assignments by experts from chambers of craft industries</i>	X		
		<i>financial assistance for CEEC craft businesses to take part in EU trade fairs</i>	X		X
		<i>financing of the cost of co-operation, mainly through INTERPRISE and JOPP between CEEC and EU enterprise</i>	X		
		<i>develop, with the participation of the organisations concerned, a partner search network and support co-operation between businesses</i>	X		
	3. Ensure the particular development of craft businesses in the regions bordering the EU countries, particularly within the framework of the PHARE-INTERREG programme	<i>set up "trans-border development bureaus" of the craft and small business organisations of the regions concerned</i>	X		X
		<i>Support the inter-business co-operation, notably through partnership fairs, entrepreneurs' meetings and specialised trans-border fairs (PHARE, INTERREG)</i>	X		X

General Policy	Orientation	Actions	Addressee		
			Comm.	Other Comm. Inst.	Memb. States
	4. Improve the financial environment of businesses	<i>organise a working group composed of banking experts and representatives from the craft and small business organisations</i> <i>encourage the setting up of mutual guarantee funds and venture capital funds</i> <i>develop, within the framework of PHARE and TACIS, credit lines for SMEs to enable the use of "MICRO-PRÉTS"</i>	X X X		X
5. Redeployment of PHARE - TACIS procedures	1. Open up Phare and Tacis operations more towards the craft and small business organisations	<i>Ensure greater involvement of the representative organisations of the CEEC in the selection and implementation of measures</i> <i>Grant Community funds directly to the organisations with a view to autonomous management</i>	X X		
	2. Intensify co-ordination between Community and national instruments		X		X

12 October 1995

Second European Conference on the Craft Industry and Small Businesses
Berlin, 26-27 September 1994

Replies of the European Commission
to the proposals from the representatives of the craft industry and small businesses

This document presents the replies of the European Commission to the proposals from the representatives of the craft sector and small enterprises which were expressed during the preparatory discussions, meetings of experts and workshops at the Berlin Conference. It is addressed to the Commission and other Community Institutions, the Member States and the craft and small industries sector.

n.n. = the Commission does not wish to undertake this action given the present state of its budgetary and human resources.

CRAFT INDUSTRY AND SMALL BUSINESSES IN COMMUNITY POLICIES

1st General policy: Understanding the economic role of the sector		
Orientation	Proposed actions	Commission's reply
1. demonstration of the economic and social role of the sector, particularly with regard to employment creation, by performing comparable statistical analyses at the European level and specific studies	<i>setting up of a group of statistical experts from the national craft organizations, with responsibility for defining, orienting and launching useful statistical analyses in collaboration with EUROSTAT.</i>	This group will meet for the first time in December 1995 in Rome at the Istituto Tagliacarne.
	<i>performance of thematic studies on a European and national scale on subjects defined jointly between the craft organizations and the Member States</i>	n.n.
2. Encourage national and European economic and social research work	<i>organisation of a symposium on the subject of identification criteria and the identity of the craft industry and small businesses in the Member States</i>	The Commission is prepared to support a request to organize a colloquium on the initiative of craft and small enterprises
2nd General policy: Measurement of the impact of Community legislation		
Orientation	Proposed actions	Commission's reply
Take account of the effects of Community legislation on small businesses and the craft industry, by examining the effects at administrative, legal and fiscal levels, and by simplifying the administrative activity of businesses at each stage of their operation.	<i>examine the impact of new European legislation on the craft industry and small businesses by systematically applying the business impact assessment procedure to the craft industry and small businesses</i>	The impact forms are drawn up mainly for SMEs and in particularly important cases. Craft and small businesses will be involved only in exceptional cases.
	<i>allow European craft organizations to take part in committees for administrative simplification and improvement of the business environment</i>	The UEAPME attends as an observer the Committee for administrative simplification set up by DG XXIII.

