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RELAUNCHING COMMUNITY ACTION FOR SMEs AND THE LABOUR MARKET

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AND THE LABOUR MARKET

On examining the economic and social situation, the Heads of State and of Government have stressed that direct action to promote employment and the development of enterprises is an essential accompaniment to cooperation in the macroeconomic field.

The European Council, meeting in the Hague on 26 and 27 June 1986, laid down specific guidelines in two fields: action to combat long-term unemployment; action to be taken at Community level "to enable business to maximise its capacity to create prosperity and jobs".

These, and other themes, are included in the memorandum presented by the United Kingdom Presidency at the recent informal meeting of the Social Affairs Council.

The Commission for its part has continued its work, giving priority to the above-mentioned guidelines. It has forwarded a series of proposals to the Council of Ministers concerning:

- (a) the creation of an environment favourable to the setting-up and development of small and medium-sized enterprises (action programme of August 1986);

- (b) an analysis, by the Council of Ministers for Social Affairs, of the preconditions, based on national experiences, for job creation (action at the level of local labour markets, to encourage closer cooperation between employment services, those responsible for training and the representatives of firms and unions, determination of wages and social charges, occupational integration of young people, action to counter long-term unemployment, more effective work organization procedures, etc.).

The action required in both these fields can take place at national and Community level.

The Community can help firstly by backing up and enhancing the impact of national initiatives: thus recent developments in the social dialogue at Community level - more especially as regards the introduction of new technologies - are such as to facilitate consultations and negotiations between the two sides of industry in line with particular national circumstances. Similarly, awareness of successful projects in other countries and the dissemination of information and technical aid through the organizations representing SMEs will increase the effectiveness of national policies.

In addition, proposals for specifically Community action might be adopted in the coming months.

First, as regards small and medium-sized enterprises, the priorities would be established as follows:

1. Further action to reduce administrative constraints in directives and regulations.
2. The adoption of draft directives aimed at simplifying and decreasing VAT (proposal submitted in September 1986) and simplifying the accounts of certain companies (proposal to be submitted in December 1986).
3. The implementation, by means of NCI IV and the efforts of the European Investment Bank, of a new programme of loans to SMEs.

4. The promotion, principally in backward regions or regions in difficulty, of financial innovations aimed primarily at increasing the venture capital essential to the development of SMEs.

Secondly, as regards the labour market, the current reform of the Social Fund would include several priorities to increase selectiveness and thus give more force to its action.

1. Action to combat long-term unemployment on the basis of overall programmes presented by the Member States which cover the entire range of measures that have proved successful, e.g.:
 - individual processing of the long-term unemployed by placement services;
 - incentives for employers who recruit the long-term unemployed and retrain them for available jobs;
 - direct job creation for work in the public interest;
 - training schemes adapted in particular to young persons affected by long-term unemployment.
2. Training in the new technologies, which implies a new conception of basic education (knowledge) and the ability to adjust to new production processes (knowhow).

3. The extension of pilot schemes aimed at less-favoured categories of the population (the handicapped, immigrants, etc.).
4. Training as a means of revitalizing backward or declining regions by including ad hoc plans in integrated development programmes.