



"The voice of crafts and SMEs in Europe"

Broken promises and lack of support are holding back SMEs, survey finds

Small Business Act: progress on reducing red tape and on "Think Small First", but many concrete measures still pending or unapplied

Brussels, 31 May 2010 – Member States must do much more to put into practice the measures contained in the Small Business Act one year after its entry into force and despite some timid signs of progress, according to a survey conducted by UEAPME, the European craft and SME employers' organisation (1). Speaking today in Madrid at the final conference of the European SME Week, Secretary General Andrea Benassi unveiled the main findings of the UEAPME "Think Small Test" and "SBA Implementation Scoreboard", which aim to assess whether the EU institutions and Member States are fulfilling their commitment to respect the "Think Small First" principle and to implement the promises made in the Small Business Act. At EU level, the survey found that the European institutions made steps forward in implementing the "better regulation" agenda but neglected SMEs in favour of banks and larger enterprises when it comes to business support. At national level, advancements were recorded on the respect of the "Think Small First" principle in 11 countries compared to 2009, but Member States have made barely any progress on the concrete measures linked to the Small Business Act. This is very disappointing for SMEs, stressed UEAPME, calling for more commitment to the SBA to get Europe out of the crisis.

"One year after its entry into force, our survey clearly demonstrates that the expectations raised in SMEs by the Small Business Act have been met only partially and that much remains to be done", said Mr Benassi. "On the positive side, the EU institutions have now embraced the 'better regulation' strategy and most Member States seem to have understood the importance of the 'Think Small First' principle. On the negative side, however, the EU seemed to favour support for banks and larger enterprises rather than for SMEs during the crisis, and many concrete initiatives contained in the Small Business Act have stayed on paper due to many Member States' sluggishness or outright reluctance to act", he continued.

The European Commission and the European Parliament showed similar results on average in this year's **Think Small Test**, which measures their level of respect for the "Think Small First" principle in the areas of legislation, administration and business support services. The biggest improvements were made by the EU institutions on administration, most probably due to the "better regulation" strategy yielding some success. Our "Think Small First Index" was quite stable for legislation, but went down for business support for both Parliament and Commission. This is a consequence of the economic crisis, as respondents felt that the EU policymakers devoted more attention to banks and larger enterprises than to SMEs when addressing the downturn. At national level, progress on the "Think Small First" principle was made in most of the countries polled, with an average improvement of 10%. However, Member States fared worse on concrete measures.

This was demonstrated by the results of the **SBA Implementation Scoreboard**, which aims to picture the extent to which national and EU institutions have already implemented the commitments made within the Small Business Act, in which areas measures have been taken during the last year and the impact these measures had on SMEs. The average value of commitments realised after one year of the Small Business Act in place was unchanged, which shows a very poor performance by Member States. Moreover, the survey recorded significantly lower figures compared to the "Think Small First Index" for the same country. This can be explained by the different nature of the Small Business Act, which is harder to implement compared to the general "Think Small First" principle, but also and perhaps more importantly by the fact that the introduction of the Small Business Act has consistently raised small entrepreneurs' expectations from policymakers.

"By promising to set up a comprehensive policy framework for SMEs with the Small Business Act, policymakers have raised the bar of our expectations very high. Unfortunately, Member States have largely failed to deliver so far, with concrete dossiers still pending or unapplied due to national governments' lukewarm commitment. If we want to get SMEs on the road to recovery, Member States must roll up their sleeves and build this road first", concluded Mr Benassi.

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(1) The full results and country sheets can be found at <http://www.ueapme.com/Study-Unit>

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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