	<p><i>adapt the principle of extended implementations for Community legislation or that of total or partial exemption for small enterprises to be examined on a case basis or for certain occupations as a result of the investments required to conform to the legislation.</i></p> <p><i>develop within Europe "approved management centres" or "tax assistance centres" to help businesses with their accounting and fiscal obligations</i></p>	<p>The idea of partly or completely exempting craft and small enterprises from implementing a directive is not always in their interests, since the consumer is often looking for the best-quality products. In addition, in some cases Member States retain a certain amount of room for manoeuvre at national level.</p> <p>n.n.</p>
3rd General policy: Strengthening of representation in the European Union and development of the craft industry's image		
Orientation	Proposed actions	Commission's reply
1. creation of a department "Craft and Small enterprises in DG XXIII	<i>Change DG XXIII's organization</i>	The Commission is planning to amend the DG XXIII organization chart in the near future.
2. Creation of a European Craft and Small Business Academy as a place of information, exchange and dialogue	<p><i>support for the formation of a Working Party to define the orientation of the Academy</i></p> <p><i>support for the organisation of preparatory work (expert meetings, pilot programmes....) and for the creation of the Academy</i></p>	<p>The Commission supports the idea of organizing a preparatory colloquium on this topic and awaits a proposal from the UEAPME on establishing this Academy.</p> <p>n.n.</p>
3. Facilitate dialogue and groupings among representative organisations	<p><i>encourage the grouping of European representative organizations.</i></p> <p><i>develop a language training programme for the organisations' managers within the framework of the LINGUA programme</i></p> <p><i>develop trans-national exchanges in the form of placement schemes and facilitate the xchange of best practices</i></p> <p><i>develop the system of "craft experts' meetings" with specific themes and facilitate the exchange of the best practices.</i></p>	<p>The Commission is in favour of combining the European representative organizations in order to increase the representativeness of sector. However, the initiative must come from the organizations themselves.</p> <p>There were programmes of this type under FORCE and LINGUA (action III), and there could also be some under LEONARDO (Section III. 1.b)</p> <p>n.n.</p> <p>Five meetings on particularly targeted subjects (reducing the workload, access to credit, statistics etc) were organized before the Berlin Conference. DG XXIII is prepared to continue to support this type of action (technical standards, environment, bakers, EBC, vocational training etc) within the limits of its budget.</p>

	<p><i>put in place a training programme on European affairs for managers, business advisors and those in charge of craft organisations within the framework of the LEONARDO programme</i></p> <p><i>ensure that the "guide to craft and small businesses organisations" is regularly updated and extended to cover the new Member States of the EU</i></p>	<p>The LEONARDO programme (Section II) offers a support for drawing up training plans in a transnational context on proposals from an enterprise or an enterprise federation.</p> <p>The guide will be updated in 1996.</p>
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4th General policy: Consultation with the craft and small businesses representative organisations and inclusion in the Social Dialogue

Orientation	Proposed actions	Commission's reply
1. Include European craft and small enterprises organizations in the process of drafting Community texts		These organizations are consulted at the green and white paper stages, before the legal texts are drawn up.
2. Participation of the European craft and small businesses organizations in advisory committees and working parties at Community level, including the Social Dialogue		<p>In its Communication on the implementation of the protocol on social policy (final Com 600 of 14.XII.1993), the Commission classifies the joint Committee "UEAPME / EUROPMI and other affiliated organizations" as an organization to be formally consulted before deciding on possible proposals on social matters.</p> <p>Within the framework of the Standing Committee on Employment, a Liaison Committee of employers exists which is invited to the meetings where UEAPME represents the craft industry and the small and medium size businesses. The Commission supports the various members of this Liaison Committee, including UEAPME, so that those may hold a preparatory meeting preceding the plenary meeting of the Committee.</p>

5th General policy: Participation in Community programmes

Orientation	Proposed actions	Commission's reply
1. Take account of the specific nature and particular needs of the craft sector in Community programmes, if need be, through budgetary allocations for small enterprises.	<i>analyse of the participation of small businesses and of their intermediary organisations in Community programmes, Training programmes, Research and Development programmes, as well as Structural Funds, including Community initiative programmes</i>	DG XXIII will ask for all evaluation reports on Community programmes to take account clearly of the participation of SMEs and craft enterprises.
2. Improve the information available on Community programmes	<i>gear Community information down towards regional and local structures, notably through the creation of EICs in national craft organizations</i>	n.n.

3. extend the principle of "feasibility bonuses" to allow small businesses easier access to Community programmes		Craft and small enterprises are taken into account in the programmes initiated by DG XXIII; in the other Community programmes the principle of feasibility premiums for SMEs is becoming increasingly common, particularly for research and technological development.
4. Encourage the European craft and small business organisations to participate on a national (national co-ordination committees) and regional level in the management of Community programmes	<i>address a Recommendation to the Member States</i>	In accordance with the principle of subsidiarity, the initiative should come from the Member States.
6th General policy: Understanding and taking account of the specific situation of small businesses and craft industries		
Orientation	Proposed actions	Commission's reply
1. Make it easier to take account of small and craft businesses who have particular needs due to their geographical distance, particularly, those in outlying regions and remote islands locations	<i>organisation of a European symposium on small and craft business in remote island locations, to define ways of promoting local development as well as foreign trade</i>	The Commission has supported the organization of a conference on this topic in Martinique on 21-23 September 1995.
2. Strengthening of the craft and small business aspect in the European Union's Mediterranean policy	<i>analysis of the situation and of the experience gained, particularly with regards to cooperation and training</i> <i>organisation of a European symposium between the bodies and businesses targeted in LEADER and URBAN</i>	n.n. Will take place in 1996

