



## **“The voice of SMEs in Europe”**

### **Press Release**

FOR IMMEDIATE RELEASE

## **Better regulation agenda must move from theory to practice**

**Brussels, 17 April 2008 – Although “better regulation” regularly tops the list of the most recurring buzzwords in Brussels, much remains to be done to ensure that its benefits finally reach European small entrepreneurs, according to UEAPME, the European craft and SME employers’ organisation. Speaking today at a conference on “the reduction of administrative burdens on SMEs” organised by the Slovenian Presidency of the EU and UEAPME’s Slovenian member OZS in Bled, Secretary General Andrea Benassi stressed that the SME dimension should become the rule, rather than the exception in European policymaking, and called once again on politicians at all levels to make better regulation a tangible reality for European SMEs.**

Recent studies quoted by Mr Benassi show that entrepreneurs feel that the burden of red tape on their shoulders is not diminishing, even in countries which are notorious for their simplification efforts. In the Netherlands, 70% of all entrepreneurs declared in an opinion poll in June 2006 that they had not experienced any reduction in administrative burdens over the previous years, whereas their government engaged itself to halving red tape. Similar cases were registered in Belgium and Spain. In Italy, red tape costs 15 billion Euro per year to enterprises, almost 12 billion of which are borne by micro enterprises.

*“Bureaucracy and red tape generate compliance costs that can be from 6 up to 30 times greater for smaller businesses. Tackling this burden would go a long way to unleash crafts’ and SMEs’ potential to foster growth and create quality jobs. Efforts should be made at all levels, in Brussels and in the capitals”,* said Mr Benassi, who then went on to elaborate on the aspects of the fight against red tape.

First of all, the “think small first” approach must become the leitmotiv of every piece of EU legislation. *“Instead of carving out an endless series of exceptions for micro- and small enterprises, legislation must be conceived with smaller realities in mind since the beginning”,* stressed Mr Benassi.

Secondly, there is a dire need to improve the methods used to assess the effects of new pieces of community legislation on all stakeholders, including crafts and SMEs. *“Impact assessment studies are flaunted as one of the key weapons against red tape. Unfortunately, they are not yet carried out systematically and in a timely manner. Moreover, representative business organisations are seldom properly consulted. There is considerable room for improvement on this aspect”,* insisted Mr Benassi.

The recently announced “Small Business Act” would be a perfect chance to achieve these points and bring better regulation to a higher standing, commented Mr Benassi, but it must live up to its name by bringing about a bold paradigm shift in all aspects of SME policy. UEAPME is willing to collaborate at all levels in the fight against red tape, as it is the case at the moment in the framework of the European Commission’s High Level Group on the reduction of administrative burdens, he reinstated.

However, more than half of the total burden of red tape still comes from national legislation. *“When EU directives are transposed, Member States should resist the temptation to tinker with their contents as much as possible. Member States can and should adapt EU legislation to the national circumstances, but they must make sure that their action does not generate extra burdens for the national business community”,* concluded Mr Benassi.

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**EDITORS’ NOTES:** UEAPME is the employers’ organisation representing crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 85 member organisations, which represent crafts and SMEs across Europe, 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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