

## SMEs mean jobs and growth

### UEAPME priorities for 2015 - 2019

The 20.7 million SMEs in Europe count for 99.8% of all enterprises, 2/3 of employment and close to 60% of the added value created in the European Union. These enterprises play a decisive role in Europe's economy and society, are drivers of innovation and ensure social and regional stability. Only with a prosper SME sector, a sector hit hard by the current crisis, will Europe be able to tackle the most important challenges ahead like restoring economic growth, fighting (youth) unemployment, reforming the social model and creating welfare for the future.

To achieve this, Europe needs to lay the foundations for post-crisis growth and modernisation. To make this happen, a stronger Crafts and SME policy has to be put forward as one of the top priorities of all European Institutions over the next five year period. To enable change, UEAPME demands a more ambitious growth strategy as well as a future SME policy built on the following priorities:

#### ➤ Europe needs a better Economic policy mix to ensure growth, employment and stability

An improved policy mix has to give a stronger focus on investment and growth enhancing structural reforms without endangering mid-term fiscal consolidation. Sustainable public households are a precondition for financial stability generating economic growth. However, fiscal consolidation has to be accompanied by investments in infrastructure, innovation and skills.

#### ➤ Europe needs a stronger industrial base to strengthen its competitiveness

UEAPME fully supports the aim to strengthen the industrial base, but this needs a comprehensive approach, one that targets the whole supply chain with a specific focus on SMEs and related services. Such a strategy has to build on strong research and innovation policies and needs standardisation systems that are accessible for SMEs and respect their needs and interests. Finally, it has to ensure access to resources and energy under competitive conditions as well as it needs more efforts to digitalise Europe. The strategy for reindustrialisation needs to be "Competitiveness First".

#### ➤ Europe needs to promote entrepreneurship and entrepreneurial culture

UEAPME demands a "cultural change" towards entrepreneurship, which includes the recognition of entrepreneurial endeavors and the important role intermediary business associations play in advising SMEs. Furthermore, slow administrative procedures and other barriers for entrepreneurs and start-ups have to be removed. Therefore, entrepreneurship and the spirit of initiative must be integrated in all programmes for education and training to build a future entrepreneurial society.

Transfer of businesses remains a main challenge for SMEs in the coming years and UEAPME asks to support this difficult process by awareness raising, coaching and the creation of well-functioning market places. Furthermore, UEAPME asks for support towards entrepreneurs having experienced bankruptcy so as to find a job or to restart. This would also be supported by less burdensome insolvency procedures, allowing a second chance.

#### ➤ Europe needs to improve the regulatory environment for Crafts and SMEs

SMEs suffer from complex and burdensome regulations and waste too much time dealing with red-tape. Regulations need to be properly designed by strictly applying the Think Small First principle, based on independent impact assessments and a compulsory SME test. Both have to take into account the adaptation, compliance and administrative costs. They have to be applied if substantial changes during the legislative process occur. National implementation has to avoid "gold-plating". The REFIT programme is supported by UEAPME, but must first be applied to the most burdensome regulations for SMEs, such as REACH.

➤ **Europe needs to ensure access to markets and a level playing field for SMEs**

In order to make full use of the Internal Market, the Services Directive has to be fully implemented in all Member States, so as to guarantee fair competition. An EU-wide administrative enforcement instrument should be introduced. A level playing field needs a correct and full implementation of agreed rules and their enforcement in all Member States. Furthermore, it has to be ensured that the new Enterprise Europe Network really reaches SMEs.

UEAPME supports Free Trade Agreements, but insists that effective and accessible trade defence instruments ensure fair competition and enforce Intellectual Property Rights.

Finally, SMEs need regulations that provide a fair balance as regards consumer rights and ensure fair competition between local producers and service providers and large multinationals.

➤ **Europe needs to improve financing of the real economy**

Access to finance for SMEs has to be improved by completing financial market reforms, strengthening the creditworthiness of SMEs, supporting the establishment of decentralised local banks and broadening the guarantee systems for financial instruments. Access to EU financial instruments needs to be facilitated.

➤ **Europe needs more adequate education and training systems and modernised labour markets**

The provision of skills and qualifications needed by employers has to be ensured by strengthening vocational education and training. Financial incentives need to be provided to tap fully the potential of training placements and fostering the recognition of competences. Furthermore, youth guarantee programmes have to focus on apprenticeships and traineeships.

Labour law and wage setting mechanism have to respect the flexibility needs of SMEs. Wages need to be in line with productivity.

➤ **Europe needs an energy and environment policy which takes competitiveness into account**

EU climate and energy policies need realistic targets and have to be proportional with other parties' commitments to respects price competitiveness of companies. Furthermore, energy costs should be reduced by continuing the liberalisation, decentralisation and integration of energy markets. Security of energy supply needs to be guaranteed.

Finally, the EU has to tap the potential of SMEs to improve energy efficiency and make resource efficiency a new business opportunity for SMEs.

To achieve these goals, UEAPME asks for a revised version of the Small Business Act, which enforces the Think Small First principle and translates the above priorities into political reality. Effective implementation needs to be guaranteed. Last but not least, the dimension of Crafts and SMEs needs to be integrated into all EU policies.

**Full version of the UEAPME Policy Paper 'SMEs mean jobs and growth' with concrete policy proposals can be found at:**

**[http://www.ueapme.com/IMG/pdf/140611\\_UEAPME-2020\\_final.pdf](http://www.ueapme.com/IMG/pdf/140611_UEAPME-2020_final.pdf)**