Vocational Training and proficiency of craftsmen, business managers and entrepreneurial spouses

1st General policy: Revaluation of apprenticeship and promotion of sandwich course training		
Orientation	Proposed actions	Commission's reply
1. Understanding and exchange of existing sandwich course systems	<i>conduct a comparative study of existing sandwich training course systems already in existence in EU countries (CEDEFOP)</i>	CEDEFOP has carried out a study "Apprenticeship in the EU member states: a comparison" comparing apprenticeship systems in the Member States (12) which will be available at the end of July 1995.
2. Obtain recognition for apprenticeship within the legislation of all Member States	<i>Recommendation to the Member States</i>	The Commission does not rule out studying a measure of this kind, which seems useful at Community level in the context of an exchange of best experiences.
3. Encourage cooperation between schools and businesses	<i>organisation of experts meetings or working groups under the responsibility of CEDEFOP</i> <i>introduction of specific financing for cooperative actions between schools and businesses, within the LEONARDO programme</i>	CEDEFOP could do this when approached by the craft industries. A call for proposals was published under the LEONARDO programme (O.J.C. 128, 24.5.1995)
4. Encourage exchanges of practices concerning the status of young people in training as well as that of apprentices' instructors		n.n.
5. Create a positive image of the craft industry and of the career potential it provides amongst the young, their families and the teaching body	<i>production of a video film showing the qualities of and the opportunities provided by the craft industry.</i>	This campaign will be launched in 1996.
6. Involve craft organisations in the management of national and European mechanisms for sandwich course training	<i>promote the participation of organizations in management committees for Community programmes, particularly LEONARDO</i>	The UAPME takes part in the work of the consultative committee for the LEONARDO programme.
7. Encourage cooperation and exchanges between training centres	<i>formation of a working group with representation from DG XXIII, DG XXII, DG V, CEDEFOP, and European craft organizations</i> <i>encourage the LEONARDO programme to take them into consideration</i>	n.n. The LEONARDO programme includes exchanges of instructors.

<p>8. Establish equivalents between general training and vocational training and achieve mutual recognition of this training and of European qualifications</p>	<p><i>professional training permit</i></p>	<p>A "individual portfolio" pilot project was carried out between November 1993 and February 1995, in response to the Council's ideas of a "vocational training laissez-passer" and the European professional passport "recommended by the European Parliament and the ESC in their opinions on the LEONARDO programme Moreover, the Directive 92/51/EEC pertaining to a second general system of recognition of vocational training should facilitate the mutual recognition of his training. The Commission plans to submit a draft Directive on the professions currently covered by the said Directives of "transitional measures".</p>
<p>2nd General policy: Qualifications of entrepreneurs and further training</p>		
<p>Orientations</p>	<p>Proposed actions</p>	<p>Commission's reply</p>
<p>1. Adapt the training to new needs: 1) training specific to each business, 2) general training covering areas of European interest, 3) training of trainers and apprenticeship instructors, 4) development of distance training and computer assisted training techniques.</p>	<p><i>CEDEFOP to carry out a special analysis of the needs in these different areas, including the approaches of the national craft organisations</i></p> <p><i>implementation within the framework of the LEONARDO programme of pilot training programmes, including language courses (LINGUA), designed specifically for the heads of craft businesses</i></p> <p><i>support for the use of telematics training tools in training centres and businesses</i></p>	<p>CEDEFOP produced a "Guide to training heads of enterprises" in 1990, but has no plans to publish it.</p> <p>Under the LEONARDO (Section II) and LINGUA programmes, directors of SMEs are eligible for this type of training scheme.</p> <p>An invitation to tender was issued in connection with the LEONARDO, ADAPT and Télématique programmes.</p>
<p>2. Develop the training of business advisors</p>	<p><i>carry out an analysis of best practices and experience in the Member States</i></p>	<p>n.n.</p>

3rd General policy: Improve apprentice and post-apprenticeship exchange schemes		
Orientation	Proposed actions	Commission's reply
1. Develop the skills of future entrepreneurs and employees	<i>evaluate existing experience</i> <i>support for twinnings between craft organizations</i> <i>initiate discussions on the social statutes of young trainees</i>	n.n. Schemes of this type are possible under the LEONARDO programme n.n.
4th General Policy: Increase participation in Community programmes		
Orientation	Proposed actions	Commission's reply
1. Include the heads of craft businesses, co-owner spouses and young people in the orientation of the programmes	<i>evaluate the participation of the craft industry in European training programmes</i>	The new LEONARDO programme makes provision for heads of craft industries, assisting spouses, apprentices and journey men in its guidelines.

