INT/787
Effectiveness of policies for SMEs

OPINION

European Economic and Social Committee

Improving the effectiveness of EU policies for SMEs
(own-initiative opinion)

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1. **Conclusions and recommendations**

1.1 The EESC praises the fact that SMEs are declared to be at the heart of economic policies in the EU. It appreciates that over the last decade, a great deal of legislation has been adopted and much funding has been allocated to supporting them. However, the EESC shares the opinion frequently expressed by the SME community that significant inefficiencies in both the formulation and implementation of SME policies still exist, which substantially hampers the effect of the support measures.

1.2 The EESC's recent studies have revealed that EU SME policies and current support mechanisms treat the large number of SMEs in Europe as a homogeneous group and regrettably do not distinguish between the different needs of the numerous sub-groups of enterprises falling under the definition of SMEs. Examples of tailored support mechanisms are rather rare. Using a "one size fits all" approach to develop EU SME policies is a crucial problem that prevents policies from fully achieving their desired effect on SMEs. Therefore, better marketing of SME policies, together with more precise targeting of SMEs' specific needs, is strongly recommended, alongside the forthcoming public consultation on the relevance of the definition of SMEs.

1.3 The EESC warns that a bureaucratic approach and the complexity of administrative rules are still prevalent in EU SME policies and the current support mechanisms, despite the constant efforts at EU level to minimise the administrative burden. EU SMEs often feel that the responsible officials have no idea of how their businesses actually function. The majority of EU support mechanisms seem unsuited to respond to SMEs' pressing needs for fast, clear and effective solutions.

1.4 The EESC is concerned by the fact that the majority of SMEs – mostly the small and micro companies – are not aware of the existence of these support tools and networks, due to a communication gap. This can be addressed by greater efforts to raise awareness, further support to enable more SMEs to access the right information, stronger engagement of the official bodies with key local intermediaries at national and regional level that specialise in working with SMEs (employers and SME associations, chambers of commerce), and providing more user-friendly and tailored to businesses’ needs support. Most of the tools on offer are too complex, unclear and bureaucratic in design and content to meet the needs of SMEs. To tackle this, the EESC urges the European Commission (EC) and Member States (MS) to make the best use of the European Semester, to apply systematically and everywhere the partnership principle and to involve compulsorily SME representative organisations at European, national and regional level in the design, implementation and monitoring of SME policies and support measures. Country-specific recommendations should consistently focus on support policies for SMEs, to ensure relevant formulation, effective implementation, and qualitative and quantitative measures of results.

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1. EESC study: "Assessment of the effectiveness of the EU's SMEs policies 2007-2015" (January 2017); EESC study: "Access to finance for SMEs and midcaps in the period 2014-2020: opportunities and challenges" (May 2015), referred herein as "EESC studies".

2. The Loan Guarantee Facility and all COSME financial instruments are good examples of tailored support mechanisms.

3. As per Regulation 1303/2013 (art. 5), developed further in Regulation 240/2014.
1.5 The EESC regrets that monitoring of the progress of EU SME policies remains fragmented. While SMEs’ business activities are comprehensively recorded, the impact of EU support measures on these activities, and the extent to which changes in SMEs' development can be attributed to these measures, are not recorded. The available information is mostly quantitative and does not provide qualitative insights; therefore, it does not provide a basis for a proper assessment of the effectiveness and efficiency of the policies and supporting tools.

1.6 In line with its previous opinions, the EESC expresses its concern that the implementation of the Small Business Act for Europe is far from complete. Achievements in the different areas are uneven, with worse results in entrepreneurship, the single market and access to finance. Skills and innovation and state and public procurement have actually deteriorated since 2008. Clearly, MS should be encouraged to take relevant measures and to adopt SBA in the designing and the implementation of policies and legislation having an impact on SMEs.

1.7 Specific recommendations

1.7.1 The EU’s SME policies should acknowledge the heterogeneity and diversity of European SMEs. They should explore the specific needs of microenterprises, family and "traditional" businesses, social enterprises, liberal professions, self-employed people and all other specific sub-groups that have quite different legal forms and models of operation, in order to be able to provide an adequate portfolio of policy measures to promote their growth.

1.7.2 The EESC proposes that the EC assess whether the current definition of SMEs corresponds to their heterogeneity, sectoral dynamics, specific features and diversity during the last decade. The EESC calls for a visible, coordinated and consistent horizontal policy for SMEs, based on a multiannual action plan.

