

UEAPME¹ comments on the future “EU 2020 Strategy”

- UEAPME warns that an industrial policy focusing only on internationally active high-tech companies is bound to fail and calls instead for a **comprehensive policy approach**, which recognises **all types of enterprises** and acknowledges that innovation processes for the majority of businesses, especially for smaller enterprises, are not R&D driven. The **specific way in which SMEs are doing business** must be respected as an important contribution to European welfare.
- UEAPME recommends adding a fourth priority to the EU 2020 Strategy, which must also become a “key driver”: **Improving the effectiveness and accessibility of the public sector**, which should deal with efficiency, productivity and innovation as regards public administration as well as public, social and employment services.
- UEAPME proposes to integrate the **quality of regulatory systems** and their **ability to enforce European regulations** into the EU 2020 Strategy to strengthen the confidence in market economies and to improve the overall welfare by better functioning of markets. As regards the enforcement of European regulation, the **European Commission as “Guardian of the Treaty”** must play a leading role and strengthen its efforts to **accomplish successfully the pending infringement procedures**.
- UEAPME proposes to include the strategic aim to **improve the quality of regulations** in general and to fulfil the commitments as regards the “Think Small First Principles” in the EU 2020 strategy. This will need a better **involvement of** and closer cooperation with the relevant **stakeholders**.
- UEAPME proposes to seek the **support of the relevant stakeholders** to the overall strategy, to involve them at all levels in the elaboration of concrete policies and to secure their **commitment to support also the national implementation** of the jointly agreed policies.

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¹ UEAPME subscribes to the European Commission’s Register of Interest Representatives and to the related code of conduct as requested by the European Transparency Initiative. Our ID number is [55820581197-35](#).

1. General remarks: support for the overall orientation of the “EU 2020 Strategy” proposal, but with a stronger SME focus

UEAPME, the European Craft and SME association and European employers’ organisation, welcomes the stakeholder consultation by the European Commission on the draft “EU 2020 Strategy”. Only the commitments and the support of all relevant stakeholders will allow the European Institutions and national governments to implement and realise such a strategy. Listening to stakeholders and respecting their concerns is a precondition for the success of the future “EU 2020 Strategy”.

UEAPME agrees with the analysis made by the European Commission in its consultation document on constraints and challenges: the budgetary constraints, the reshape of public expenditures, the conservation of energy and resources, demographic change, immigration and the pending employment and social challenges.

UEAPME agrees in general with the three “key drivers” for the EU 2020 Strategy and the general orientation of the priorities presented for the three areas. However, it wishes to remind the European Institutions of the importance of the Small Business Act, which acknowledges that SMEs, representing 99.8% of companies, about 2/3 of employment and close to 60% of added value, dominate Europe’s economy and act as its backbone.

Therefore, UEAPME warns that an industrial policy focusing only on internationally active high-tech companies is bound to fail and calls instead for a comprehensive policy approach, which recognises all types of enterprises and acknowledges that innovation processes for the majority of businesses, especially for smaller enterprises, are not R&D driven. The specific way in which SMEs are doing business must be respected as an important contribution to European welfare.

Furthermore, UEAPME warns against a naive promotion of self-employment without providing preparatory phases, in-depth trainings and advisory services.

UEAPME wishes to attach to these comments a policy document entitled “[European Craft and SME Policy 2010 – 2014: Towards Growth, Prosperity and Stability](#)”, which includes a comprehensive set of policy proposals that should become part of the future EU 2020 strategy.²

2. Efficiency and innovation must play an important role also for the public sector

The EU 2020 Strategy will become a success if it is not limited to modernising the private sector in order to foster creativity and innovation, to strengthen the competitiveness or to green the economy. The EU 2020 strategy will succeed if it strengthens the efficiency and capacity to innovate of the public sector.

Private business and especially smaller enterprises depend to a large extent on the existence, the quality and the affordability of public services. This includes all kinds of infrastructure, education and training systems, public employment services and business support services, but also well targeted, effective social systems, which have to provide the right incentives. The efficiency as regards the

² http://www.ueapme.com/IMG/pdf/091203_UEAPME-2014_final.pdf

provision of these services is crucial for the price of such services, which must be paid by taxpayers or customers.

Therefore, the political support for the public sector in general and the acceptance to finance public services from taxpayers and customers will depend on how effectively and efficiently this sector is organised. Due to the challenges ahead, it has to be assumed that the question of financing public and social services and the efficiency of these services will play an increasing role in the political debate in Europe.

Therefore, UEAPME proposes to add a fourth priority to the EU 2020 Strategy, which must also become a “key driver”: Improving the effectiveness of and accessibility to the public sector, which should deal with efficiency, productivity and innovation as regards public administration as well as public, social and employment services.

3. Making it happen: improving the quality and the enforcement of public regulations in Europe

Market economies rely on efficient and effective regulations, which ensure fair competition and a reliable legal framework. One of the fundamental obligations of public regulations in a market economy is to avoid structures, processes and behaviours which undermine competition and/or could lead to suboptimal economic results at the expense of others and finally of the whole economy.

Not only as a consequence of the current crisis, but also due to ineffective regulations in other sectors like energy and transport, economic actors and especially SMEs in many European countries have lost confidence in the capacity of public entities at European and national level to provide efficient and effective regulations to the necessary extent.

Therefore, UEAPME proposes to integrate the quality of regulatory systems and their ability to enforce European regulations into the EU 2020 Strategy to strengthen the confidence in market economies and to improve the overall welfare by better functioning of markets. As regards the enforcement of European regulation, especially the European Commission as the “Guardian” of the Treaty” must play a leading role and to strengthen its efforts to accomplish successfully the pending infringement procedures.

Furthermore, all European Institutions recognised the importance of high quality regulations for the success of the European Union. The “Better Regulation Initiative” as well as the “European Small Business Act”, which includes the commitment to follow the “Think Small First” Principles when regulations that may have an impact on small companies are designed, proves that there is a strong need to improve the quality of regulations within the European Union.

Therefore, UEAPME proposes to include the strategic aim to improve the quality of regulations in general and to fulfil the commitments as regards the “Think Small First Principles” in the EU 2020 strategy. This will need a better involvement of and closer cooperation with the relevant stakeholders.

4. Making it happen: improving the governance of the EU 2020 Strategy

The consultation document rightly states that the EU 2020 Strategy can only be realised through partnership between all European Institutions as well as different levels of policy making. Furthermore, it states that it needs the support of stakeholders such as social partners and the civil society.

The experience made in the implementation of the Lisbon Strategy has demonstrated that the commitment of stakeholders can only be achieved if they are also involved in the elaboration of a strategy and that it is not enough to obtain their commitment at European level, if their national or regional affiliates do not support the overall strategy.

Therefore, UEAPME proposes to search for the support of the relevant stakeholders to the overall strategy and to involve them at all levels in the elaboration of concrete policies and to secure their commitment to support also the national implementation of the jointly agreed policies.

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