5th General policy: Support the economic and social role of co-owner spouses		
Orientation	Proposed actions	Commission's reply
1. Clarify the social role of assisting spouses	<p><i>carry out a study on the economic importance of the role of spouses, their legal situation and status</i></p> <p><i>examine the best existing national practices</i></p>	<p>n.n.</p> <p>The Commission has supported a number of actions with this aim, i.e. it organized a colloquium on "The situation of assistant spouses in European SMEs" in Brussels on 25 and 26 October 1993, which produced a detailed report covering 12 Member States, and a conference on female heads of enterprises and assisting spouses in Thessalonica in March 1994. It also took part in the Paris Forum on simplification on 22 and 23 June 1995.</p>
2. Support the formation of a European network of organisations working to support co-owner spouses	<p><i>produce a guide of co-owner spouse organizations</i></p> <p><i>support for the formation of a European network of associations for assisting spouses</i></p>	<p>The Commission considered it preferable initially to make a census of training schemes for assisting spouses. Following an invitation to tender in 1991, the FEM drew up a guide to such training schemes in 12 Member States.</p> <p>The Commission has contacted the UAPME on this matter.</p>
3. Encourage co-operation between spouse organisations and training organisations	<i>support through the European programme for equal opportunities or LEONARDO</i>	Section II of the LEONARDO programme contains specific actions to assist female heads of enterprises and assisting spouses.
6th General policy: Improve the qualifications of co-owner spouses		
Orientation	Proposed actions	Commission's reply
2. Encourage training for spouses	<p><i>incorporate training for spouses into the priorities of the LEONARDO programme</i></p> <p><i>develop an experimental programme on transnational training</i></p>	<p>The LEONARDO programme includes the topic of the training of assisting spouses in its Section II.</p> <p>The LEONARDO programme authorizes this type of training in its Section II.</p>
7th General policy: European training policy to assist small businesses and the craft industry		
Orientation	Proposed actions	Commission's reply
	<i>Incorporate the needs and priorities of the craft industry into the "1996 -European year for education and training" programme and ensure the involvement of craft and small business organisations in the preparation and running of this programme.</i>	The Commission (DG XXIII) is in direct contact with the representatives of the craft sector and small enterprises.

IMPROVING THE COMPETITIVENESS OF BUSINESSES

1st General policy: Support for the introduction of Quality policies; taking account the particular constraints of small businesses in the technical regulations

Orientation	Proposed action	Commission's reply
<p>2. Raise awareness amongst national legislators and certification bodies of the effects on small businesses of demands related to the application of technical regulations and standards, particularly with regards to adjustment costs.</p>	<p><i>introduce a business impact assessment for European standardisation</i></p> <p><i>study and analyse the problems arising for small and craft businesses in the application of standards</i></p> <p><i>distribution of the conclusions of EUROMANAGEMENT - Standardization, Certification, Quality</i></p>	<p>The Commission has already used impact assessment forms in connection with technical directives. As regards standards, this is mainly independent work carried out by the European standardization authorities.</p> <p>Under the EUROMANAGEMENT programme, the Commission has audited 850 enterprises. The final report of the European coordinator AFNOR will be published at the end of 1995.</p>
<p>3. Facilitate the involvement of small business organisations in standardisation and certification work, at both national and Community levels.</p>	<p><i>Commission representation to the CEN</i></p> <p><i>Support for a European standardization office for SMEs and the craft businesses, capable of contributing to the work of european standardisation organisations</i></p>	<p>The Commission has advised the CEN on several occasions of the need to involve the SME and craft enterprises organisations in the work of standardization and certification. CERN is open to this question of participation.</p> <p>The Commission is in agreement with supporting a European association of SMEs and craft enterprises for standardization. The establishment of this association is in hand.</p>
<p>5. Train experts from craft organisations and small businesses in the areas of standardisation, certification and quality</p>	<p><i>encourage, within the framework of Community programmes, trans-national training within craft organisations for European standardisation, certification and quality.</i></p>	<p>n.n.</p>

<p>6. Inform and support small businesses in their approach to quality</p>	<p><i>launch of a Euromanagement Quality programme for the craft industry</i></p> <p><i>exchange of best practices in aid to improve quality in craft businesses</i></p> <p><i>support for the creation and distribution of effective teaching tools for raising awareness and help with self-training</i></p>	<p>The Commission hopes to launch this programme provided that budgetary resources are increased.</p> <p>The Commission has already supported several events connected with this and intends to continue its support for this type of action.</p> <p>Requests for finance for actions of this type can be addressed to the Commission under the LEONARDO programme.</p>
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2nd General policy: Involvement in environmental protection policies