1.7.3 EU SME support tools should be translated to the language of business so as to be fit for their purpose of promoting growth and employment. To cope with the over-complexity of support mechanisms that has been identified, it is important to seek out the help and advice of SME organisations that are most closely attuned to SMEs' needs, so as to make EU SME policies speak the language of business. In this regard, SMEs currently count on the national social partners as a significant positive factor to convey their views on how to improve the SME promotion policies and call for them to be more actively involved in the NRP. Their role, together with that of SMEs associations, chambers of commerce and industry and other SME intermediary organisations, should therefore be strengthened.

1.7.4 EU SME policies should dedicate more efforts to informing SMEs – and especially the most vulnerable sub-groups among them, such as mono- and micro-enterprises, traditional companies

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6 2016 SBA Factsheet. SBA Profile. Performance measured by the SBA indicators.
7 For example in the US, the Small Business Administration sets its criteria to be based not only on ownership structure, revenue and number of employees but also on the economic activity of the enterprise. This facilitates the application of relevant industrial policies.
with low innovative potential, companies from remote regions, etc.\(^8\) – about available support. Key support networks should be maintained and popularised, as well as made more user-friendly and comprehensive for SMEs. The potential for ensuring the coordination of existing support networks in a common one-stop-shop system respecting the situation in each MS should be carefully considered by the EC.

1.7.5 It is crucial to establish a strong multi-stakeholder partnership – SME platforms – with the social partners and public and private stakeholders engaged with SMEs' problems, at national and regional level. Strengthening the interaction with SME organisations, which are most closely attuned to SMEs' needs, especially at national and regional level, is vital to overcoming the communication gap existing between SMEs and EU support mechanisms. It also has the potential to provide a new and effective channel to reach out to SMEs by using local branches of employers' organisations, chambers of commerce and economy, SME associations and professional/sectoral organisations as key intermediaries in popularising and furnishing existing support tools.

1.7.6 Best results for SMEs come when local authorities cooperate with SME organisations when formulating and implementing policy. The current tendency for mediation to be organised mainly around banks is not the best option. Banks should be financial intermediaries, but in all other aspects (policy formulation, information, promotion, etc.), representative SME organisations are more suitable. Therefore, the EESC invites the EC to shape measures to support the SME organisations in implementing the SME policies and in disseminating relevant information to SMEs, including by providing financial support to them.

1.7.7 The EESC calls for the Small Business Act, and the two principles it establishes – "think small first" and "once only" – to be made legally binding. However, applying the "once only" principle should not infringe upon host countries verifying the necessary legal and professional requirements for conducting business. The partnership principle should be extended to all legislative procedures that directly or indirectly affect SMEs. In practical terms, annual meetings of SME platforms at EU and MS level are strongly advisable.

2. SMEs – a key focus of economic policies in the EU

2.1 EU SME support policies\(^9\) are needed because, unlike SMEs in other parts of the world, European SMEs have to comply with regulations at both national and European level – often decided without real consultation with their representative organisations, in contradiction with the "think small first" approach. This substantially increases the effort and costs required to do business, notwithstanding the limited human and technical resources of SMEs.

2.2 In 2008, the EC launched the "think small first" and "once only" principles as a decisive step towards promoting competitiveness and improving the business climate for 23 million SMEs in


Europe. The EESC strongly supported this endeavour, but warns that if the SBA is not legally binding and all levels of governance – EU, MS and regions – are not obliged to apply it, the SBA will remain a merely political declaration.

2.3 SBA implementation was evaluated and updated in 2011, but the conclusions on its real impact were rather unenthusiastic and called for more efforts. The EESC has repeatedly put forward proposals to improve the effectiveness of policies for SMEs. Nowadays, SMEs are affected by all EU policies and therefore they need a truly horizontal, visible, coordinated and consistent policy to be formulated and implemented in an effective and efficient way.

2.4 SME policies do not take the different needs of different categories of SMEs into account. In order to increase the effectiveness of their formulation and implementation, a substantial outreach effort is needed so as to differentiate their addressees more precisely and to target and tailor the solutions on offer to their specific needs. The segmentation criteria could be based not only on size (e.g. in general, the smaller the enterprise is, the harder it is to get access to finance and the more it is in need of advice, coaching and mentoring), but also on location (cities vs small towns and remote rural areas), on life-cycle phase (start-up, scale-up), on sector (industry, trade, agriculture, tourism, etc.), etc.

