

Procedure file

Basic information		
INI - Own-initiative procedure	2013/2176(INI)	Procedure completed
<p>How can the European Union contribute to creating a hospitable environment for enterprises, businesses and start-ups to create jobs?</p> <p>Subject</p> <p>3.40.14 Industrial competitiveness</p> <p>3.45.08 Business environment, reduction of the administrative burdens</p> <p>4.15 Employment policy, action to combat unemployment</p>		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	EMPL Employment and Social Affairs		06/02/2013
		ECR MCINTYRE Anthea	
		Shadow rapporteur	
		PPE BOULLAND Philippe	
		S&D GUTIÉRREZ PRIETO Sergio	
	ALDE DE BACKER Philippe		
	Verts/ALE CORNELISSEN Marije		
	Committee for opinion	Rapporteur for opinion	Appointed
	ITRE Industry, Research and Energy (Associated committee)		04/09/2013
		S&D ANDRÉS BAREA Josefa	
	REGI Regional Development		18/03/2013
		S&D KADENBACH Karin	
European Commission	Commission DG	Commissioner	
	Internal Market, Industry, Entrepreneurship and SMEs	TAJANI Antonio	

Key events			
12/09/2013	Committee referral announced in Parliament		
12/09/2013	Referral to associated committees announced in Parliament		
03/02/2014	Vote in committee		
12/02/2014	Committee report tabled for plenary	A7-0101/2014	Summary
14/04/2014	Debate in Parliament		

15/04/2014	Results of vote in Parliament		
15/04/2014	Decision by Parliament	T7-0394/2014	Summary
15/04/2014	End of procedure in Parliament		

Technical information

Procedure reference	2013/2176(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/7/13717

Documentation gateway

Committee draft report		PE519.592	27/09/2013	EP	
Amendments tabled in committee		PE522.799	11/11/2013	EP	
Committee opinion	REGI	PE519.736	28/11/2013	EP	
Committee opinion	ITRE	PE519.599	04/12/2013	EP	
Committee report tabled for plenary, single reading		A7-0101/2014	12/02/2014	EP	Summary
Text adopted by Parliament, single reading		T7-0394/2014	15/04/2014	EP	Summary
Commission response to text adopted in plenary		SP(2014)470	25/09/2014	EC	

How can the European Union contribute to creating a hospitable environment for enterprises, businesses and start-ups to create jobs?

The Committee on Employment and Social Affairs adopted the initiative report by Anthea McINTYRE (ECR, UK) entitled How can the European Union contribute to creating a hospitable environment for enterprises, businesses and start-ups to create jobs?

The Committee on Industry, Research and Energy was also consulted for an opinion on this report pursuant to [Rule 50 of the Rules of Procedure](#) (Associated committee).

Members recall that SMEs are responsible for 85% of newly created jobs. They also recall that 20.7 million SMEs account for over 67% of private-sector employment in the EU, with 30% deriving from micro-enterprises.

Moreover, Members note that despite the fact that we have the best-educated generation of youth in Europe's history, and Member States have invested huge amounts of money in education and training, our young people are largely cut off from the labour market as they compete for temporary and underpaid positions.

Given that the single market and European human resources potential can play a key role in achieving the Europe 2020 employment targets, Members call for the following recommendations with a view to contributing to the creation of an environment favourable to job creation by means of the creation of businesses and SMEs :

- reduce burdens: Members call on the Commission and the Member States to act with speed and ambition to reduce the regulatory burden on SMEs, while ensuring that any proposed solutions are evidence-based and respecting health and safety and Article 9 TFEU;
- promote ecology and innovation: Members call on the Commission and the Member States to fully exploit the job potential of the green economy by developing a Renaissance of Industry for a Sustainable Europe (RISE) strategy that pursues technological, business and social innovation towards a third industrial revolution including a low-carbon modernisation offensive. They argue that RISE will create new markets, business models and creative entrepreneurs, new jobs and decent work, bringing an industrial renewal with economic dynamism, confidence and competitiveness;

- encourage micro-entities: Members support the Commissions proposal that micro-entities should be excluded from the scope of future proposed legislation unless there is a need for them to be covered;
- better information for business: Members call on the Commission to ensure that national SME organisations are part of the newly-established network of SME Envoys and the SME Assembly and are properly informed of EU initiatives and policy proposals;
- learn new languages: Members call on the Member States to promote language learning through lifelong learning (vocational training), for employees of SMEs and micro-entities, as a means of reinforcing access to and participation in the single market for such firms;
- easier access to EU funds: Members call on the Commission to ensure easier access for SMEs to structural funds, notably by relaxing the requirements for pre-financed projects, reducing the requirements for cofinancing, better targeting different types of SMEs, closing the financing gap between call cycles, and supporting capacity-building for SME funding;
- adequate protection for the self-employed: Members consider that all measures in support of SMEs should be applicable to the self-employed, especially as regards the different forms of social security system, the benefits provided under those systems and the prevention of occupational hazards.