Orientation	Proposed actions	Commission's reply
<p>1. Adapt national and European regulations to the specific needs of small and craft businesses</p>	<p><i>incorporation into Community legislation of the principle of a longer period of adaptation for small businesses in the implementation of regulations, and if necessary, provide for an exemption system in matters not relating to essential hygiene, health and safety requirements</i></p>	<p>The Commission has begun work on codification</p>
<p>2. Ensure the involvement of national and European organisations in national and European regulation work</p>		<p>The Commission will consult the private sector; it will also include the SME and craft enterprises associations.</p>
<p>3. Facilitate the respect of regulations by businesses</p>	<p><i>develop, within the framework of EIB and EIF funds, preferential aid for investment by businesses to use environmental protecting technology.</i></p>	<p>At the request of the European Parliament, a programme on the subject of "growth and environment" was implemented in 1995; it involves a possible total of ECU 150 million.</p>
<p>4. Inform and support enterprises by establishing new support mechanisms</p>	<p><i>facilitate trans-national training for craft organisations experts within the framework of Community programmes.</i></p> <p><i>support for the creation and distribution of effective awareness raising teaching tools, including for self-training</i></p> <p><i>a European study on Member States' practices regarding support for the introduction of environmental mechanisms in craft businesses and an analysis of best practices</i></p>	<p>n.n.</p> <p>The Commission has requested the EICs to produce a guide to the environmental management of enterprises</p> <p>n.n.</p>

	<p><i>support within the framework of the Structural Funds for the formation of resource and advise centers to assist the craft industry in environmental matters</i></p> <p><i>support for the creation of training and qualification modules on the environment within initial and further training programmes</i></p> <p><i>Take account of the needs of small businesses in the Ecoaudit system</i></p> <p><i>launch of a EUROMANAGEMENT Environment policy in favour of small and craft businesses</i></p>	<p>n.n.</p> <p>n.n.</p> <p>The Commission will support 50 enterprises for the ECO-AUDIT certification under the new EUROMANAGEMENT Environment programme.</p>
3rd General policy: Development of research, transfer of technology and support for innovation		
Orientation	Proposed actions	Commission's reply
1. Recognition of the current situation	<i>analysis of the actions and measures taken in the Member States relating to support for innovation and for the transfer of technology in the craft industry</i>	The preparatory work for the Berlin Conference and the Commission's studies have shown that it is very exceptional for small enterprises to take part in Community work on research and development
2. Encourage the transfer of technology across sectors and geographical areas and promote access to leading-edge technology	<p><i>distribution of a guide on centres of technology transfer</i></p> <p><i>support the involvement of small businesses in the 4th Community R&D programme</i></p>	<p>Under SPRINT, the Commission has published a guide to technology transfer centres.</p> <p>Commission studies have shown that it is exceptional for small and craft enterprises to take part in Community programmes, including the 4th RTD programme.</p>
4th General policy: Improve Business Cooperation		
Orientation	Proposed actions	Commission's reply
1. Analyse specific problems of craft businesses	<i>organize meetings between experts from Member States organisations</i>	When required, the Commission needs experts from the craft organizations in the Member States.
2. Improve Community cooperation tools in favour of small businesses	<p><i>participation of craft businesses within the "EUROPARTENARIAT" scheme</i></p> <p><i>facilitate the development of craft- INTERPRISE especially in cross-border regions</i></p> <p><i>support craft industry pilot projects for cooperation</i></p>	<p>At the EUROPARTENARIAT Conference in Dortmund on 20 and 21 March 1995, one third of the exhibitors were craft enterprises.</p> <p>INTERPRISE projects to assist craft enterprises have been conducted and will be continued.</p> <p>The Commission has initiated a cooperation programme to assist craft enterprises supported by their intermediaries.</p>

