

QUALITY IMPROVEMENT AND SIMPLIFICATION OF NATIONAL RULES IN SMES

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Abstract: There's no doubt that the SMEs are of vital importance both at national and at European level, if we take into consideration the share of jobs they provide in certain sectors as: textile industry, furniture industry, construction industry, etc.

Considering all this, the number of Romanian SMEs is still under the European average. This is due on one side to the competitive environment, imposing some quality standards, but also on the other side to the legislative regulations in the field, which are still thick and tend to become an obstacle to SMEs development.

This is the reason why we decided in this study to outline ways to increase quality and throughout this to increase the competitiveness of the Romanian SMEs on the European markets, and also to identify ways to simplify and improve the regulatory framework for SMEs, of the administrative procedures on establishing and developing SMEs, all this contributing, we believe, to encourage the SMEs to develop and create new jobs.

In order to reach this objective, we used as research methods: the method of documenting and the study of national and European legislative documents in the field, comparison and content analysis, the interpretation of some data, etc.

Keywords: *competitiveness, strategy, simplification of procedures, administrative measures, standards*

Indisputable, the role of SMEs was recognized and outlined many times, both at national and at European level, and most of all, in terms of job share ensured by some activity sectors: textile industry, furniture industry, constructions, etc.

For these reasons, the European institutions have proposed and encouraged several initiatives and measures meant to contribute to the consolidation of the sustainable growth and competitiveness of the SMEs, to creating a good environment to the SMEs, adapted to their needs, in order to help them use their full potential and to obtain better results.

From these we ought to mention the following:

- The European year of the SMEs and handcraft, 1983,



- The Charter of the Small and Medium Enterprises, adopted by the European Council in June 200,
- The Recommendation 2003/361/CE of the Commission from the 6th of May 2003, regarding the definition of the microenterprises and of the small and medium enterprises¹,
- „The situation of the small enterprises in an extending Europe”, Communication of the Commission, 21st of January 2003 (COM (2003)0026),
- „The implementation of the Community Lisbon Programme – a modern policy of the SMEs for economic growth and employment, Communication of the Commission from the 10th of November 2005 (COM (2005)0551),
- „A competitive Europe in a globalized economy – A contribution to the european strategy for economic growth and employment, Communication of the Commission from the 4th of November 2006 (COM (2006)0567),
- „The fundamental role of small and medium enterprises in promoting the increase of jobs. Intermediate evaluation of the modern policy in the fiels of SMEs”. Communication of the Commission from the 4th of October 2007 (COM (2007)0592),
- „Final Report of the Expert Group and supporting the Internationalisation of SMEs” (December 2007)EUROPEAN COMMISSION, 2007),
- „Think first small-scale”: Priority for the SMEs - a ” Small Business Act” for Europe, Communication of the Commission from the 25th of June 2008 (COM (2008)0394,) etc.,

By the European Parliament’s Resolution from the 20th of February 2008 regarding the contribution to the European Council in the spring of 2008, the Lisbon Strategy (by its implementation is desired the transformation of EU in „the most competitive and dynamic economy based on the knowledge in the world”) highlights the crucial role played by the SMEs in order to create new jobs, but is highlighted also the need of helping them by reducing the obligations of regulated nature and setting the objective of better regulation meant mostly to help the SMEs and to improve the legislative impact .

“SMALL BUSINESS ACT” (SBA) FOR EUROPE, can be considered the main political initiative of the EU, and has as purpose to support the small and medium enterprises, it targets “the improvement of the general strategic approach of the entrepreneurial spirit, to settle irreversibly the principle of “Think first small-scale”, in the definition of the policies, starting with the regulation and finishing with the public service, and to promote the growth of SMEs, helping them to solve the last problems that hinder their development and was adopted as resolution by the European Parliament with 536 votes, 47 votes against, 47 abstentions (EUROPEAN, 2009)².

¹ JO L 124, 20.5.2003, P.36

² JO C 87E, 1.4.2010, P.48-59

SBA is constructed around 10 directing principles having the role to guide the process of design and implementation of the public policies for the SMEs in the European Union and in the member states:

1. Creating an environment in which the entrepreneurs and family enterprises can prosper and where the entrepreneurial spirit is rewarded,
2. Ensuring the possibility for the honest entrepreneurs who went bankrupt to benefit fast of the second chance,
3. Defining the rules after the principle “Think first small-scale”,
4. Ensuring the reactivity of the administrations to the needs of the SMEs,
5. Adapting the public power instruments to the SMEs needs, facilitating the participation of SMEs to the public acquisitions and a more judicious exploitation of the possibilities offered to the SMEs to benefit of state aid,
6. Facilitating the access of the SMEs to financing and implementing a legal and commercial framework to help payments on time, payments occasioned by the commercial transactions,
7. Supporting the SMEs in order to benefit more of the opportunities offered by the unique (single) market,
8. Promoting the improvement of the competencies inside the SMEs and of all innovation forms,
9. Helping the SMEs to transform the challenges regarding the environment into opportunities,
10. Encouraging and supporting the SMEs to benefit from the growth of the markets outside EU.

