



Joint Declaration on a horizontal EU SME policy – SME Round Table

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There are more than 21 million SMEs in the EU, which represent 99,8% of all companies, 67% of total employment and 58% of gross added value. In addition, there are 12 million SMEs or microenterprises in the agriculture sector. EU SMEs employed almost 90 million people in 2014. In the past five years, they have created around 85% of new jobs. Boosting their competitiveness is a key to fostering growth and job creation.

1. **We call for a reinforced horizontal EU SME policy.** The original vision of the Small Business Act (SBA) should be revived in order to address in a more incisive manner the issues that are pivotal, at EU and national level, to the competitiveness of SMEs. The governance, monitoring and implementation of the priorities and measures contained in the SBA should be strengthened.
2. **A SME Action Plan is needed** to ensure a revival of the SBA and to energise national SME policies. The SME Action Plan should, in particular, focus on tackling obstacles encountered by SMEs both when trading across borders or operating at home.
3. **The needs of all SMEs**, especially those of micro-sized and small companies **must be** integrated and **taken into account in all EU policies** by applying the **Think-Small-First** and **Only Once** principles to encourage the creation of more SMEs and to allow them to grow. This requires i.a. early consultation of stakeholders and thorough and systematic application of the SME-test. Impact assessments and the REFIT programme must focus specifically on the needs of SMEs. Tangible **results** must be achieved through **simplification, reduction of red tape** and **combatting "over-implementation"** (gold-plating).
4. Amongst the **priority areas** that must be addressed in the reinforced EU SME policy are the following:
 - I. **Promoting entrepreneurship:** A stronger culture of entrepreneurship must be encouraged in Europe. This requires improving business environment and abolishing obstacles to entrepreneurship. Entrepreneurship education is important for providing young people with the required skills, competences, attitudes and entrepreneurial spirit.
 - II. **Single Market based on better and smarter regulation:** SMEs need a business and regulatory environment that is future-proof and encourages innovation and investment instead of stifling it. We call for the completion of the Single Market and prevention of its fragmentation. A pro-SME Single Market requires, i.a. the full implementation of the Services Directive; promoting the principle of mutual recognition; ensuring that European standards are market relevant and that SMEs have affordable access to information concerning such standards as well as striking a fair balance between companies' interests and consumer protection.
 - III. **Digitalisation** is an important driver to boost productivity and growth. It presents enormous opportunities but also poses challenges especially to SMEs. EU SME policy must put specific focus on measures that allow SMEs to benefit from digitalisation and from the Digital Single Market. Embracing digital innovations is indispensable for staying competitive in the market. The principle of freedom to enter into a contract should remain untouched in the online domain and a reasonable balance should be ensured between consumer protection and a business friendly online environment.

- IV. **Skills:** We underline the importance of ensuring that workers' skills and competences match the needs of SMEs. This calls for improvements to vocational education and training, especially work-based schemes, comprehensive lifelong learning strategies, as well as anticipating skills requirements and upgrading skills. The validation of existing skills and competences and where needed, additional education and training also play a crucial role in the successful integration of migrants and refugees in the EU labour markets.
- V. **Access to finance:** A better balance must be found between the aim of promoting banks' financial stability and securing SMEs access to financing as bank loans remain the main tool for financing for SMEs. At the same time, a more diverse financial ecosystem, including development of a wide range of non-lending financing routes should be ensured. SMEs would also greatly benefit from the administrative and financial simplification of European Structural and Investment Funds. More needs to be done to ensure an effective SME participation in future research and innovation programmes. Furthermore, we call for a strict and correct application of the Late Payment Directive.
- VI. **Trade and SMEs:** We call for specific measures facilitating the internationalisation of SMEs to improve their access to international markets and to facilitate their integration in global value chains. The needs of SMEs should be specifically addressed in all trade agreements for instance by including a SME dedicated chapter. SMEs in particular have a lot to gain from improved regulatory cooperation. European economic diplomacy should be reinforced and more coherent. In this regard, the increased involvement of business intermediary organisations is key.
5. A **coherent horizontal SME policy** must also recognise the fact that the SME category is not a homogenous one, for instance in terms of size, field of activity, ownership and legal form. Thus, it must be discussed **how to better target policies** and design measures in a manner that adequately responds to the differences between solopreneurs, micro, small and medium-sized companies, family businesses as well as start-ups and more established businesses without creating barriers to their growth. It is also important that the benefits of the EU SME policy trickle down to national, regional and local levels to all SMEs.

An effective horizontal SME policy requires that structures such as the Competitiveness Council, the Commission's Network of SME Envoys and the European Parliament's SME Intergroup cooperate more closely and articulate and pursue policy measures that are to the benefit of Europe's growth and job creators.

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The declaration was agreed at the initiative of the EESC Employers' Group President **Jacek Krawczyk**.