3. Encourage the creation of combined marketing actions (guides, buying, syndicates, group participation in trade fairs and purchasing actions)	<i>support the joint participation of craft businesses of at least three Member States to trade fairs and exhibitions</i>	n.n.
5th General policy: Encourage the use of industrial artistic design		
Orientation	Proposed actions	Commission's reply
1. Promote design education and training	<i>produce a guide of bodies specialising in training and advice on industrial design</i> <i>support the design and distribution of training modules particularly within the framework of the LEONARDO programme</i>	Under the SPRINT programme, the Commission has produced a guide on this topic. The Commission is open to any proposals on this matter.
2. Create a European award for craft design	<i>set up a group of experts to develop the principle</i> <i>launch a pilot project</i>	The Commission has given financial support The Commission is awaiting a joint evaluation proposal from the organisations concerned.
6th General policy: Support for the creation and transfer of businesses		
Orientation	actions	Commission's reply
1. Identify the needs and specific situation of small and craft businesses	<i>exchange of best practice on help available for business creation/transfer</i>	Under the integrated programme in favour of SMEs and the craft sector, the Commission adopted a Recommendation on the transfer of SMEs and craft enterprises on 7 December 1994, and is organising a forum on these subjects in Madrid on 16 and 17 November 1995.
2. Improve training prior to business creation or transfer	<i>support training prior to business creation or transfer within Community programmes</i> <i>encourage business creators to take part in prior training</i>	The Leonardo programme offers support for heads and creators of enterprises.

<p>3. Improve conditions for business creation</p>	<p><i>Identify the administrative difficulties associated with the formalities of establishing a business</i></p> <p><i>encourage the setting up of business formality centres</i></p> <p><i>exchange of best practices by means of conferences</i></p> <p><i>launch a pilot project for venture capital specially adapted for small and craft businesses</i></p> <p><i>improve European support programmes for the creation of businesses by women</i></p>	<p>The Commission supported the organisation of a forum on simplifying administration, held in Paris on 19 and 20 June 1995.</p> <p>Such centres already exist in regions covered by the structural funds.</p> <p>The Commission supports and takes part in conferences on these topics</p> <p>In 1989, the Commission initiated a pilot programme on "seed capital" and, through the structural funds, especially through the EC BIC network, supports the creation of several assistance funds. In those regions that benefit from the structural funds programmes, the EC BICs provide entrepreneurs with support by means of advices and comprehensive assistance.</p> <p>n.n</p>
<p>4. Improve the conditions for business transfer</p>	<p><i>Identify the negative factors that hinder transfer: report and recommendation</i></p> <p><i>analyse best practices in the Member States</i></p>	<p>The Commission will forward a Recommendation on this matter to the Council.</p> <p>In 1994, the Commission organised a seminar on this topic, which was discussed in the forum on simplifying administration held in Paris on 19 and 20 June 1995.</p>

FINANCING AND ACCESS TO CREDIT

1st General policy: Understanding of the specific situation of small businesses and the craft industry, including that of female heads of businesses, with regard to financing and access to credit

Orientation	Actions	Commission's reply
	<p><i>draft a communication on</i></p> <ul style="list-style-type: none"> - <i>the exchange of best practices regarding the financial management of businesses</i> - <i>access to credit on a national and European level</i> - <i>consolidatio of capital</i> - <i>other forms of finance</i> 	<p>In November 1993 the Commission presented a communication on the question of financing SMEs, which it will follow up by a communication in September 1995 concerning the capital markets for fast-growing enterprises.</p> <p>Before the end of 1995 the Commission will present a communication on the capital markets for fast-growing enterprises.</p>

2nd General policy: Improve the relationship between banks and business

Orientation	Actions	Commission's reply
1. Encourage cooperation between banks and businesses	<p><i>support a working group comprised of representatives from the sectors concerned to propose new practical measures for adoption</i></p>	<p>The Commission supports the "Round table of leading representatives from the banking sector", which comprises representatives from 15 banks and 7 SME organizations, and which makes proposals on these matters</p>
2. Encourage the creation and development of management centres and centres for financial and accounting formalities	<p><i>study and analyses the existing systems in Member States</i></p>	<p>The Commission is awaiting a proposal on these centres from the private sector.</p>

3rd General policy: Offer products and financial conditions adapted to the needs of small businesses		
Orientation	Actions	Commission's reply
1. Develop mutual guarantees	<i>set up a system of mutual guarantees in countries where they do not already exist via partnerships between businessmen, banks, public authorities and European institutions</i>	The Commission supported the creation of the European Association for mutual Guarantees, which supported the creation of SCM (mutual guarantee societies) in Portugal and is reorganizing the operation in Greece.
2. Take into account the specificity and constraints of small businesses within the framework of financial conditions	<i>lead EIB and EIF funds towards investments in standardisation issues</i> creation of global incentives (EIB) granted to financial or guarantee institutions in order to develop "micro-loans" to individual companies.	Under the pilot project "Growth and environment", the Commission support the purchase of clean technologies through a system of reduced guarantee premiums with neutral guarantees. The EIB grants global loans totalling between 2 and 3 000 million ecus per year. In 1994/95, the pilot project with reduced interest rates for job creation, at ECU 1 000 million, was invested in the market for projects which would create new jobs in SMEs.

