



"The voice of crafts and SMEs in Europe"

Survey shows wide gap between SME policy actions and concrete effects

EP ranks worst in legislation, EC in administration, Member States must do more on access to finance and public tenders

Brussels, 6 May 2009 – Despite all the policy instruments put in place in the last months, a worryingly wide gap remains between measures taken and their concrete effects on small businesses, according to a survey conducted by UEAPME, the European craft and SME employers' organisation (1). The "Think Small Test" and "SBA Implementation Scoreboard", released today to coincide with the launch of the first European SME Week, aim to assess the extent to which the European institutions and national governments are fulfilling their commitment to respect the "Think Small First" principle and to implement the promises made in the Small Business Act. The European Parliament fares relatively better on administration and business support measures and worse on legislation, while the European Commission ranks worst in administration. Member States behave better on support to internationalisation and innovation as well as on State aid, while much remains to be done to secure access to finance and public tenders and to grant non-fraudulent entrepreneurs a second chance should they fail.

"The SME policy debate in 2008 was dominated by the Small Business Act, its 'Think Small First' guiding principle and the concrete policy proposals and commitments it contained. Our first 'Think Small Test' and 'SBA Implementation Scoreboard' clearly show that measures have been taken during the last year, but their impact on the ground is limited. On the contrary, in some areas such as administration the situation is now relatively worse. This proves that the better regulation agenda has not reached small businesses yet", commented **Gerhard Huemer**, UEAPME's Study Unit Director.

The UEAPME **Think Small Test** measures through a set of questions the level of respect for the "Think Small First" principle in the areas of legislation, administration and business support services. The results for the European institutions showed some differences between the European Parliament and the European Commission in this respect, explained Mr Huemer: *"Respondents felt that Parliament is doing better on administration and business support compared to legislation, where it ranks low mainly due to SME-unfriendly amendments introduced in areas such as consumer, workers' and environment protection. On the other hand, the European Commission can clearly improve on administration, where burdensome European programmes and additional red tape by new legislation are keeping its score down."* Results from Member States were also mixed, with an average "Think Small First" index only slightly above the EP and the EC score.

The UEAPME **SBA Implementation Scoreboard**, on the other hand, aims to picture the extent to which national and EU institutions have already implemented the commitments made within the Small Business Act, in which areas measures have been taken during the last year and the impact these measures had on SMEs. The national Scoreboard is based on a set of questions for each of the ten "pillars" of the Small Business Act. On average, the highest percentage of measures in the 18 participating countries was taken to support SMEs' internationalisation, to promote innovation as well as to ensure the availability of State aid for SMEs. On the contrary, Member States were reluctant to act on access to finance, access to public procurement and "second chance" policies for entrepreneurs failing without fraud. Once again, a clear difference emerged between the measures taken and the improvements felt by SMEs, which were considerably lower.

"This goes to show that a successful SME policy must be based on a proper knowledge of small businesses' real needs, which is clearly lacking at this stage. Policymakers must work in closer collaboration with SMEs to ensure that the right measures are taken and that their potential benefits do not stay on paper. SMEs cannot afford the gap between actions and effects that we have measured, especially not during the present downturn", concluded Mr Huemer.

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(1) The full results and country sheets can be found at <http://www.ueapme.com/Study-Unit>

EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 83 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information: <http://www.ueapme.com/>

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