2.5 Substantial preparatory work for a revised SBA has already been carried out. The REFIT programme has taken on the task of making much-needed improvements to the EU legislative framework and of reducing the administrative barriers. Over the years, the amount of EU legislation in force has grown to 19 875 documents. Of these, 1 527 contain provisions related to SMEs, mostly found in the following subject matters: state aid (343), competition (293), internal market (217), research and technological development (133) and budget (117).

2.6 Recent EESC studies demonstrate that despite the numerous initiatives that have been launched, EU SME policies need major revision so as to diversify support measures, simplify applicable rules and optimise communication and collaboration with SMEs and SME organisations in order to be able to effectively address SMEs' variety and diverse needs. The role of regions and territories in the implementation of EU policies and legislation, in particular those affecting SMEs, is growing considerably.

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16 Agreements, directives, regulations and decisions.
17 According to the European Committee of the Regions, more than 85% of EU legislation is applied at territorial level.
3. SME support policies – challenges and opportunities

3.1 SMEs are being confronted with increasingly serious challenges of various kinds:

- constantly intensifying competition and globalising markets;
- new business models as a result of the development of new technologies, such as widespread digitalisation (Industry 4.0), the circular economy and the sharing economy;
- shortage of skilled and qualified manpower as a result of the demographic crisis in Europe, population ageing, and migration.

3.2 SMEs are quite a heterogeneous and diverse group. They can be differentiated on the basis of their size, lifecycle stage, location, type of ownership, sector of activity, etc. and their needs for support are quite varied depending on which sub-segment a given SME is in. A special group that requires specific treatment is constituted by the "monoentrepreneurs" (almost 50% of all SMEs), which are almost excluded from the scope of the support measures. In order to help this most vulnerable group of SMEs to strive and thrive, the issue of bogus self-employment should be properly addressed as well.

3.3 Against this backdrop, formulating promotion policies based only on the size of the supported companies might be outdated, too broadly targeted and fail to consider the different needs of different groups of SMEs. In its opinions, the EESC has constantly stressed the need for better targeted and more precisely defined SME promotion policies in Europe as well as the need to revisit the definition of SMEs so as to better reflect the variety of SMEs and differences between the MS. The EESC invites the EC to launch a consultation on the SME definition. This should encompass an assessment of how the definition is applied in the implementation of SME policy measures for the micro, small and medium-sized companies.

3.4 Adequacy of support instruments for the needs of SMEs

3.4.1 SME support instruments must be evaluated from the point of view of the actual effect they have on improving the situation for SMEs and if they meet in particular the principles set out in the SBA. The EESC sees a need for a qualitative and in-depth assessment of the effectiveness and efficiency of investing EU funds, as well as a need for greater efforts by the MS to implement the "think small first" and "once only" principle at national and regional level which should be compulsory at all levels.

3.4.2 The "think small first" and SBA principles are not explicitly present in the Juncker plan. They can be seen to a certain extent in the Horizon 2020 and COSME programmes, but should be better implemented in practice. The EESC invites the EU policy makers to consider the SBA principles in all EU legislative texts that might have a direct or indirect impact on SMEs.

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3.4.3 The cost of credit and cost of building and renting have decreased in recent years due to the crisis. This, together with some new targeted instruments, creates good opportunities for start-ups, but companies' scale-up phase remains widely under-supported. In this regard, the EESC welcomes the EC's new initiative to address this problem\(^\text{21}\).

3.4.4 Bank loans remain the main source of funding for SMEs, but access to banking finance is still not easy for many SMEs, because of weak banks' balances, lack of ECB monetary policy transmission in some countries and the relatively high barriers set by requirements for guarantees. Market-based finance through private equity funds, venture capital, issuing bonds and equity instruments on specialised market segments and crowdfunding, is increasingly important, but most SMEs are still unprepared to use these opportunities\(^\text{22}\). They need proper guidance on timing, detailed information, and support in order to be able to explore them. According to the EESC survey, an extremely high proportion of SMEs are unaware of opportunities for support through ESIF grant schemes, or of the possibility of acquiring financing via an investment fund supported by EU funds.

