Implementing the Community Lisbon Programme: small and medium-sized enterprises SMEs policy for growth and employment

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The Commission adopted a communication on the revamped Growth and Jobs Strategy. This report is one of the cornerstones of the new Lisbon process. It includes a four to five page assessment of each Member State's National Reform Programme. And, above all, it makes clear and concrete proposals for European leaders to commit to when they meet in March and to implement by 2007. The Report also contains a succinct general evaluation of National Reform Programmes and structural indicators showing the evolving economic situation for each Member State.

The Lisbon strategy has entered a new phase. Last year saw a fresh start, and a step change in how Lisbon works. The spotlight is now on delivering results. By submitting national reform programmes, Member States have accepted a new responsibility, setting out detailed commitments for action. At the same time, the Community Lisbon Programme specifies what has to be done at EU level to complement national, regional and local efforts.

On this basis, the Commission has identified **4 priority actions** which require a strong impetus from the highest political level and which should be implemented quickly – no later than the end of 2007. In this way, the Spring European Council in 2008 can launch the second cycle of the growth and jobs strategy on a firm foundation. These actions follow an integrated approach – they span different policy areas, several of which were discussed at the Hampton Court meeting, and which are intimately linked. Separately, they will make an important contribution to growth and jobs and to making Europe fit for the future. Acting on all of them together, as part of the new partnership between the Community and Member States, will create a forceful dynamo effect, moving the European engine for growth and jobs into higher gear.

The Commission calls upon the Member States to make the following commitments:

1. Knowledge

- Set clear and ambitious national targets in March for R&D spending by 2010, as while progress has been substantial, the EU as a whole is set to fall short of the 3% target for total public and private investment in R&D;
- Set 2% of GDP as a common target for spending on higher education by 2010;
- Free universities to access top-up private funding and end barriers to public-private partnerships by the end of 2007;
- All technical universities should have a technology transfer office to, for example, commercialise in partnership with industry the inventions, patents, licenses etc that result from their research;
- Set 2009-10 academic year as a target start date for a European Institute of Technology;
- Member States to deliver on their commitment to put in place comprehensive Lifelong Learning Strategies by the end of 2006;

– Proficiency in maths and science to be stepped up to enhance people's ability to innovate; Member States to provide for compulsory teaching of two foreign languages in their national education systems.

2. Enterprise

– Establish by the end of 2007 a "one-stop-shop" to help budding entrepreneurs and allow businesses to fulfil all administrative requirements in one place;

– Halve the time needed to set up a business by 2007, set the common goal of one week or less and ensure that recruitment of a first employee needs only one public administration contact point;

– Add entrepreneurship to all national schools curricula by the end of 2007;

– Set up a system to measure administrative burdens by the end of 2007.

3. Jobs and ageing

Adopt a real lifecycle approach to employment by:

– offering every young person who has left school or university a job, apprenticeship or additional training within six months of becoming unemployed by the end of 2007, and within 100 days by 2010;

– enhancing efforts to meet national targets for the provision of affordable high-quality childcare, to achieve gender equality at work and to promote a work-life balance;

– implementing active ageing strategies with more training for those over 45, financial incentives for prolonging working lives, gradual retirement, use of part-time work and improvements to the working environment;

– reforming public pension systems while securing the sustainability of public finances through fiscal consolidation.

4. Energy

– Electricity and gas markets to be open to all consumers by July 2007 (already the aim);

– Better cooperation between grid and gas pipeline systems in Member States, so from customers' point of view there will be only one European network;

– Stimulation of research on energy efficiency, renewables and on clean energy technologies and incentives to promote their use;

– Energy supply – stronger approach to emergency mechanisms and to ensure EU speaks with one voice in international negotiations and with third country suppliers.

As well as vigorous political promotion support of the above objectives, continuous monitoring of progress and meeting its own commitments on completing the Community Lisbon Programme, the Commission will:

– Provide guidance on offering targeted fiscal incentives to the private sector to boost R&D;

- Work with Member States to target more structural funding towards, R&D, innovation and communication technologies;

- Improve SME's access to finance, propose further development of EU financial instruments under the competitiveness and innovation framework programme;

- Launch a major exercise to measure the administrative costs arising from EU rules or the way they have been implemented by Member States and make proposals on how to reduce these;

- Remove the obligation to notify certain categories of state aid, to help SMEs;

- Present a report by the end of 2007 on the balance between flexibility and employment security ("flexicurity") focusing among other things on flexible working arrangements, tackling undeclared work, improving lifelong learning, combining flexibility and mobility with adequate income support for people affected by labour market changes, etc;

- Organise an extraordinary social summit;

- Publish in early spring 2006 a Green Paper on all the energy issues referred to above, including on an appropriate European framework to complement Member States' efforts to promote energy efficiency, renewables and clean energy

Lastly, efforts to build a real national consensus behind the programmes should be stepped up. The EU institutions and the Member States should ensure that a **dedicated communication strategy** should be established involving all national, regional and local stakeholders. There should also be a special role for the social partners.