

EBC MANIFESTO 2019-2024

Empowering construction SMEs to build a sustainable Europe



«We shape our buildings and, afterwards, our buildings shape us»

Winston Churchill

The construction sector is a fundamental component of Europe's economic growth and a major source of employment. It generates about **9% of GDP in the European Union** and provides **18 million direct jobs**. But the construction sector is also at the heart of our life: construction enterprises build the homes we live in, the roads we travel on and the schools we learn in. European citizens spend over 90% of their time indoors, meaning that our health and well-being strongly depends on how our buildings are built, maintained and renovated.

All of this would not be possible without **European construction micro, small and medium-sized enterprises (SMEs) and craftsmen** that make up **99.9% of the sector**. Their hard and good work is crucial for the European Union's ambition towards reaching economic, social, environmental and energy targets. In addition, our **construction SMEs can play a central role** to help the European Union respond to its main challenges: job growth, youth unemployment, digital economy, urban regeneration, energy efficiency, circular economy, connected infrastructure, etc.

After a long financial crisis, construction SMEs are on the path to recovery, but **stronger support from the European Union is still essential**. Both, the European Parliament and the European Commission must focus on **improving the political environment and economic framework** to truly value **construction SMEs** for what they are: **the backbone of the economy**.

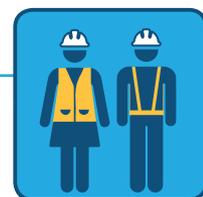
We need an enabling framework that will empower construction SMEs and craftsmen to build a sustainable Europe defined by:



**INCLUSIVE
ECONOMIC GROWTH**



**SUSTAINABLE
BUILDINGS**



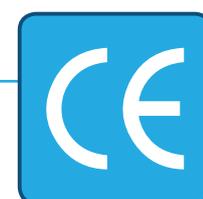
**MORE, BETTER
AND SAFER JOBS**



**A FAIR INTERNAL
MARKET**



**A DIGITAL SINGLE
MARKET**



**SUITABLE
STANDARDS**



INCLUSIVE ECONOMIC GROWTH

The “Think Small First” principle of the Small Business Act is crucial to ensure the best possible financial and regulatory framework conditions for SMEs. However, its appropriate implementation is not always reflected in European legislation. More decisive SME-targeted actions on access to finance and funding are needed to boost growth, confidence and investments in the construction sector. Moreover, microenterprises should receive a special focus.

How: Establish a financial and regulatory framework that truly values SMEs



- ✓ Earmark EU funds to allow construction SMEs to address important challenges such as energy efficiency, circular economy and digitalisation
- ✓ Facilitate access to finance for construction SMEs and ensure that the blending of financial instruments and direct grants primarily targets SMEs
- ✓ Put a special focus on microenterprises in the European financial and regulatory framework, recognising the specific challenges they face related to their size
- ✓ Improve the quality of the SME test and make its application mandatory to all legislation
- ✓ Reduce VAT compliance costs for small businesses



SUSTAINABLE BUILDINGS

The building sector constitutes a key area of action to reach the European climate and energy goals as well as international commitments. Building upon this, the renovation market became a vital part of business for many construction entrepreneurs. To further foster its development potential, it is necessary to boost market demand for sustainable buildings by means of financial support and holistic policies.

How: Support construction SMEs in greening the European building stock



- ✓ Adopt a holistic approach to guarantee coherence in policies aimed at making buildings sustainable
- ✓ Earmark funds and promote fiscal measures to accelerate the pace of building renovations
- ✓ Further promote the social, economic and environmental benefits of sustainable buildings to enable a paradigm shift on the demand side



MORE, BETTER AND SAFER JOBS

The construction sector suffers from a lack of qualified labour, while at the same time construction workers have to demonstrate new abilities related to digitalisation, circular economy and energy efficiency. Construction jobs need to be upskilled and better promoted to attract qualified workers and new talents to the sector. Moreover, SMEs need more assistance in the field of occupational health and safety.

How: Reduce the skills shortage in the construction sector



- ✓ Foster actions that make the sector more attractive, among others, to young people and women
- ✓ Support initiatives mapping and anticipating skills needs in the construction sector and in favour of dual education and work-based training systems
- ✓ Increase the support for training, awareness raising and sharing of information on occupational health and safety
- ✓ Recognise EBC as a European Social Partner in construction



A FAIR INTERNAL MARKET

The European internal market offers a lot of opportunities to construction SMEs. However, undeclared work, social dumping and bogus self-employment damage enterprises that respect rules and workers' rights. Moreover, issues such as the misinterpretation of public procurement legislation and loopholes on late payment rules disadvantage our enterprises. To foster construction SMEs' growth, we need to ensure a proper application of the internal market freedoms.

