

**Ways of stepping up cooperation between the EESC and the European
Parliament**

SMEs / Liberal Professions Category of the EESC

SPEECH

by

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of the

European Economic and Social Committee

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Seul le texte prononcé fait foi

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- On behalf of all members of the 'SMEs and Liberal Professions Category' and personally, in my capacity as President of the Various Interests Group, I would like to thank you for your participation in our meeting today;
- We are doubly pleased to welcome you to the European Economic and Social Committee, not only in your capacity as chair of the SME Intergroup, but also as newly elected Vice-President of the European Parliament with specific responsibility for relations with 'Citizens';
- So it would appear that both with regard to content matter and personal responsibilities, this has been a very timely invitation and I am sure that we will all benefit from the exchange and cooperation;
- But before giving you the floor, I would like to say a few words on the role of SMEs as key actors in the 'real economy' and on how they will hopefully contribute to the future exit from the economic crisis;
- For SMEs have always been the backbone of Europe's economic success and the principal providers of employment and innovation;
- On average, European SMEs are responsible for more than 2/3 of private sector employment and in some countries, such as Greece, SMEs account for 99.5 % of all enterprises;
- Of course the crisis has severely limited the ability of SMEs to grow, to access financing and to create jobs and even the European Investment Bank foresees to reduce lending for new operations in 2012;
- We now find ourselves in a situation where in Europe we have 23 million unemployed persons, which is in itself a danger for democracy;
- But hand in hand, we also have 23 million European SMEs - and I hope that some of the solutions to the crisis will *also* come from these companies, notably as regards combating youth unemployment and encouraging youth entrepreneurship;
- Arguably, part of the problem to date has also been that at the national level there has not really been an 'ownership' of the debate on 'Europe 2020' and in a twisted sense, the crisis can be considered beneficial for SMEs because at least now, suddenly, everyone is determined to support the sector through coordinated and re-vamped European instruments;
- So we have recently seen very strong calls for support to SMEs in both the Conclusions of the meeting of the European Council on 30 January and in the joint letter of 20th February from the twelve Heads of Member States to the Presidents of the Commission and the Council;
- Of course all of these proposed measures are welcome and very necessary if SMEs are to be able to take better advantage of the Single Market to encourage growth and innovation;
- For in Europe, we certainly need new sources of innovation – Europe is not and will not be the cheapest continent for production, but Europe can be innovative;
- And for this, we need better implementation of the Internal Market through the Single Market Act, notably in services and by unifying the digital market, we need investment in research and we need to increase access to financing for SMEs, etc;

- We also have to remember that we must continue to exploit our access to other markets through trade relations, as it is expected that by 2050 90% of economic growth will be generated outside of Europe;
 - My proposal, that I also made to Mr Barroso when he spoke at the EESC's plenary last month, is for an extraordinary Summit on SMEs to be organised;
 - Such a Summit which would make specific recommendations on how to strengthen and support SMEs in Europe, in order to reverse the trend on their current decline.
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- The second point that I would like to raise relates to the role of green SMEs;
 - It is my firm belief that at the European level, we have a shared responsibility to actively promote *Green SMEs* and a *green growth agenda*;
 - For the financial crisis has demonstrated the necessity for incentives that reward sustainable long-term investment into the real economy, as opposed to short term speculative investments;
 - Indeed, the EU's ongoing financial reforms offer an unprecedented opportunity to tackle those aspects of the financial system that penalise green investments disproportionately and reward dirty investments that destroy economic value over their lifetime;
 - I hope that the European Parliament will encourage green investment by amending the capital requirements directive which would facilitate investment which is more 'climate' friendly;
 - I also hope that the European Investment Bank will become a de facto Green Investment Bank, increasing its lending capacity to green investments;
 - For your information, on 2 May the Various Interests Group will organise a conference on 'Sustainable Development and the Green Economy', which will showcase examples of green SMEs and the green economy.
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- Mr Karas, I cannot assume to make proposals for cooperation between the SMEs/Liberal Professions Category and the SME Intergroup, as these should come from yourself together with the Category chair and the Category members;
 - However, I do hope that occasions such as this one could be repeated in the future, or indeed, that members of the EESC could be invited to intervene in meetings of the SME Intergroup;
 - As you may have seen from the draft agenda, the EESC is drafting Opinions on a number of key areas relating to SMEs and the Internal Market, for example, the 'Programme for the Competitiveness of SMEs' that will be presented at this meeting by the rapporteur, Mr Lanoo;
 - In my opinion, there are many topics that could be of interest for joint cooperation: participation in hearings, study groups, meetings of EESC Sections, etc;
 - I have in mind work of the EESC on the social economy, on social entrepreneurship, to name but a few, where arguably, we can stimulate your interest as both Chair of the Intergroup and Vice-President of the Parliament, responsible for 'citizens';

- If I can make one final comment before giving you the floor: the EESC is currently drafting an Opinion on the implementation of Article 11, points 1 and 2 (i.e. non-ECI), of which I am the rapporteur;
- In view of your responsibilities as Vice President, perhaps this will also be an avenue for collaboration with the European Parliament in the near future;
- Thank you very much for your attention.