

Towards a new green growth model for SMEs in the EU

A. Pezzini, CESE, Brussels

European companies are progressively building sustainability into their strategies, together with a new culture of innovation, with a view to securing competitive advantages. It is widely believed, from top management down to customer contacts, that these changes will produce the expected results, rapidly creating a win-win situation. Both business organisations and trade unions emphasise the importance of skills, calling for more information and guidance on developing green skills for efficient use of resources by SMEs. It is clear that European SMEs are increasingly efficient in seizing opportunities, and are contributing to the shift towards a low-carbon economy. This trend also emerges from the latest Eurobarometer survey on SMEs, resource efficiency and green markets¹. What then might be the best ways to help SMEs to turn environmental challenges into business opportunities?

There is a need for a well-defined, consistent and long-term EU framework that should be discussed with all the stakeholders and steer clear of excessive regulation, fostering links between R&D, innovation and energy, climate policy and efficient energy infrastructure, with new storage capacities. The policy package *Towards a circular economy: a zero waste programme for Europe* put forward by the European Commission in July 2014 is a step in to the right direction towards creating the enabling framework conditions.²

The *Green Action Plan*, included in the Commission policy package, proposes a green growth model for SMEs, requiring not only a wholesale culture shift, with a powerful boost to innovation and research, but also substantial investment in technology, education, organisation and training for new job profiles, financial engineering and appropriate tax policies.

In practice, the shift to a circular economy obliges producers, workers, consumers and people in general to make real changes to their attitudes towards the use of resources and raw materials. Products must be eco-designed; proper market and business opportunity must be identified and - most importantly - new methods for processing waste and resources must be sought.

On 10 December 2014 the European Economic and Social Committee (EESC) adopted two opinions addressing the Commission proposals on the circular economy, the Green Action Plan for SMEs and the Green Employment Initiative³. As the representation of civil society organisations within the frame of the institutions of the European Unions⁴, the EESC argues strongly that in order to make this new green growth model effective, backing must be given to a consensus-based, participatory transition to a circular economy in Europe. This could open up a wide range of opportunities for micro-, small and medium-sized enterprises and for the social economy. The circular economy could become the main driver force for growth on both the international and internal markets.

To this end, the EESC believes that priority should be given to:

¹ Eurobarometer survey: How green are European SMEs?
http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_type=251&lang=en&item_id=7191

² <http://ec.europa.eu/environment/circular-economy/>

³ <http://www.eesc.europa.eu/?i=portal.en.nat-opinions.33629> ; <http://www.eesc.europa.eu/?i=portal.en.nat-opinions.33631>

⁴ Further information about the EESC <http://www.eesc.europa.eu/?i=portal.en.home>

- devising and promoting broader application of the voluntary green audit mechanism by companies;
- boosting access to credit, especially with guarantee systems;
- financing eco-innovation for micro- and small enterprises, particularly in a number of demonstrator regions, that can show-case systemic eco-innovations;
- consolidating in-company training and tutoring measures;
- supporting a circular EU market for materials, parts and intermediate products, especially for by-products of building renovation;
- promoting education and training for positive development of skills, particularly in technical and professional training systems that involve social interest groups;
- launching a "circular eBay" based on European and international technical standards.

An integrated policy approach is crucial to harnessing the job-creation potential, based on proper access to new occupations and to meet the challenges inherent in the transition to a non-linear *circular* economy. Special attention should be given to enhancing communication, in order to address the range of major challenges represented by new training, jobs and organisational models.

This new green growth model is particularly important in order to stabilise primary and secondary resources in Europe, and could serve as a valuable factor for security of supply and for the EU's trade balance. It is also the ideal solution for small businesses, entrepreneurs and start-ups, as they would be able to react faster to the changing demands of the market and of occupations, enhancing their models from the outset in order to tap into these trends.

Antonello Pezzini

Member of the European Economic and Social Committee

Representative of Confindustria Italia

EESC rapporteur on the opinion "The circular economy: job creation and the Green Action Plan for SMEs".