3.4.5 A spot survey shows that the focus and priorities of support instruments do not always match SMEs' priority needs\(^\text{23}\), one of the reasons being the failure to acknowledge the significant differences that still exist between the MS. For example, access to new markets is indicated as the most serious challenge for SMEs primarily by companies from southern Europe, whereas most support for improving access to markets, including international markets, is received by companies from northern Europe. This is clear evidence that the needs of SMEs are notably different at national level, prompting the question of whether pan-European instruments should perhaps be designed in greater detail. This view is also fully endorsed in the Annual Report on European SMEs 2014/2015\(^\text{24}\), according to which the group of countries with the lowest scores are mainly from southern Europe. These countries report extremely low success rates for projects, including in the SME component of Horizon 2020\(^\text{25}\).

3.4.6 The high expectations placed on the role of "SME envoy" have unfortunately not been justified so far. Few SME representatives are aware of who performs that function in their countries. Most SMEs state that the "SME envoy" performs merely protocol and ceremonial functions rather than

\(\text{http://ec.europa.eu/DocsRoom/documents/16341/attachments/2/translations/en/renditions/pdf}\)
\(\text{https://www.rolandberger.com/media/pdf/Roland_Berger_TAB_Industry_4_0_20140403.pdf}\)
\(\text{The survey was conducted via EESC, UEAPME, CEEP and BICA members from April to May 2016. The results were analysed, with MS split into two groups on the basis of the classification used in "Industry 4.0. The new industrial revolution. How Europe will succeed", Roland Berger Strategy Consultants, March 2014.}\)
\(\text{https://www.rolandberger.com/media/pdf/Roland_Berger_TAB_Industry_4_0_20140403.pdf}\).
\(\text{The Group 1 countries are Austria, Belgium, Sweden and Germany – with a high readiness for Industry 4.0 and designated "potentialists" and "frontrunners". Assigned to Group 2 are Bulgaria, Romania, Hungary, Spain and Cyprus – labelled "hesitators" and "traditionalists". This division makes the results of the spot survey comparable with earlier EESC research (see ECO/372).}\)
\(\text{http://ec.europa.eu/DocsRoom/documents/16341/attachments/2/translations/en/renditions/pdf}\)
\(\text{There is a correlation between the conclusions of the report and the number of approved projects under the Horizon 2020 instrument to the end of 2015:}\)
\(\text{Austria (25), Belgium (12), Germany (88), France (67), Sweden (46) and the United Kingdom (139). These countries saw an improvement in SME employment and added value at the end of 2014 that reached 2008 levels; Bulgaria (1), the Czech Republic (6), Croatia (1), Cyprus (2), Denmark, Greece (11), Hungary, Italy, Latvia, Lithuania (5), Poland, Portugal, Romania, Slovenia and Spain have not yet reached the level of 2008.}\)
playing a role that is linked to real measures to promote SMEs. While the core aim of this network is to be an interface between the European Commission and the national bodies and to effectively promote SMEs’ interests within national bodies and in national legislation, SMEs expect to receive real advice and information about EU policies in cooperation with SMEs organisations.

3.4.7 Promoting entrepreneurship is connected with establishing appropriate conditions to: increase the share of start-ups and new companies that survive and succeed; help new companies to improve their competitiveness and to grow more quickly and more effectively; and improve insolvency procedures as well as the development and strengthening of business transfers. While much has already been achieved in terms of making the registration technology and procedure more straightforward in the EU, there is still more to be done in order to achieve the second and third goals. The "second chance" principle is estimated to perform the worst in all MS, and even the EC does not award contracts to entrepreneurs who have failed.

3.4.8 Additionally, procedures for liquidation (both in cases of insolvency and voluntary winding-up) as well as for restructuring and inheritance are difficult from a purely procedural perspective in many countries. The EESC stresses the need to simplify and harmonise insolvency law.

3.4.9 The public hearing and recent EESC studies also provided important insights on the key challenges experienced in all main priority areas for EU SMEs:

3.4.9.1 Burden reduction/simplification:

- the number of SME-related exemption/simplification initiatives under the REFIT programme is limited;
- the outdated SME definition remains unaddressed;
- the SME test is applied partially and unevenly by MS as it is still not obligatory;
- public consultations on impact assessments and roadmaps are hampered by a bureaucratic institutional approach and the fact that they are not accessible in all EU languages;
- all SMEs point to corruption and inefficient state administration as serious problems that have a very adverse impact on their business;
- late payment by public administrations and large clients remains a debilitating trend in some MS, despite the introduction of stricter requirements in the revision of the Late Payment Directive.