The parliamentary committee also calls for (i) greater rigour in assessing the impact of future and existing regulation on SMEs and competitiveness in general; (ii) the honouring of the commitment under the Small Business Act to make it possible to start a business within 48 hours maximum; (iii) the addressing of any identified negative effects that EU legislation has on businesses and their ability to create jobs, particularly with regard to the aspects of lack of knowledge, overall perception and lack of support for the practical application of EU legislation.

The Commission is called upon to (i) improve the flow of information to SMEs; (ii) check that all legislation is doing what it was intended to do, and to identify areas where there are inconsistencies or ineffective measures affecting employment opportunities; (iii) support self-employment, possibly across borders and especially among women and young people, by creating an environment and developing an education and social protection system that will encourage entrepreneurs to set up and develop their businesses and create new jobs.

Initiatives are awaited in order to make full use of EU funding sources (e.g. the ESF, ERDF, COSME, Horizon 2020 and Erasmus+ in order to promote an entrepreneurial culture, particularly among women and young people, and to strengthen business skills in school curricula.

The report raises the following points:

Job creation: to foster job creation, Member States must, with support from the Union where appropriate, put in place the reforms needed to address the following factors: skills, levels of qualification, entrepreneurship, the impact of demographic change, market access, finance, the labour market, rights at work, administrative costs and better regulation. The report highlights the job potential of the green economy which, according to Commission estimates, could create 5 million jobs by 2020, as well as the need for flexible framework provisions to promote entrepreneurship and self-employment.

Skills: Members call for education and training systems to be better adapted to and converge with future businesses skills needs (in the areas of science, technology, engineering and mathematics in particular).

Entrepreneurship skills: stressing that start-ups and self-employment create employment opportunities and help build strong industrial and services sectors, Members advocate that Member States be encouraged to promote entrepreneurial mindsets and skills. To this end, they draw attention to the fact that, faced with the threat of closure, workers in many European companies can take over the ownership of those companies through cooperative societies. They call for consideration to be given to possible new lines of support through the European Globalisation Adjustment Fund and the European Investment Bank in this regard. Concerned at the growing phenomenon of bogus self-employment in the European Union, Members call on the Member States to adopt specific policies to prevent this, such as sufficient employment opportunities or better labour inspection.

Financial and taxation aspects: Members note that bank lending is still the most common source of finance in Europe but that there are real benefits in new forms of financing through innovative schemes and non-bank routes, such as crowdfunding, SME angels, peer-to-peer lending, micro-lending, easily accessible microcredit agencies and other tools. They believe that unfair tax competition between Member States negatively affects the development of enterprises, that SMEs are often at a disadvantage in tax systems compared to larger companies, and that potential growth and investment where SMEs are concerned are therefore being stifled. They are in favour of better coordination of company tax systems in the EU through the introduction of a harmonised tax base, accompanied by action to combat tax evasion and aggressive tax planning.

Labour market: Members believe that businesses could create more jobs if the right conditions exist, including access to a qualified and highly-skilled workforce, work-life balance, reasonable costs and taxes, and keeping administrative and regulatory burdens to a minimum. They encourage the establishment of a European definition of the auto-entrepreneur for activities related to the European digital economy.

Better regulation: lastly, Members stress the need for more efficient and more clearly-worded regulations that can be implemented in a simple manner and can help all actors, including entrepreneurs, operate within the rule of law and enable both entrepreneurs and employees to benefit from the opportunities and protection afforded by employment and health and safety legislation.

How can the European Union contribute to creating a hospitable environment for enterprises, businesses and start-ups to create jobs?

The European Parliament adopted by 360 votes to 279, with 13 abstentions, a resolution entitled How can the European Union contribute to creating a hospitable environment for enterprises, businesses and start-ups to create jobs?

Parliament recalls that SMEs are responsible for 85% of newly created jobs. It also recalls that 20.7 million SMEs account for over 67% of private-sector employment in the EU, with 30% deriving from micro-enterprises.

Moreover, it notes that despite the fact that we have the best-educated generation of youth in Europe's history, and Member States have invested huge amounts of money in education and training, our young people are largely cut off from the labour market as they compete for temporary and underpaid positions.