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BORDER AREAS

1st General Policy: Improve the procedures relating to the formalities of transnational activities		
Orientation	Actions	Commission's reply
<p>1. Analyse the obstacles and technical barriers presented</p> <p>2. Continue the work begun on simplification and the administrative, technical, legal and fiscal deregulation necessary to secure real freedom to provide transnational services</p>	<p><i>produce a report by the Commission on the constraints and difficulties encountered by small businesses in all border zones</i></p> <p><i>establishment of an "Appeal Centre" at Commission level to deal with disputes, concerning obstacles and barriers encountered by small businesses, that cannot be solved locally.</i></p> <p><i>encourage the setting up of discussion and exchange groups for each border zone to deal with the constraints upon competition between local and neighbouring businesses. Launch a pilot programme to promote dialogue (meeting days) (INTEREG)</i></p> <p><i>encourage the creation of formality centres which would advise businesses or carry out the formalities for them, including taxation formalities.</i></p>	<p>In 1996 the Commission will present a full report on the completion of the <u>Single Market</u> and any obstacles to its completion</p> <p>As a rule, legal proceedings should be resolved bilaterally. However, enterprises may submit complaints to the Secretariat General of the Commission.</p> <p>n.n.</p>
<p>4. Speed up the work to introduce a final system for applying VAT in the country of origin</p>		<p>Following an invitation to tender, the Commission is supporting the creation of six centres for dealing with formalities, in addition to the existing centres.</p> <p>The Commission is naturally in favour of this guideline and is continuing to study the practical aspects.</p>
2nd General Policy: Improve the general operation conditions of businesses		
Orientation	Actions	Commission's reply
<p>1. Improve the information available to businesses on the conditions for pursuing their activity in the adjacent country and on market knowledge and the potential for development. Support the translation of useful regulations into the language of the neighbouring country.</p>	<p><i>under the INTERREG programme, support the production of brochures and transregional information documents for craft businesses</i></p>	<p>n.n.</p>

2. Encourage business cooperation and partnership meetings to share transborder information	<i>authorize "INTERPRISE" or similar meetings between the two border regions , and not necessarily between three countries</i> <i>create a programme to assist direct cooperation between two businesses to support the follow-up of cooperations projects, in the areas of commercial, technical and R&D cooperation</i>	The Vademecum for the INTERPRISE programme stipulates that there must be at least three partners from three different States. In 1994 the Commission initiated a programme for SMEs on cooperation between craft enterprises and other partners, and another programme on research and technological development aimed specifically at small enterprises.
3. Introduce training programmes adapted to trans-border activity, dealing essentially with language, economic and cultural aspects	<i>under the LEONARDO programme, grant priority to transborder training</i>	This can be done under the LEONARDO programme (Sections I, II or III).
4. Support for cooperation between bodies representing co-owner spouses across adjacent regions		n.n.
5. Support for apprentice exchanges between border businesses	<i>support from the LEONARDO programme</i>	The Commission supports the exchange of apprentices between enterprises under the LEONARDO programme.

3rd General Policy: Support for the heads of businesses

Orientation	Actions	Commission's reply
1. Develop transregional support structures for SMEs in the private sector to provide assistance with administration, information promotion and cooperation with businesses from neighbouring countries	<i>to develop and improve the Commission initiative to support the creation of trans-border offices</i> <i>support the setting up of a network of transborder offices</i> <i>envisage a medium to long term prospect for these transborder offices</i>	Within the framework of the INTERREG programme, the Commission has supported several initiatives towards that goal. n.n. The Commission is very much in favour of cross-border offices, even if it has difficulties in initiating new operations. The rule which applies is the principle of gradual reduction of the Commission's support, once the project has been launched, in order to encourage cross-border offices to be viable in the medium term.
2. Encourage the training of economic trans-border advisors	<i>set up, within the framework of the LEONARDO programme, a training programme on cross-border activities for business advisors</i>	Under the LEONARDO programme, support can be given for devising resources to support innovators and for their dissemination.

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COOPERATION WITH CENTRAL AND EASTERN EUROPE

1st General Policy: Understanding of the situation of small businesses in Central and East European Countries

Orientation	Actions	Commission's reply
Socio-economic analysis of the situation and needs	<i>launch of a study to provide legal and economic statistics concerning the situation and role of small businesses</i>	The Commission has cofinanced a study on this topic since these countries have embraced the market economy. In addition, the Economisch Instituut voor het Midden-en Kleinbedrijf (EIM), the organization responsible for the European Observatory for SMEs, will compile the available data on SMEs in these countries so that these references can usefully supplement the European Observatory's data.

