

EURACTIV

AN ERASMUS FOR SMES TO SUPPORT THE ECONOMY

SPECIAL REPORT | 25 - 29 SEPT. 2017
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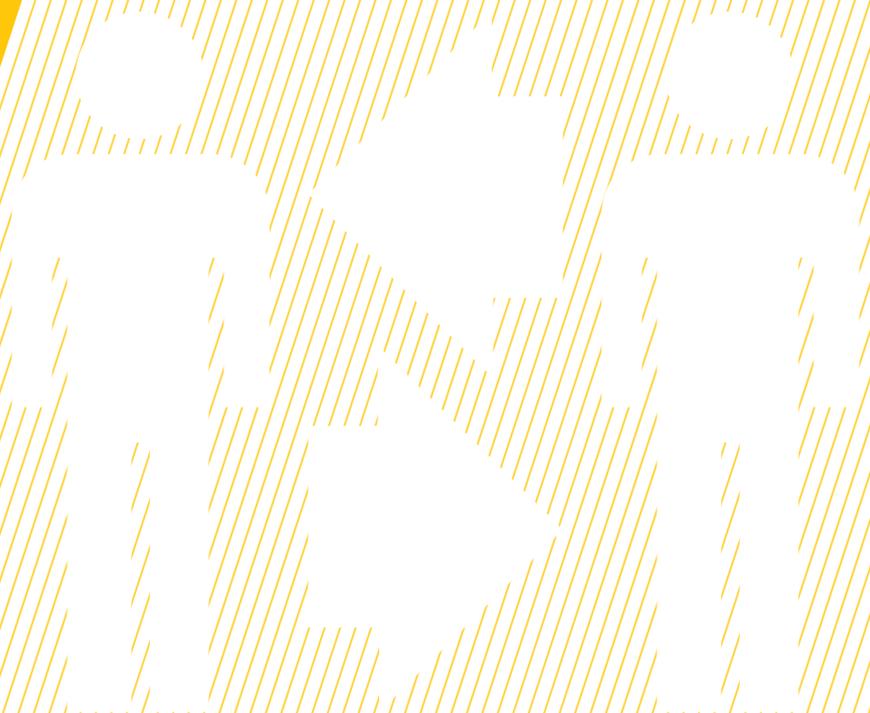
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OPINION

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Europe needs an Erasmus for SMEs

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The pilot scheme allowed participating companies to send one of their employees to work in another company abroad for a period between two weeks and two months. [Shutterstock]

European project MobiliseSME showed the potential of a cross-border exchange program for small and medium-sized businesses in Europe. It is now important that this idea is continued with an Erasmus for SMEs, so as to help European companies make the best of the Single Market, writes Stefan Moritz.

Stefan Moritz is Managing Director of the European confederation of small and medium-sized enterprises, CEA-PME.

The European Union Single Market is the largest free trade area in the world and it hosts around 23 million small and medium-sized businesses. These

businesses, in 2015 alone, generated €3.9 trillion and employed 90 million people – they are the backbone of the European economy. For the European union and its member states to thrive, SMEs must also be able to thrive.

Much has already been done in this direction as companies in Europe can access customers from every country in the European Economic Area while at the same time finding the most convenient providers for goods and services.

However, the legislative framework has only removed legal obstacles and export fees but still too many small and medium-sized companies are facing other, more

practical hurdles. According to the European Commission's Annual Report on European SMEs of 2016, only half of these firms export in the Single Market, and the absolute majority of those still have only very little export activities.

European Entrepreneurs CEA-PME believes that one solution to overcome these hurdles would be to help SMEs connect with each other across borders more easily. Stronger connections among companies in different European countries would naturally lead to more competitive businesses able to respond to the

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challenges of globalisation.

There is a tested and tried method to do that: the EU has a history in successfully connecting citizens and institutions in different Member States with exchange programs.

This is an idea that led to the project MobiliseSME, which aimed at exploring and evaluating the interest in and benefits of an exchange program for the employees of Micro, Small and Medium-sized businesses in Europe.

The project included a pilot exchange scheme that allowed participating companies to send one of their employees to work in another company abroad for a period between two weeks and two months. This exchange was structured around a learning plan that enabled the staff of the two companies to share knowledge and acquire new competences.

The scheme was hugely successful – enterprises felt they benefitted greatly from it as it helped them to find new business partners and develop new products and services. Employees are convinced it strengthened their professional profile (more information available at the MobiliseSME in Practice report).

