

Section block 4

SMEs in the focus: how to boost SMEs to be more competitive

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Programmes

Sharing the first experiences of the new programming period

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Participants

Czech Republic	Robert Wenzel	Ministry of Industry and Trade Section of EU Funds, Research, Development, Innovations and Investment Incentives	Head of R&D Programmes Unit
Croatia	Sanja Fišer	Ministry of Entrepreneurship and Crafts Sector for EU Programmes and Projects, Directorate for EU Programmes and Projects	Head of Unit, Unit for Preparation and Evaluation of EU Programmes
Romania	Doru Zafiu	National Authority for Scientific Research and Innovation	Irregularity Officer
Slovak Republic	Daniel Pitoňák	Slovak Business Agency	Head of Business Environment Analysis Department
Hungary	Gyula Pomázi	Ministry for National Economy	Head of Enterprise Development Department

What is an SME?

- Small and medium-sized enterprises (SMEs) represent 99% of all businesses in the EU. The definition of an SME is important for access to finance and EU support programmes targeted specifically at these enterprises.
- Small and medium-sized enterprises (SMEs) are defined in the EU recommendation 2003/361.
- The main factors determining whether an enterprise is an SME are:
 - **staff headcount** and
 - either **turnover** or **balance sheet total**.

The Small Business Act for Europe

- The **Small Business Act (SBA)** is an overarching framework for the EU policy on Small and Medium Enterprises (SMEs). It aims to improve the approach to entrepreneurship in Europe, simplify the regulatory and policy environment for SMEs, and remove the remaining barriers to their development.
- **Main priorities of the SBA**
 - Promoting entrepreneurship
 - Less regulatory burden
 - Access to finance
 - Access to markets and internationalisation

http://ec.europa.eu/growth/smes/business-friendly-environment/small-business-act/index_en.htm

Social economy in the EU

Social economy – Social Enterprises – Social Innovation

- **Number of enterprises** - 2 million social economy enterprises in Europe, representing 10% of all businesses in the EU.
- **Employment** - More than 11 million people – about 6% of the EU's employees – work for social economy enterprises.
- **Membership** - up to 160 million people in Europe are members of social economy enterprises (mostly retail, banking and agricultural cooperatives, as well as mutual societies offering services complementary to social security regimes).
- **Access to finance** - social enterprises are struggling to find the right funding opportunities due to the lack of understanding of their functioning and their small size. The Commission recommended EU countries to prioritise the activities of social enterprises in the national operational programmes for the period 2014 to 2020.

European Structural & Investment Funds

- With a budget of **€454 billion for 2014-20**, the European structural and investment funds (ESIFs) are the European Union's main investment policy tool.
- By 2023, the ESIFs will deliver a critical mass of investment in key EU priority areas, to respond to the needs of the real economy by supporting **job creation** and by getting the European **economy growing** again in a **sustainable** way.
- **Supporting more than 2 million business** through the funds to increase their competitiveness, develop products, find new markets and create new jobs.
- **Infrastructure investment** in areas such as broadband, IT and telecoms, and water supplies. This will help EU countries – especially those which are less developed – improve peoples' living standards and **make their business environments more competitive**.
- Using the funds to invest in the **skills and adaptability of Europe's workforce**, giving tens of millions of people, including young people, refugees and legal migrants the opportunities to **train, retrain, or start businesses**.

Questions 1/2

- In which policy areas are the most important to improve according to the SMEs needs in your country?
- Which are the most important aims and measures (e.g.: employment, training, internationalisation, technology modernization, investment priorities) where your Competitiveness OP support SMEs?
- Do you use any focus points, specialisation (e.g. sector, size) at the call for proposals aimed to develop to SMEs? Are you supporting social economy/social enterprises through your OP?
- Do you use/ or do you plan to use so called combined measures (refundable, non- refundable) in the financing of SME projects? If you use some, are the beneficiaries pre-selected somehow (e.g.: size, sector) or a wide range of SMEs can access this programmes? What kind of intensity rate do you use at the combined measures? Do you foresee any supplementary measures to be provided for supported SMEs (training, mentoring)?

Questions 2/2

- The specifics of the less developed areas are: low business density, unfavourable employment indicators, and availability of high amount of young but unqualified workforce. Considering these characteristics do you use (and if you use, what kind) any instruments for assisting SMEs operating in these lagging behind regions (e.g. training on entrepreneurship, preferential support system, earmarked funding, mentoring)?
- Shortage of qualified professionals and high unemployment rate among the low-skilled workforce with lower educational level are simultaneously present in Europe's economy. Job creation or production automation can be an answer to this problem but it can cause dilemmas as well. If you face with the same problem, what kind of measures will you use in your OP to manage the issue?