

# Industrial policy for an enlarged Europe: fostering structural change

2004/2154(INI) - 09/06/2005 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on an own-initiative report drafted by Dominique VLASTO (EPP-ED, FR), by 472 votes in favour to 38 against and 47 abstentions, on strengthening European competitiveness. (Please see the summary of 25/04/2005.) Parliament supported the promotion of a proactive industrial policy to foster and anticipate structural change and develop a sound and competitive European industrial base.

Boosting jobs must be one of the most important industrial policy objectives. It is vital to make industry more attractive to young people. To this end, information on industrial trades and skills must be provided, together with a European policy on recognition of qualifications and lifelong learning. Parliament called on the Social Partners to take their share of responsibility for promoting joint action. It also wants to see an industrial policy that will enable European 'industrial champions' to emerge.

**Taking account of the different dimensions of European industrial policy:** Parliament endorsed the Commission's sectoral approach, and called for that approach to take into account the role in terms of production and outsourcing to be played by SMEs, and small and medium sized industries (SMIs) by creating cooperative chains. This approach should also take into account micro-enterprises which represent more than 92% of enterprises in the EU.

Parliament stated that it regretted that the Commission has failed to make the efforts needed to help the sectors and regions particularly affected by industrial change, as the public authorities have the task of implementing short-term policies specifically targeted at the employees, regions and sectors concerned. The structural funds, in particular the European Social Fund, could be channelled in this direction. Parliament underlined the lack of knowledge about small enterprises, particularly those engaged in craft trades, throughout the Member States, including the old ones, and reiterated its request for statistical and economic studies and analyses concerning these enterprises.

It endorsed the Commission's key conclusion that regulatory simplification is necessary to maintain the still fragile competitiveness of the new Member States, and considers that this requirement for a lighter legislative touch should apply to all Member States.

**A method and a regulatory framework to serve our industrial ambitions:** Parliament considered that industrial policy should form a part of the revised Lisbon strategy. It called for the industrial dimension to be taken into account in the strategy's three pillars. Better utilisation of the synergies between the various Community policies that impact on industrial competitiveness will be possible only if this objective is spelt out in the action programme for achieving the Lisbon objectives.

**Instruments to support European industry:** Parliament stressed the importance of measures to reduce the administrative burden on SME. Small enterprises still derive only limited benefit from existing Community programmes on account of their complexity, the guarantees required or administrative difficulties. The Commission should improve them and enter into consultation with the organisations representing enterprises with a view to enhancing their efficiency, especially as regards widening the possibilities for R&D transfer to SMEs and arranging for targeted information campaigns. Parliament made several suggestions on other community instruments:

- the 7th Framework Programme for research and development should map out a clear long-term strategy to strengthen industry's capacity for innovation;
- technology platforms should be further boosted;
- the competitiveness problem of the European economy, which is partly the result of a mismatch between the generation of scientific knowledge (of which there is an adequate supply in the EU) and the inadequate ability to transform this knowledge into innovation and, especially, production. Industry's participation in the allocation of financial support priorities may improve this situation, and efforts must therefore be made towards the participation of industry, and the improvement of the position of SMEs, in the 7<sup>th</sup> Framework Programme.

Parliament said that it supported the aim of reducing the global volume of aid to enterprises, but pointed to the usefulness of certain types of aid in offsetting shortcomings in the market, such as aid for research and development, for training, particularly professional training and apprenticeship, for advisory services and for economic development assistance for enterprises. Education and training should be given priority, in particular as regards new technologies.

Parliament noted the importance of State Aid to SMEs in the Member States, and called on the Commission to maintain within the Structural Funds all aid instruments for the economic and socio-economic reconversion of regions affected by industrial relocation.

Finally, it stressed that the fragmentary nature of European financial markets is an obstacle to the sound functioning of risk capital markets and considered it a priority to remedy this in order to give enterprises easier access to sources of finance for enterprises.