MobiliseSME just explored an idea but it is clear from the results that it would be a real missed opportunity not to continue with a mobility scheme for SMEs and their employees in Europe.

Currently there is no European scheme that enables them to go cross-border, as they often do not qualify to join programs like Erasmus for Young Entrepreneurs. The same is true for more experienced staff members, who also have limited possibility to

access international training offers via national or European programmes.

MobiliseSME showed a path to design a permanent EU programme of this kind: an “Erasmus for SMEs and their employees”. It is already possible to say what some of its key elements should be:

MobiliseSME showed that the exchange time should be flexible, allowing employees to stay abroad for a period between a few weeks and a few months. Each exchange should be structured around a learning programme devised by the two companies, with the clear goal of providing training to either the visiting or the hosting staff.

The programme should be supported by a European network of local associations with strong contacts with SMEs in the local territories of each member state.

The project showed this network is necessary to make sure enough companies would be informed about it to make it a viable programme and, at the same time, to provide the necessary advice and support to make sure exchanges would develop from an intention to a fact.

An online tool for the matchmaking of companies is also necessary. The Matchmaking Platform used by MobiliseSME showed the utility of such a tool not only for companies to find partners for exchange but also for the supporting organisations to get the necessary feedback and information to provide a tailored service to registered businesses.

The Member States and the European Institutions are now debating the structure of the future multiannual financial framework. We strongly believe this is the time to design an “Erasmus for SMEs and

their employees” and to make sure resources are set in place to enable SMEs to really take advantage of the potential of the Single Market. If necessary, one path for designing it could be another project scaling up the initial work of MobiliseSME.



An EU-wide mobility scheme for employees from SMEs taking shape

By Anna-Karin Friis



The Commission is pondering an expanded EU-funded scheme for exchange of employees between SMEs within EU. [PROJEKTNOW/Shutterstock]

A recent pilot project for the exchange of employees between SMEs in the EU has shown promising results and the Commission is pondering an expanded, EU-funded exchange scheme for its next budget.

A broader scheme on employee mobility, based on the MobiliseSME pilot project, is being elaborated by DG Employment and could indeed be included in the next EU budget framework from 2021. But the details need to be worked out to make sure

everyone – employers, employees, sending and hosting companies – stand to gain.

Inspired by the success of the different Erasmus programmes, DG Employment intends to build a similar scheme for SMEs, an exchange of employees between companies in different EU countries for a short period of time.

MobiliseSME test scheme has been running since November 2016 and the results are altogether positive. The scheme enabled employees in small and medium-sized companies, as well

as the self-employed, to be hosted by a same-sector company in another EU country.

There was a trend towards employees seeking to be hosted by companies in Western and Northern EU countries whereas businesses in Eastern Europe served as sending companies. However, the scheme was only an exchange for training and learning purposes, not a vehicle for employee migration.

The business federation for

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European Entrepreneurs CEA-PME now advocates a large-scale expansion of the pilot programme, which has only seen 50 exchanges in its test run.

"It did work out well even with 50 exchanges, but bearing in mind that there were then three different actors that were brought together it means that we, in fact, had 150 participants and some even did the exchange twice," said Stefan Moritz, Managing Director of CEA-PME.

He referred to a win-win situation for the employer, the employee and the hosting company in another country. The employee exchange was facilitated by keeping paperwork to a minimum.

"It was a relatively easy exercise. Also, employer satisfaction was very high", Moritz emphasised. "There was added value for everybody. It did not lead to people taking new jobs in other countries, but instead to people improving the company where they work!"

Since the MobiliseSME programme involved only people who already had a steady job in a company and returned to their job after the stay abroad, it did not lead to any permanent migration of employees.

"The aim is for employees to stay in the job they have, so it is not an issue of any loss of employees. It is not about directing people to other labour markets", explained Moritz.

NEW SME PROGRAMME IN THE FUTURE?

The European Commission is now reflecting on whether to expand the MobiliseSME programme under the next EU budget.

"There is a whole framework on the free movement of workers", said Denis Genton, head of unit at DG Employment.

"But we wanted to test some ideas as we were aware of some obstacles

and mismatches that exist. There is no scheme of this kind so it is indeed relevant. Mobility for SMEs is an investment and there must be a return for the hosting company that spends time on training the employee."

A big part of the scheme is to connect small companies in different countries with each other, as well as the self-employed.

"We intended to start with an approach targeting some sectors and want the programme to fulfil concrete expectations, so this was very timely," Genton said of the MobiliseSME project that just came to an end after running for almost two years.