How: Recognise the specificity of the construction sector to ensure a level playing field



- ✓ Encourage Member States to apply the existing framework on **reduced VAT rates** for "labour-intensive services" and further extend it to include all construction activities
- ✓ Secure a proper enforcement of the European rules on **posting of workers** and **coordination of social security systems**
- ✓ **Recognise the specific characteristics of construction** when drafting or revising broad horizontal legislation and policies intended for other sectors
- ✓ Ensure the proper interpretation of EU public procurement legislation, to **grant SMEs direct access to public tenders** and **avoid distortive criteria** disadvantaging them
- ✓ Strengthen the rules and implement a **zero tolerance policy with regard to late payment**



A DIGITAL SINGLE MARKET

Digital solutions have great potential to increase productivity, reduce costs, alleviate burdensome and physical tasks, and improve building and infrastructure performance. However, SMEs often lack experts able to deal with digital tools and thus face the digitalisation challenge on a bigger scale. Political and financial support is thus crucial for construction SMEs to fully embrace digital construction, enabling the whole sector to benefit from it.

How: Support the digitalisation of the construction value chain to empower SMEs and craftsmen



- ✓ Ensure that the **European Union takes the political lead** on digital construction to allow SMEs to reap the benefits of digitalisation
- ✓ Guarantee an **appropriate financial framework** to develop digital tools adapted to SME needs and to upskill workers in the field of digitalisation
- ✓ Provide an appropriate regulatory framework on data policy in order to **assure data quality and management**



SUITABLE STANDARDS

Standardisation is unavoidable for all enterprises that want to access the internal market with the CE marking but also impacts construction SMEs outside the construction products area. The standardisation process is often difficult to access because of a lack of awareness or time, technical difficulties and linguistics. SMEs thus need more support to defend their interests in the creation of and access to standards at all levels.

How: Continue to push for an SME-friendly standardisation system



- ✓ Support the **representation of SMEs in standardisation** at all levels, through organisations such as Small Business Standards (SBS)
- ✓ Optimise the **application of the Construction Products Regulation** to ensure the free circulation of construction products and allow a well-functioning internal market
- ✓ Provide a **flexible approach to standards-writing**, allowing the industry to put forward technical solutions matching SME needs while satisfying regulatory objectives

Let's discuss our ideas and how to work together to make them a reality!



Contact us

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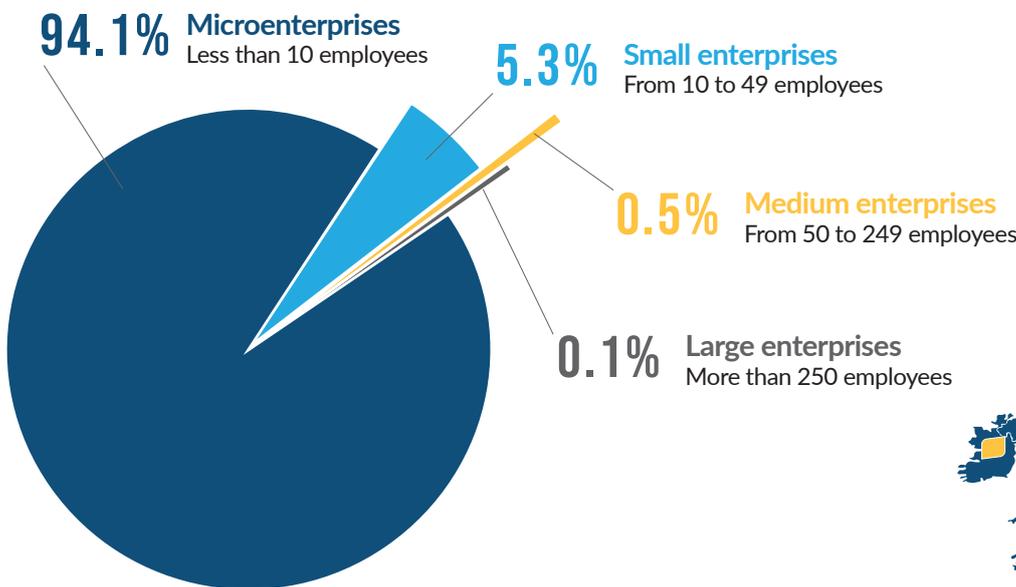
Established in 1990, the **European Builders Confederation (EBC)** is a European professional organisation representing national associations of micro, small and medium-sized enterprises and craftsmen working in the construction sector.

The construction sector is of vital importance to the European economy. With more than 3 million enterprises and a total direct workforce of 18 million, the construction sector contributes around 9% to the GDP of the European Union. 99.9% of the European construction sector is composed of small and medium-sized companies.

EBC is a member and partner of SMEUnited (the European association of SMEs) and Small Business Standards (the European association representing SMEs in standardisation).

EUROPEAN CONSTRUCTION ENTERPRISES

@EBC_SMEs



EBC MEMBERS



THE CONSTRUCTION SECTOR



9%
of the GDP of
the European Union



3.4 MILLION
enterprises
in the sector



18 MILLION
workers
in the sector

WWW.EBC-CONSTRUCTION.EU