Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Recommendation 1457 (2000)[1]

New technologies in small and medium-sized enterprises (SMEs)

Parliamentary Assembly

1. The Assembly is of the opinion that small and medium-sized enterprises (SMEs) play a very important role for employment and for the economy in most Council of Europe member states.

2. SMEs are generally more flexible than big industries in adapting to new situations and market conditions. They, therefore, as a group, offer considerable advantages for employment, and they can be leaders in applying new technologies. Their potential for the creation of new jobs has been clearly illustrated in Europe as well as in the United States of America.

3. SMEs have played a crucial role in the restructuring of industry in many regions. This make them particularly attractive to European economies in transition, as pointed out in Assembly Resolution 1138 (1997) on promoting small and medium-sized enterprises in central and eastern Europe. They can also play an important role in helping to reduce long-term exclusion from the labour market.

4. The modest administrative resources of SMEs mean they can encounter considerable difficulties when faced with the extremely complex legal, financial and administrative environment set up by central and local government. This complexity of legislation, rules and taxation measures is the main reason why SMEs go out of business or into the underground economy.

5. Special attention should be given to possible fiscal and taxation measures that will facilitate and encourage the development of innovative SMEs.

6. The central person(s) in an SME is (are) the entrepreneur(s). Governments must therefore foster entrepreneurship and encourage self-employment in order that SMEs may flourish.

7. A regional rather than a horizontal approach may be most effective in fostering SMEs and entrepreneurship. Support structures and mechanisms will normally be more effective at local level. Chambers of Commerce and Industry, branch organisations, other business associations and different vertical and horizontal structures can play an important role in assisting SMEs to acquire new technologies.

8. Member states as well as the European Union should respond to the challenge by formulating a policy framework that will facilitate the creation and running of SMEs, as well as ensuring adequate assistance for their renewal, development and enhanced competitiveness.

9. Consequently, the Assembly recommends that the Committee of Ministers:

9.1. analyse within its social cohesion strategy best practice regarding assistance to SMEs for job creation, in particular for members of vulnerable population groups;

9.2. ask the Higher Education and Research Committee of the Council of Europe to study the role of higher education and research institutions in the creation and promotion of SMEs, including the training of entrepreneurs;

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1. Assembly debate on 6 April 2000 (15th Sitting) (see Doc. 8587, report of the Committee on Science and Technology, rapporteurs: MM. Birraux and Steolea). Text adopted by the Assembly on 6April 2000 (15th Sitting).

9.3. invite the Congress of Local and Regional Authorities of Europe to assess successful policies for SME development, including the role of science and technology parks, business innovation centres, risk capital availability and other development instruments, and also to identify obstacles to SME development with a view to removing them;

9.4. call on the governments of member states and the European Union:

a. to pursue and update their policies for assisting SMEs with technology upgrading and innovation programmes;

b. to give priority to policy measures in favour of SMEs at local and regional levels;

c. to involve organisations of SMEs, including branch organisations and Chambers of Commerce and Industry, in this work;

d. to continue and strengthen programmes encouraging closer contacts between SMEs and higher education and research institutions, including the promotion of staff mobility;

e. to assist SMEs wanting to access information on new technologies (by facilitating access to information search capacities, fairs and exhibitions, demonstration facilities, etc.);

f. to continue and strengthen support for intermediaries bringing SMEs into contact with research and development (R&D) capacities or encouraging R&D personnel to create SMEs, in particular science and technology parks, business incubators and similar structures;

g. to consider increasing public investment in research and development, and to encourage enterprises to do the same;

h. to create, in co-operation with private institutions, capital funds available for the lower end of seed and risk capital requirements (from 2 000 to 40 000 euros);

i. to work towards closer European co-operation and networking among agencies, assistance structures and programmes supporting the introduction and use of new technologies in SMEs, such as the European Association of Research and Technology Organisations, co-operation between European science and technology parks etc;

j. to use fully the EUREKA RTD (Research and Technical Development) programme promoting European industrial competitiveness to favour the development of high-tech SMEs;

k. to pay special attention to SMEs in co-operation programmes involving European economies in transition.