Any future programme that involves SMEs can only be financed by the EU from 2021 onwards, in the new multiannual budget framework.

"There are proposals that are discussed internally now, so we certainly have an exchange programme on the agenda. But it has to be fair for both businesses and workers", Genton stresses.

There are different EU programmes in place that could serve as an example for any future SME mobility scheme, such as the Erasmus for Young Entrepreneurs, a cross-border exchange for start-ups, coordinated by the European Commission's DG GROW.

"The programme pays entrepreneurs to stay abroad but their hosts do not receive support," explained Katerina Nejdlova, a team leader at DG GROW. "It is not a traineeship but a chance to reflect on cooperation with the hosting company and learning about new markets. The concept is simple and effective and it is still run on quite a small budget".

ANOTHER PILOT SCHEME NEXT YEAR?

At the federation of European Entrepreneurs, CEA-PME, there is a lot of enthusiasm to run another, scaled-up pilot scheme that would involve

all EU countries and longer periods of exchange for the employees, who this time only stayed abroad for a few weeks.

"This programme shows quick results and improves the international profile of employees at SMEs", said Stefan Moritz. "Another pilot scheme could be carried out already next year. Otherwise, there is a risk that it will take many years into the next decade before a program is developed."

Employee exchange as a form of business development is a given in large companies, but something the SME sector cannot always offer.

"We have to develop new life-long learning trajectories to respond to globalisation", says Mario Ohoven, President of the European Entrepreneurs CEA-PME. "Training is crucially important for employees because it can take years to know one's profession. This is a programme that the Commission should prioritize as it would contribute to better training, but still be cheap to run and beneficial for the employers."

Participants in the pilot programme testify to the need for an EU-wide mobility scheme specifically designed for SMEs and the self-employed.

"It was just like the day-to-day work", said Italian accountant Giorgia Butturi about the exchange where she and a French accountant visited each other for a few weeks each. "We forgot who was the hosting party and who was the sending party and instead just compared and discussed the different system in our respective countries."

INTERVIEW

Commission official: “There could be an interest in exchanges for SMEs employees”

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Christian Wigand is spokesperson for Employment and Social Affairs. He believes that it is “too early to say” whether the Commission would support an Erasmus for SMEs. [European Commission]

Christian Wigand, European Commission spokesperson for employment, speaks about the benefits and challenges of MobiliseSME, an exchange programme for SMEs employees. He believes the programme could provide added value for some companies but the challenge would be to demonstrate the benefits for the host company of the workers.

Christian Wigand is the spokesperson for Employment and Social Affairs and he responded to EURACTIV’s written questionnaire.

Why a project like MobiliseSME?

We want to make the most of job opportunities in the single market. There are various EU programmes to support mobility: Erasmus+ for students, for entrepreneurs (Erasmus for entrepreneurs) as well as schemes to support mobility of EU researchers (EURaxess); job mobility for workers (Your first EURES JOB) and projects to inform and assist posted workers as well as cross-border workers (cross-border partnerships). In a similar vein, the idea of this pilot project is to support international business-to-

business exchanges for employees within SMEs across borders within the EU.

What are the main takeaways of the pilot project?

In terms of first takeaways, the pilot as tested by the project owner has demonstrated, albeit at a small scale, that there could be an interest from some categories of companies. For these companies, there could be considerable added value in having

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exchanges of professionals across the EU. However, while sending companies are clearly interested in sending an employee away for a short period to acquire knowledge and skills in another company, accepting to continue to pay the salary, it may be more difficult to make a case for clear benefits to the host companies that invest in training and support of this employee.

After this experience, would you support the creation of an Erasmus for SMEs? What elements should it include?

This is too early to say. The pilot project is not yet finished. The final conference is taking place on 28 September [the replies were delivered before the conference took place]. The Commission will then carefully assess the results and the way forward.

What would you improve in the programme, for example, to make it more attractive for host companies?

The MobiliseSME project aimed to test another form of labour mobility – it is a timely report, providing quite comprehensive “food for thought” for the Commission for its ongoing reflection on the future of the European funding instruments.

SMEs face numerous problems, including regulatory fragmentation across the internal market or difficulties to access capital. To what extent employees' mobility represents a priority to address outstanding problems, including low-level of exports among European firms?

The Commission is aware that there are many different challenges for SME's and that they require a range of measures. A skilled workforce and life-long learning of staff with

regard to the challenges of operating in the single market is but one of the challenges. There are already today many “tools” at the European level – for instance – Your Europe and Solvit, which provide useful information and assistance to SMEs.



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