

**Lewiatan** 

## **SME Finance Forum**

# **A Roadmap for Europe 2020: How to return to the growth path**

**Małgorzata Starczewska-Krzysztosek**  
**Polish Confederation of Private Employers**  
**Brussels, 6 May 2010**

**[mkrzysztosek@pkpplewiatan.pl](mailto:mkrzysztosek@pkpplewiatan.pl)**

# AGENDA

## Europe 2020

SME in the EU2020 Strategy:  
Opportunities and Threats

SME: peculiarity of innovation activity

What can the EC and EU countries do?

- EU2020 has not brought any significant change in philosophy in comparison to the Lisbon Strategy.
- There are no new ideas on the SME development support.
- There is no idea how to ensure the coherence between a strategy implemented at the level of the entire European Union and the strategies pursued by individual member states (*that caused the non-execution of the Lisbon Strategy*).

# AGENDA

- ❑ Europe 2020
- ❑ **SME in the EU2020 Strategy:  
Opportunities and Threats**
- ❑ SME: peculiarity of innovation activity
- ❑ What EC and EU countries can do?

## Opportunities

- strengthening and developing the role of EU instruments to support innovation (e.g. structural funds, R&D framework programme, CIP)
- improvement of access SMEs to Intellectual Property Protection
- improvement of access SMEs to public procurement
- reinforcing cooperation between universities, research and business
- tax incentives and other financial instrument for promoting greater private R&D investments
- reduction of network rollout costs
- reducing the transaction costs of doing business
- supporting clusters ...

## Threats

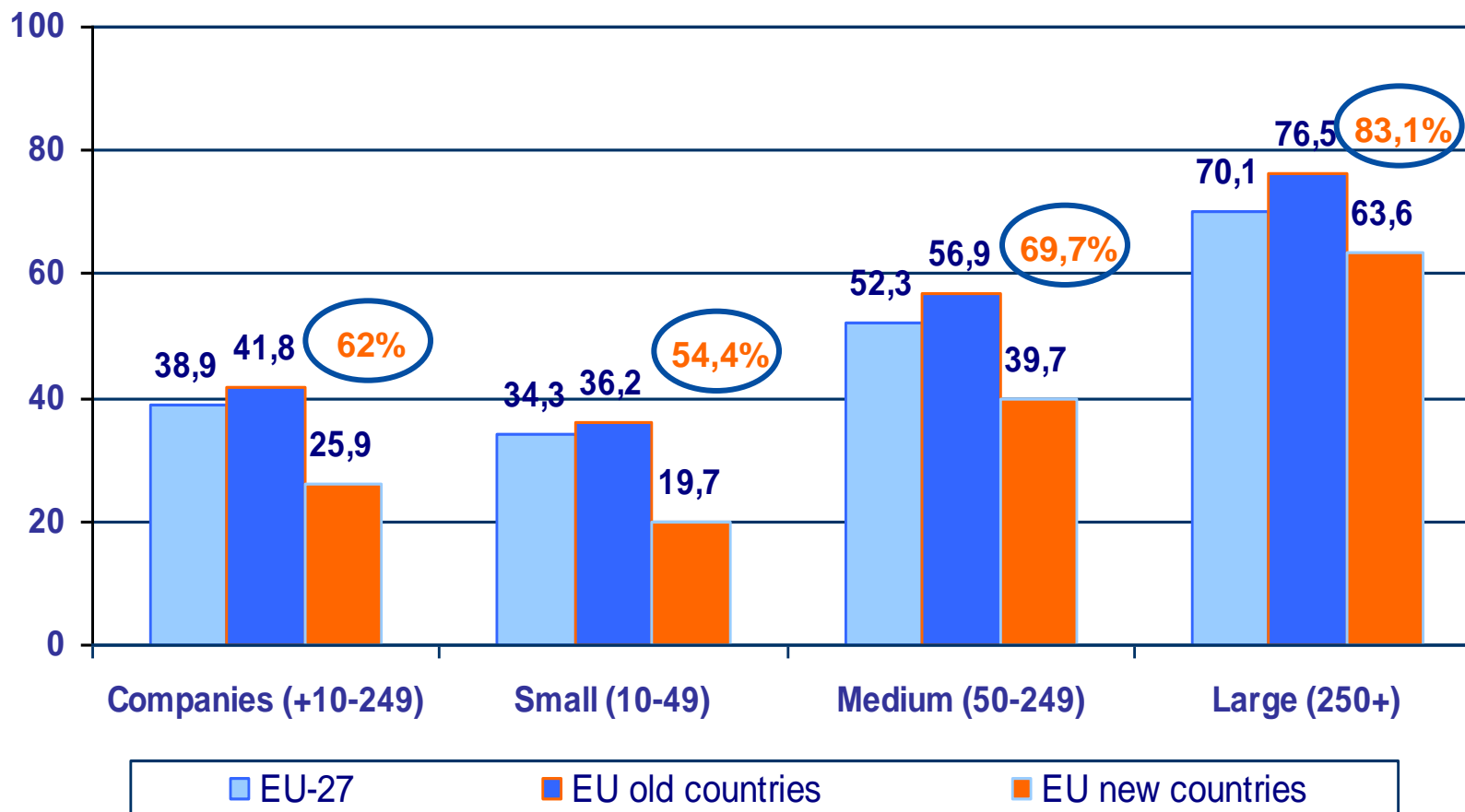
- fast transition to the low-emission economy
- fast transition to greater energy and resource efficiency
- lack of an obligatory impact assessments standards – low-emission economy, greater energy and resource efficiency impact on SMEs
- lack of an obligatory impact assessments standards – regulation influence on SMEs innovation activity
- no idea how to develop single market for services, how fully implement the Services Directive
- no idea how, in effective way, to support SMEs access to finance