3.4.9.2 Promotion of entrepreneurship:

- entrepreneurship is still not consistently incorporated in the majority of the MS' national education systems;

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28 Directive 2011/7/EU.
teacher training in entrepreneurship is sporadic and mostly carried out with reference to individual projects – few cross-European initiatives exist in this area; youth programmes focused on entrepreneurship, although successful, threaten to deviate from their initial goals of promoting entrepreneurship; promotional campaigns such as the European SME Week have little impact on encouraging participants to strongly consider becoming entrepreneurs; start-up costs are still three times higher than the stated benchmark.

3.4.9.3 Improving access to markets and internationalisation:

– the single market is not yet complete, which impedes SMEs' access to markets, including in relation to cross-border provision of services; complicated administrative procedures and high delivery costs for export/import; SME support schemes for internationalisation lack a tailored approach; standards and IPRs are still unattractive to SMEs mainly because their benefits are not well communicated to them, costs are high, and rules are too complicated.

3.4.9.4 Facilitating access to finance:

– the typical financing model is bank loans, followed – distantly – by grants and supported by financial instruments; grants are not market driven and not tailored to specific SME sub-groups and their policy orientation rarely matches SMEs' needs; financial instruments are better suited to SMEs' immediate needs for working capital. Unfortunately, a very low proportion of SMEs are well informed about them, a tailored approach to their application is still rare, their provision is highly dependent on effective collaboration among financing institutions, intermediaries and final recipients, and there is a lack of data and analysis on their real effect; greater complementarities and synergies between existing instruments and players at regional, national and supranational level, including promotion of more efficient financial instruments – e.g. counter-guarantees; in spite of the substantial progress made in providing innovative non-lending financing channels such as private equity, venture capital, etc., they remain relatively underdeveloped in the majority of the MS; a significant proportion of SMEs are afraid to apply for financial instruments of European programmes, because "to get financing seems to be too complicated".

3.4.9.5 Supporting competitiveness and innovation:

– although Horizon 2020 allocates special funding for SMEs, it cannot solve all SMEs’ problems with access to risk finance for innovation, and there are regrettably few projects from the newest MS;

still insufficient interest of SMEs in the programme due to arduous and unfair eligibility and application rules;
- existing rules may possibly discourage SMEs from participating in viable consortia for the implementation of innovation projects;
- the cost for SMEs to apply for voluntary tools developed by the EC remains relatively high and thus only a limited number of companies are able to use them.

3.4.9.6 Provision of key support networks:

- the information provided is still not of the expected quality;
- structure, content and design are not very user-friendly;
- the approach to providing information is frequently bureaucratic;
- language barriers are common as information is largely provided only in English.

3.5 Policy consistency

3.5.1 To be consistent, SME promotion policies must take into account the diversity of SMEs by collecting microdata and analyses at the microeconomic level. This is the only way to improve understanding of the different needs of SMEs in line with their particular characteristics.

3.5.2 At present, Europe’s banking and capital markets remain fragmented. The Capital Markets Union (CMU) project, launched to address this, can be realised only if it is consistent with other policies to support SMEs. Most SMEs' limited knowledge and understanding of the different financial instruments would restrict the development of the CMU. For this reason, support for SMEs should include putting in place a long-term, sustainable approach to financing, and building understanding of the different instruments, the possibilities for complementarity, and the advantages and risks associated with different instruments.

3.5.3 Most often, the relations between the owner, management and employees in SMEs are closer than in large companies and social dialogue is therefore a win-win situation, by laying the groundwork for a committed and engaged workforce with high quality jobs. In order for all the stakeholders to benefit from such a situation and to enhance the accumulation of social capital inside SMEs, systematic support should be provided to SMEs so as to make them aware of the importance of social dialogue, health and safety, work conditions, innovative forms of work organisation, work-based learning, and skills development. In this endeavour, the role of social partners and NGOs is indispensable.

