



"The voice of crafts and SMEs in Europe"

EU 2020 strategy must not turn a blind eye to the public sector, warn SMEs

UEAPME's reply to EC consultation calls for more quality and better enforcement of regulations along with a more efficient public sector

Brussels, 13 January 2010 – The EU 2020 strategy must focus more on the quality, implementation and enforcement of public regulations if it is to live up to its role as Europe's long-term policy agenda, according to UEAPME, the European craft and SME employers' organisation. Publishing today its response to the European Commission's consultation on the issue (1), UEAPME stressed the need to incorporate the quality of regulatory systems and their ability to enforce European law in the EU 2020 strategy, including a better integration of the "Think Small First" principles into the text. The organisation also recommended adding a fourth priority, namely improving the effectiveness and accessibility of the public sector. Moreover, it warned that the new strategy will only work if Member States take ownership of the process, which was not always the case in the past, and if stakeholders at all levels are not only involved but fully committed to putting jointly agreed policies into practice.

"The EU 2020 consultation paper should have started from an analysis of the shortcomings and missed objectives of the Lisbon agenda. Unfortunately, this scrutiny is totally omitted. What we have instead is a one-legged document focusing on the private sector while turning a blind eye to the errors of the past and avoiding any serious commitment at public level. Policymakers must now look at their own backyard. They must pledge to a complete overhaul of public regulation if they are serious about achieving a sustainable social market economy in Europe", said Secretary General **Andrea Benassi**. *"This means first and foremost improving the quality of regulation, but also making sure that rules are properly put into practice and enforced. At the moment, Europe is failing on both counts. There are almost 1500 pending infringement procedures for non compliance with EU law, a clear proof that legislators and watchdogs are not always up to their task. The EU 2020 strategy is a chance that cannot be missed to put an end to this regrettable situation",* he continued.

No market economy can function without efficient and effective regulations ensuring fair competition and a reliable legal framework, stressed Mr Benassi. However, small businesses are often held back by incumbents and national champions in fields such as energy markets, the transport sector or the financial sector. In all these areas, national regulators have shown a lack of independence and no willingness to act so far, leading SMEs in many countries to lose confidence in their capacity to provide efficient and effective regulations to the necessary extent. The quality of regulatory systems and their ability to enforce European regulations must therefore be fully integrated into the EU 2020 Strategy, explained Mr Benassi, who also called on the European Commission to play a leading role as "watchdog" to ensure a proper implementation of EU law. Moreover, the EU 2020 strategy should also include a clear commitment to put into practice the principles agreed in the "Better Regulation Initiative" as well as in the Small Business Act, starting from the "Think Small First" rule.

A second crucial aspect that is totally overlooked in the EC text is the role of the public sector. Its efficiency and capacity to innovate must be strengthened, wrote UEAPME in its reply. Private business and especially smaller enterprises depend to a large extent on the existence, the quality and the affordability of public services in areas such as infrastructure, education and training, public employment, business support, but also well targeted, effective social systems, which have to provide the right incentives. Increasing the efficiency of these services is crucial to contain their price and increase their acceptance by taxpayers, customers and society at large. Due to the challenges ahead, this issue will play an increasing role in the political debate in Europe and must therefore become a pillar of the EU 2020 strategy, explained Mr Benassi.

Finally, the EU must seek the full support of all stakeholders in order to make the EU 2020 strategy a success, warned Mr Benassi. *"The full commitment of all stakeholders can only be achieved if they are also involved in the elaboration of the strategy. With this consultation, the European Commission has got off on the right foot. It must now work to include the feedback received and secure support at national and regional level to put agreed policies into practice",* he concluded.

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(1) http://www.ueapme.com/IMG/pdf/100112_pp_EU2020.pdf

EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 84 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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