One of the main problems the SMEs are dealing with is “the administrative and regulatory burden”.

In 2009, the European Commission transmitted to the European Parliament, to the Council, to the Economic and Social Committee and to the Committee of the Regions a communication, “The third strategic review for a better regulation in the European Union”, in its introduction was underlined the fact that “ a better regulation helps the economic growth and the job creation”, the quality of the regulatory environment being more important than ever.

Statistics from this document revealed that, in 2007, for 42 legislation texts in 13 priority field the administrative the costs were estimated at 115-130 billion euro, which led to the establishment of a program having the purpose to reduce with 25% the administrative tasks generated by the EU legislation until 2010. Among the measures concerned there are: the modernization of the EU legislation, and the collaboration with the national authorities to disseminate the best practices for a rapid reduction of the administrative burden.

The EU strategy in favour of a better regulation and the simplification of legislation aims “the replacement of the 27 sets of different national normatives” with “a unique assembly of normatives regarding the internal market of the EU”, being proven the fact that the necessity



to contact more national juridical systems often prevents enterprises from extending their activities abroad because it means high costs and risks.

By „the simplification of the legislation” term which grew in importance starting with the publication of the White Book regarding the completing of the unique (single) market³, and has as purpose the legislative reform and to ensure the transparency and efficiency of the regulations, being well known that the efforts to create a unique (single) market generated a large number of legislative instruments.

In this line of action entered, for example, the pluriannual pilot program initiated in 1996 by the European Commission. A more simple legislation for the internal market – SLM, which had as objective the simplification of the basic legislation for the internal market, this program facilitated the examination of 17 different legislative fields in 5 phase between 1996-2012.

At national level, the simplification of the legislation can be translated not only as a significant reduction of the legislative mass (which would mean a decrease of the number of normative acts), but also as repelling the conflicting regulations or regulations that fell into disuse, as well as the decrease of the number of legislative modifications, which will contribute to the ensurance of a legislative stability, aren't necessary in the context of the active legislation. A systematization of the legislation is necessary in order to ensure the identification and understanding of the specific legal rules, and for their correct and fast application.

As it results from the Romanian Factsheet 2010/2011⁴, the data registered regarding the 10 fields of SBA, especially the receptive administration, prove that Romania's results are lower than the european average, and that the measures meant to contribute to the improvement of all these aspects aim the fiscal administration system, the efficiency of the judiciary system regarding the settlement of commercial disputes, the conditions for establishing enterprises, etc.

The governmental strategy for a better regulation at the central public administration level 2008-2013 outlined the direction adopted by the Romanian Government, to concentrate „with priority on the improvement of quality and simplification of national regulations, in order to increase the economy's competitiveness and create new jobs”.

The legislative and regulatory measures adopted proved to be however insufficient, as long as the problems the SMEs are confronting with come up from the frequent modification of the legislation, from the large number of regulations or delays in planning and preparation of the legislation, all this affecting the implementation of sectorial policies, etc.

To solve the problems generated by the SME's needs (as the accomplishment of Europe's purpose for 2020), in the context of administrative simplification at the level of the entire European Union, can contribute to implement the concept of „One top Shop”, meaning to use

³ The concept of unique market was introduced by the Unique European Act, which came into force in july 1987

⁴ The factsheets of Small Business Act (SBA) are made annually by the DG ENTR, in the analysis of the SMEs performances (SME Performance Review - SPR), and is its main economic review instrument of the aspects regarding the SMEs. They contain statistics, together with the political option of the 27 states members of the EU and of the 10 third countries, participating also to the frame - Programme for innovation and competitiveness in the EU.

the information technology and communication for online public services, to eliminate barriers, saving time, money, resources, etc., in other words to streamline the public services delivery to small and medium enterprises (SMEs).

In Romania, the first unique office for the SMEs type „One Stop Shop” can be found on the web address <http://www.immoss.ro/> and offers to SMEs information, modern means of interaction with the public administration.

In May 2011, at the SBA conference intitled „The mobilization of the SMEs for Europe’s future”, held at Budapest, in the context of the concern for this sector, the vice-president of the European Commission, Antonio Tajani, responsible with the industry and entrepreneurship, put in charge of the new “SME’s ambassadors in the member states” the obligation to ensure themselves that the administrations think first small-scale” and take into consideration the SME’s interests in each new law and regulation”.

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Romania’s Factsheet SBA 2010/2011

http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/pdf/2010_2011/romania_ro.pdf

Lisbon Strategy

<http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2009:184E:0030:0038:RO:PDF>

The Communication of the Commission to the European, Council, Economic and Social Comitee and the Comitee of the Regions, the Third Strategic Review of the program for a better regulation in the European Union.

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SLIM : Simplifier la législation relative au marché intérieur

http://ec.europa.eu/internal_market/simplification/slim/2001-phase5_fr.htm

The governmental Strategy for developing the sector of small and medium enterprises (SMEs)

http://www.minind.ro/imm/StrIMM_Doc_23022011.pdf

