



"The voice of crafts and SMEs in Europe"

Charter conference: small enterprises must not be treated as second-class

- **UEAPME insists on the full application of the "Think Small First" principle**

Brussels, 3 June 2008 – A strong legal framework based on the "Think Small First" principle is the best policy the EU can adopt towards its small enterprises, according to UEAPME, the European craft and SME employers' organisation. Speaking at a Conference on the European Charter for Small Enterprises opening today (Tuesday) in Brdo, Slovenia, Secretary General Andrea Benassi called on the EU and its Member States to build on the positive results brought about by the Charter in the run-up to the "Small Business Act for Europe" due to be published in a matter of weeks.

"The Charter was adopted with the ambitious aim of creating the best possible environment for small enterprises, and it is undeniable that it has been instrumental in promoting better regulation and giving clear SME policy indications to new Member States and accession countries", said Mr Benassi. *"However, its non-binding, voluntary nature and the mixed results it generated are a clear signal that it is now time to shift up a gear",* continued Mr Benassi, who went on to comment on the Charter's features and on the next policy steps ahead in the run-up to the Small Business Act.

First of all, said Mr Benassi, putting better regulation on the EU agenda has been perhaps the most significant achievement of the Charter, and the awareness on the damages of red tape to European businesses is constantly on the rise after 2000. This has clearly generated positive results: for instance a lot of progress has been made in reducing the cost and time to register a company in Europe, with Slovenia being a clear leader in this respect. However, efforts to reduce red tape must be better coordinated among Member States, with an eye to harmonisation and interoperability, which will play a key role for instance for a successful implementation of the Services Directive. Moreover, the Charter's lack of legally binding value, which has been repeatedly underlined by the European Parliament, has proved to be a serious limit to effective SME policies in all fields, including better regulation. The Small Business Act can redress this situation, said Mr Benassi, who called on the EC to come up with a bold legal framework to complement the Charter.

Secondly, the Small Business Act must work alongside the Charter, not replace it, insisted Mr Benassi. In fact, despite the fact that its meaning has been somewhat diluted in the past years, the Charter remains essentially the only EU instrument devoted to micro- and small enterprises, and as such it should be kept. Moreover, and perhaps most importantly, the Charter enjoys a wider scope in terms of countries covered and can be used as a policy reference beyond the EU.

Finally, Mr Benassi commented on the policy approach that should be taken in the future towards small enterprises. He clarified UEAPME's stance on possible exemptions for micro enterprises which, in principle, must be avoided as much as possible. Some Member States are strongly in favour of exemptions. While we can comprehend and respect their positions due to "local reasons", the aim should be instead to make compliance with the rules easier, argued Mr Benassi. **If regulations were created only if needed, with smaller realities in mind and through the application of the "Think Small First" principle, exemptions would quickly become useless and nobody would advocate for their use.**

"Small enterprises do not want to be treated as 'second-class businesses' just because of their size. A thorough, rigorous application of the 'Think Small First' principle is the only workable way ahead for a successful small business policy in Europe", he concluded.

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EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 86 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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