Given that the single market and European human resources potential can play a key role in achieving the Europe 2020 employment targets, Parliament calls for the following recommendations with a view to contributing to the creation of an environment favourable to job creation by means of the creation of businesses and SMEs :

- reduce burdens: Parliament calls on the Commission and the Member States to act with speed and ambition to reduce the regulatory burden on SMEs, while ensuring that any proposed solutions are evidence-based and respecting health and safety and Article 9 TFEU;
- promote ecology and innovation: Parliament calls on the Commission and the Member States to fully exploit the job potential of the green economy by developing a Renaissance of Industry for a Sustainable Europe (RISE) strategy that pursues technological, business and social innovation towards a third industrial revolution including a low-carbon modernisation offensive. It argues that RISE will create new markets, business models and creative entrepreneurs, new jobs and decent work, bringing an industrial renewal with economic dynamism, confidence and competitiveness;
- encourage micro-entities: Parliament supports the Commissions proposal that micro-entities should be excluded from the scope of future proposed legislation unless there is a need for them to be covered;
- better information for business: Parliament calls on the Commission to ensure that national SME organisations are part of the newly-established network of SME Envoys and the SME Assembly and are properly informed of EU initiatives and policy proposals;
- learn new languages: Parliament calls on the Member States to promote language learning through lifelong learning (vocational training), for employees of SMEs and micro-entities, as a means of reinforcing access to and participation in the single market for such firms;
- easier access to EU funds: Parliament calls on the Commission to ensure easier access for SMEs to structural funds, notably by relaxing the requirements for pre-financed projects, reducing the requirements for cofinancing, better targeting different types of SMES, closing the financing gap between call cycles, and supporting capacity-building for SME funding.

The resolution also calls for (i) greater rigour in assessing the impact of future and existing regulation on SMEs and competitiveness in general; (ii) the honouring of the commitment under the Small Business Act to make it possible to start a business within 48 hours maximum; (iii) the addressing of any identified negative effects that EU legislation has on businesses and their ability to create jobs, particularly with regard to the aspects of lack of knowledge, overall perception and lack of support for the practical application of EU legislation.

The Commission is called upon to (i) improve the flow of information to SMEs; (ii) check that all legislation is doing what it was intended to do, and to identify areas where there are inconsistencies or ineffective measures affecting employment opportunities; (iii) support self-employment, possibly across borders and especially among women and young people, by creating an appropriate social protection system; (iv) address any identified negative effects that EU legislation has on businesses; (v) check that all legislation is doing what it was intended to do and identify areas where there are inconsistencies or ineffective measures affecting employment opportunities.

In an amendment adopted in plenary, Members highlight the recent trend of companies returning production and services to Europe and the opportunities this brings for job creation. They believe that the re-shoring of jobs should be encouraged by the setting up one-stop shops to help businesses take advantage of the opportunities offered by re-shoring.

The resolution raises the following points:

Job creation: to foster job creation, Member States must, with support from the Union where appropriate, put in place the reforms needed to address the following factors: skills, levels of qualification, entrepreneurship, the impact of demographic change, market access, finance, the labour market, rights at work, administrative costs and better regulation. The resolution highlights the job potential of the green economy which, according to Commission estimates, could create 5 million jobs by 2020, as well as the need for flexible framework provisions to promote entrepreneurship and self-employment.

Skills: Parliament calls for education and training systems to be better adapted to and converge with future businesses skills needs (in the areas of science, technology, engineering and mathematics in particular).

Entrepreneurship skills: stressing that start-ups and self-employment create employment opportunities and help build strong industrial and services sectors, Parliament advocates that Member States be encouraged to promote entrepreneurial mindsets and skills. To this end, they draw attention to the fact that, faced with the threat of closure, workers in many European companies can take over the ownership of those companies through cooperative societies. It calls for consideration to be given to possible new lines of support through the European Globalisation Adjustment Fund and the European Investment Bank in this regard. Concerned at the growing phenomenon of bogus self-employment in the European Union, Parliament calls on the Member States to adopt specific policies to prevent this, such as sufficient employment opportunities or better labour inspection.

Financial and taxation aspects: Parliament notes that bank lending is still the most common source of finance in Europe but that there are real benefits in new forms of financing through innovative schemes and non-bank routes, such as crowdfunding, SME angels, peer-to-peer lending, micro-lending, easily accessible microcredit agencies and other tools. However, the plenary did not support the position of the committee responsible that favoured better coordination of company tax systems in the EU through the introduction of a harmonised tax base, accompanied by action to combat tax evasion and aggressive tax planning.

Labour market: Parliament believes that businesses could create more jobs if the right conditions exist, including access to a qualified and highly-skilled workforce, work-life balance, reasonable costs and taxes, and keeping administrative and regulatory burdens to a minimum.

Better regulation: Parliament stresses the need for more efficient and more clearly-worded regulations that can be implemented in a simple manner and can help all actors, including entrepreneurs, operate within the rule of law and enable both entrepreneurs and employees to benefit from the opportunities and protection afforded by employment and health and safety legislation. It welcomes the Commissions action to address the results of the review of the Top 10 most burdensome laws for SMEs, which will help businesses create more employment opportunities. In this context, it believes that the Commission should urgently prioritise the improvement of these regulations in ways that address SMEs concerns.

Call for a European Year for Entrepreneurship: in an amendment adopted in plenary, Members called for 2017 to be designated the European Year for Entrepreneurship in order to encourage the development of entrepreneurial spirit, job-creation and start-ups in the EU.