# AGENDA

- ❑ Europe 2020
- ❑ SME in EU2020 Strategy:  
Opportunities and Threats
- ❑ **SME: peculiarity of innovation activity**
- ❑ What EC and EU countries can do?

# Long way to go ... especially for EU new countries.

Enterprises with innovation activities (%of firms)



\*/ Belgium, Denmark, Germany, Ireland, Spain, Luxembourg, Netherlands, Austria, Sweden.

\*\*/ Czech Rep., Estonia, Lithuania, Hungary, Poland, Slovakia.

# The main constraint for SME (+10-249) innovation activities in 2005-2006 (% SME).

Main constraint to innovation activity	All* count ries	PL	UK	DE	IT	HU	RO	FI
	<b>Decreasing impact order</b>							
Problems with access to finance, other than interest rates	1	Yellow	Yellow	Cyan	Cyan	Yellow	Blue	Orange
Too expensive human resources	2	Orange	Orange	Yellow	Yellow	Blue	Green	Blue
Lack of skilled human resources	3	Blue	Blue	Orange	Orange	White	Yellow	Yellow
Lack of market demand for innovation	4	Cyan	Green	Blue	Blue	Orange	Orange	Cyan
High interest rates	5	Green	Cyan	Green	Green	Cyan	Cyan	Grey
Lack of ability to use new technologies	6	Grey	Grey	White	White	Green	Grey	White
Hard to protect intellectual property	7	White	White	Grey	Grey	Grey	White	Green

\* / EU-27, Norway, Iceland, Turkey.



# The peculiarity of the SMEs investment into innovation

---

- Investment in fixed assets (mainly).
  - Use of its own financial resources.
  - Cooperation with external partners.
  - The smaller the company the weaker propensity to innovate.
  - The barriers of investment into innovation different than at large companies.
- The SME innovation within the EU27 countries greatly varies and this must be taken into account in policymaking.

# AGENDA

- ❑ Europe 2020
- ❑ SME in EU2020 Strategy: Opportunities and Threats
- ❑ SME: peculiarity of innovation activity
- ❑ What can the EC and EU countries do?

# 1. Regulatory area

---

- Introduction of tax solutions to support decisions on investments in the SME innovation.
- Introduction of an obligatory impact assessment as long as their impact on innovation of enterprises, including SMEs, is concerned.
- The regulations on clusters similar to the special economic zones.

## 2. Area of cooperation between business and science

---

- Open door events at universities and R & D units, targeted at the SMEs.
- Linking of public funds use by universities and R & D units with the founding of commercial consortia.
- The introduction of clear rules of ownership (university- researcher-company) in intellectual property law.

## 3. Area of the SMEs cooperation with big companies

---

- Promoting the private-private partnership.
- CSR in large firms - support to SMEs in innovative activities.

## 4. Area of funding

---

- Create and develop a marketplace, including on the stock exchange, for small issuers – debt securities.
- The creation of a national fund to underwrite issues of debt securities of the SMEs.
- Reducing bureaucracy in accessing external financing sources (both public and private).
- Increase public funding and reduce bureaucracy for the VC.
- Private-private partnership.

## 5. Institutional Area

---

- The creation of positions of the National Innovation Promoters, who would join an Innovation Promotion Council at DG Enterprise, in liaison with DG Research.**

# THANK YOU.

Małgorzata Starczewska-Krzysztozek  
Polish Confederation of Private Employers  
[mkrzysztozek@pkpplewiatan.pl](mailto:mkrzysztozek@pkpplewiatan.pl)