2nd General Policy: Understanding of local representative organisations and assistance for their development

Orientation	Actions	Commission's reply
Encourage the creation and development of support structures (chambers of commerce and craft industries) to be run by businesses	<p><i>identify existing organizations</i></p> <p><i>support for cooperation and twinning with craft industry chambers and professional organizations in the EU, especially through programmes for exchanges and training for middle management and consultants</i></p> <p><i>financial assistance for the formation and development of organizations</i></p> <p><i>support for the secondment of managers from EU organizations in order to assist in the formation of organisations in the CEEC</i></p>	<p>n.n.</p> <p>The COOPME programme, financed under PHARE, covers the cooperation and twinning schemes</p> <p>Some schemes have been financed by the Commission</p> <p>n.n.</p>

3rd General Policy: Encourage the implementation of national or regional policies in favour of craft industries and small businesses

Orientation	Actions	Commission's reply
Assist governments in the implementation of measures in favour of the development of craft industries and small businesses	<i>information: training for government officials notably through training placements in EU Member state administrations</i>	The Commission takes some officials from these countries into its departments concerned with craft and small and medium sized enterprises, but the PHARE programme has no specific section for the craft sector.

4th General Policy: Encourage the development of craft and small enterprises		Commission's reply
Orientation	Actions	
1. Organize specific on the spot training programmes	<p><i>finance pilot in-service training programmes within craft businesses in the areas of technological development, financial management, accountig and marketing</i></p> <p><i>put into place pilot sandwich course programmes, pilot training programmes entrepreneurial spouses, language training programmes for business advisors and heads, training programmes for trainers, designed in collaboration with EU organisations, within the framework of PHARE and TACIS and in partnership with EU organisations.</i></p>	<p>n.n.</p> <p>Schemes of this kind are already in existence in most of these countries; the Commission is planning to initiate a number of supplementary schemes provided that the budgetary appropriations are increased.</p>
2. Encourage commercial and technological cooperation with EU businesses	<p><i>implements a pilot programme, within the framework of PHARE and TACIS, for personalised support for businesses, through partnerships between EU and CEEC organisations in the form of assignments by experts from chambers of craft industries</i></p> <p><i>financial assistance for CEEC craft businesses to take part in EU trade fairs</i></p> <p><i>financing of the cost of cooperation, mainly through INTERPRISE and JOPP between CEEC and EU enterprise</i></p> <p><i>develop, with the participation of the organisations concerned, a partner search network and support cooperation between businesses</i></p>	<p>Under the PHARE programme, the UAPME organizes programmes of exchanges and secondments of experts from the European Union.</p> <p>The Commission has established programmes to promote experts which supplement the national programmes.</p> <p>The Commission has initiated a scheme for this.</p> <p>n.n.</p>
3. Ensure the particular development of craft businesses in the regions bordering the EU countries, particularly within the framework of the PHARE-INTERREG programme	<p><i>set up "transborder development bureaux" of the craft and small business organisations of the regions concerned</i></p> <p><i>support the inter-business co-operation, notably through partnership fairs, entrepreneurs' meetings and specialised trans-border fairs (PHARE, INTERREG).</i></p>	<p>n.n.</p> <p>n.n.</p>

Orientation	Actions	Commission's reply
<p>4. Improve the financial environment of businesses</p>	<p><i>organise a working group composed of banking experts and representatives from the craft and small business organisations</i></p> <p><i>encourage the setting up of mutual guarantee funds and venture capital funds</i></p> <p><i>develop, within the framework of PHARE and TACIS, credit lines for SMEs to enable the use of "micro-loans"</i></p>	<p>n.n.</p> <p>The Commission wishes to encourage these schemes and has supported a pilot scheme on venture capital in Hungary.</p> <p>This type of loan exists already in Hungary and is being studied in Rumania and Bulgaria.</p>
5th General Policy: Redeployment of PHARE - TACIS procedures		
Orientation	Actions	Commission's reply
<p>1. Open up PHARE and TACIS operations more towards the craft and small business organisations</p>	<p><i>ensure greater involvement of the representative organisations of the CEEC in the selection and implementation of measures</i></p> <p><i>grant Community funds directly to the organizations with a view to autonomous management</i></p>	<p>n.n.</p> <p>The PHARE programme has no provision for operations of this kind, even in the case of calls for proposals; under the COOPME programme, in order to maintain clear and transparent criteria, a direct agreement is possible between associations (such as Eurochambers) and then with their members.</p>
<p>2. Intensify coordination between Community and national instruments</p>		<p>The Commission is in favour of this.</p>

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