



## Implement the reforms for growth and jobs



“A significant untapped potential for prosperity that needs to be released”

### BACKGROUND

In an increasingly challenging global economic environment, Europe's prosperity and its capacity to address future challenges such as financial stability and access to finance, demographic ageing and public debt, the increasing weight of emerging markets, and energy and environmental sustainability will critically hinge on its commitment to implement reforms along the lines of the EU Growth and Jobs Strategy.

The EU will only be able to unleash its large economic potential if it becomes a better place for companies to invest, innovate and win in the competition for high value-added activities. Member States and EU institutions must join forces and take concrete steps to expand the EU's research and innovation capacity, attract talents, remove barriers on European markets and rebuild a sound and sustainable macroeconomic environment.

## A more supportive environment for innovation

Europe needs to become more competitive in its research and innovation activities. Enabling knowledge to reach markets more effectively will help to deliver new products, new services and new technological solutions. The increase of knowledge resulting from the development of markets around these new products will also simulate R&D and investment. Boosting the EU's innovation capacity can only be achieved by working on a wide array of contributing factors: education and training systems attuned with market needs, better links between universities and industry, better regulation, more open and competitive European markets and an efficient patent system. Setting societal objectives of a horizontal nature can facilitate the creation of synergies between EU policies which influence the innovation process.

## Better regulation to foster business development

Better regulation should remain a priority to ensure that simplification, impact assessments and administrative burden reduction generate concrete results. The Council and Parliament should improve working methods to ensure that simplification proposals are dealt with rapidly and they should make better progress with respect to systematic impact assessments on amendments. BUSINESSEUROPE strongly supports the 25% target reduction of administrative costs by 2012, but this target is too narrowly linked to information obligations and should be supplemented by reduction targets for unnecessary compliance and enforcement costs. Transparency, independence and earlier stakeholder involvement in the process of impact assessments and administrative burden reduction are essential to ensure that the right decisions for growth and jobs are taken.






## Coherent policies to release the potential of European SMEs

SMEs are the backbone of the European economy. They are at the core of its dynamism, its innovation and job creation capacity. The business environment has to be better attuned with SMEs needs for development on domestic markets, in other European markets and at the global level. The EU can make a significant contribution to improving the SMEs' situation by fully committing itself to coherent and streamlined policies, focusing on better regulation, better and more varied access to financing, support for internationalisation, lower tax obstacles to cross-border activity or by promoting a more entrepreneurial culture, starting in school and in universities. The proposals set out in the Small Business Act for Europe (SBA) should be fully implemented and included in the Growth and Jobs strategy reporting process. The proposal for a European Private Company Statute should soon be adopted by Member States. Rapid implementation of the SBA is crucial, both at EU level and in Member States.

## Sustainable public finances

Member States must remain credibly committed to sustainable public finances. This emphasises the importance of an effective fiscal framework, based on appropriate incentives and controls to fight fiscal deficits. Partnership between the public and the private sector in the provision of public services can play an important role in achieving more efficiency and control public spending. At European level, the Stability and Growth Pact is an essential coordination instrument, and will play a major role in stirring a return to sustainable public finances in the years ahead.

## Sub-priorities:

-  Strengthen the link between research and innovation
-  Adopt an efficient patent system
-  Pursue a broad programme of better regulation
-  Fight against public deficits
-  Foster entrepreneurship and SME growth