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31 e.g. EU Eco-Management and Audit Scheme, EU Ecolabel, EU Environmental Technology Verification, or the Product Environmental Footprint.
3.6 Specific recommendations regarding priority areas of EU SME policies:

3.6.1 Burden reduction/simplification:

- avoid gold-plating by providing clearer translation of EU legislation, by putting in place systems to solve litigation and misinterpretation of such texts, and by drafting "SME-friendly notes" and a vademecum summarising and explaining relevant information for SMEs;
- make the SME test obligatory for new legislative proposals and guarantee its effective implementation by all MS, and systematically across EC services;\(^{32}\);
- ensure more effective inclusion in a structured manner of SMEs and their organisations in impact assessments of new legislation via simplification of their format and content as well as availability of information in all EU languages, and assess the impact on the different groups of SMEs;
- carry out a complete fitness check of EU legislation on EU policies on regular basis;
- more effectively (making it compulsory) include SMEs’ national and regional organisations as partners in the interinstitutional debate on new legislation relevant to SMEs;
- ensure effective monitoring of results under the REFIT programme in terms of lessening the burden for SMEs.

3.6.2 Promotion of entrepreneurship:

- support the actions of EU, national and regional SME organisations for providing information, training and coaching/mentoring of enterprises;
- enrich the existing tools to support the strengthening of an entrepreneurial mindset among young people and ensure support programmes stay focused on the development of key entrepreneurial skills;
- introduce entrepreneurship as part of the curriculum at all levels of education;\(^{33}\);
- further simplify and reduce the costs of start-up procedures, ease access to finance and motivate more people to develop their entrepreneurial endeavours;
- provide simple and easy business transfer, liquidation procedures, and second chance options.

3.6.3 Improving access to markets and internationalisation:

- optimise the functioning of the single market so as to prevent gold-plating, non-application and other MS practices that distort competitiveness without curtailing workers’ and consumers’ rights;
- increase the visibility of existing internationalisation support networks by means of better collaboration with SME organisations at national and regional level;
- provide tools to help SMEs take part in exhibitions, conventions and fairs abroad;
- encourage the creation of regional and national sectoral clusters of SMEs with a certificate of guaranteed quality;


\(^{33}\) OJ C 332, 8.10.2015, p. 20-27.
reduce further the costs of standards and IPRs for SMEs and promote their benefits for competitiveness.

3.6.4 Facilitating SMEs' access to finance:

- reduce formalities, monitoring and control to the absolute minimum necessary – compulsory implementation of the "once only" principle, use of electronic forms, simplification of the application of "de minimis";
- design SMEs grant-based programmes on the basis of careful needs assessments, avoid the detrimental practice of implementing projects only for the sake of acquiring non-repayable finance, without any business development strategy;
- strengthen the collaboration between EIF, financial intermediaries and SME organisations in order to design highly effective financial instruments that respond to SMEs' needs for working capital, loans and guarantees and provide assessment of the effects produced by means of quantitative indicators;
- establish a full diversified portfolio of tailored and innovative support measures to effectively reach the heterogeneous group of SMEs\(^{34}\);
- provide support for SMEs which are prepared for issuing bonds and equity instruments on specialised market segments;
- allocate sufficient resources to the COSME Loan Guarantee Facility for it to reach its goals, taking the financial impact of Brexit into consideration;
- explore ways to strengthen innovative non-lending financing channels such as private equity, venture capital, business angels and crowdfunding, and effective use of the support of guaranteeing institutions.

3.6.5 Supporting competitiveness and innovation:

- provide tools for improving SMEs' access to venture capital for the introduction of innovations;
- support cooperation between SMEs and research and educational institutions and facilitate the exchange of information between them;
- create favourable conditions for building viable consortia in which SMEs and their market-driven innovative ideas play a central role;
- support SME competitiveness by coaching/mentoring with a view to: providing capacity building and technical assistance; disseminating best practice; supporting cooperation between SME organisations.

3.6.6 Provision of key support networks:

- promote EU, national and regional SME organisations as the most important "centre of gravity" by putting in place strategies for them to build their capacity and by implementing the principle of multilevel and multifactor governance at EU, national and regional level and apply in the legislative process;

– consider the option of creating a single portal for all SME support initiatives with a clear and user-friendly design – with rich e-content, limited redirections, understandable language.

3.6.7 Development of proper labour skills:

– adapt the vocational training systems to the requirements of the labour markets; create systems for monitoring and forecasting labour markets’ needs;
– enhance support for MS to facilitate the involvement of SMEs in apprenticeship schemes;
– support short-term training programmes; encourage cooperation between employers’ associations and educational institutions.

Brussels, 6 July 2017

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The president of the European Economic and Social Committee

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