European Observatory for SMEs. 5th annual report 1997

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OBJECTIVE: presentation of the fifth annual report of the European Observatory for SMEs.
SUBSTANCE: the report provides a structured overview of SMEs and the craft trades in Europe, in both quantitative and qualitative terms. It was drawn up independently by the European Network for SME Research, and concerns SMEs in the 15 Member States and the countries of the European Economic Area, i.e. 19 countries altogether. It deals with numerous subjects falling under the general heading of 'European integration' of SMEs: the economic performance of SMEs and craft trade businesses, the economic environment and the behaviour of SMEs, enterprise policies at European and national level and monitoring of the internal market in this context. It also incorporates two in-depth studies specifically devoted to tourism and the environment. As regards European policy on SMEs, the report states that its general objective is to create a propitious environment for the development of SMEs throughout the Union, to improve their competitiveness and to support the process of Europeanisation and internationalisation of enterprises. The report places the Commission's activities with regard to SMEs in the context of combating unemployment and stresses the important contribution of SMEs to growth, competitiveness and employment. It also stresses the effects of Community action to promote a new enterprise culture (particularly in connection with the guidelines for employment). The report sheds light on the strictly economic performance of European SMEs. In particular, it considers competitiveness in the European context (the Europe of the 15) and in the wider context of the EEA. It considers the specific context of SMEs in rural areas and provides indications about failures and bankruptcies in this sector, illustrating their general state of health. The report sheds light on recent developments with regard to policy on SMEs. Policies are still very influenced by the high unemployment rates and the need to achieve sustainable economic growth. According to the report, a series of measures are needed to promote the European SME sector more fully, particularly: -less administrative constraints, -a better fiscal environment for SMEs, -employment issues (especially employers' qualifications), -internationalisation, -development of R&D, -innovation.