



“The voice of SMEs in Europe”

Press Release

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UEAPME: Crafts and SMEs need new approach to Innovation Policy

Brussels, 27 October 2004 European Institutions and Member States have to adopt a different and wider approach to innovation policy, UEAPME, the European crafts and SMEs association demands. In a policy paper presented today, the association, which represents 11 million enterprises in Europe, states that the current perspective on innovation ignores non-high tech innovation measures being applied by SMEs every day.

Hanns-Eberhard Schleyer, Chairman of UEAPME’s Economic Committee, said “The rather restrictive OECD definition of research implies that only high-tech companies – those spending more than 4% of their turnover in R&D -are innovative. A recent study has proved that this approach is far too restrictive and even irrelevant, as a majority of SMEs do not concentrate on R&D to innovate.”

High-Tech represents only 3% of economic activities and an innovation policy, which focuses mainly on High-Tech and Research, ignores the overwhelming majority of highly innovative companies, especially in the SME sector. The results of the Pilot study (**Project on Innovation on low tech industry**) indicate that in most SMEs the innovation process is based on existing technologies, which are used in new and sophisticated ways and on the experience and knowledge of the persons in and around the company. Highly qualified employees also support this process.

“For this reason we need a supportive policy for innovation at EU level with a broad enough scope in order to recognise all the different drivers for innovation in SMEs” Schleyer commented.

The association therefore asks the Commission and the European Parliament to use a bottom up approach to R&D policy. This involves having more SME specific measures in the next Framework Programme as well as a considerable simplification of these programmes, which are too burdensome for SMEs today.

UEAPME further asks the European Institutions and national governments to improve the access to existing technologies for SMEs by finding a solution for “European Patents”, which can be easily handled by SMEs.

Finally, the association argues that more flexible and innovation friendly Qualification systems (ISO 9000 etc.) are needed for SMEs. The current systems were mainly developed for large companies with standardised production procedures. In many smaller companies where quick reaction to specific needs of customers is vital, the need to certify standardised procedure is increasingly becoming a barrier to innovation.

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