

Paving the way out of the crisis

UEAPME priorities
for the Hungarian Presidency

UEAPME Board of Directors
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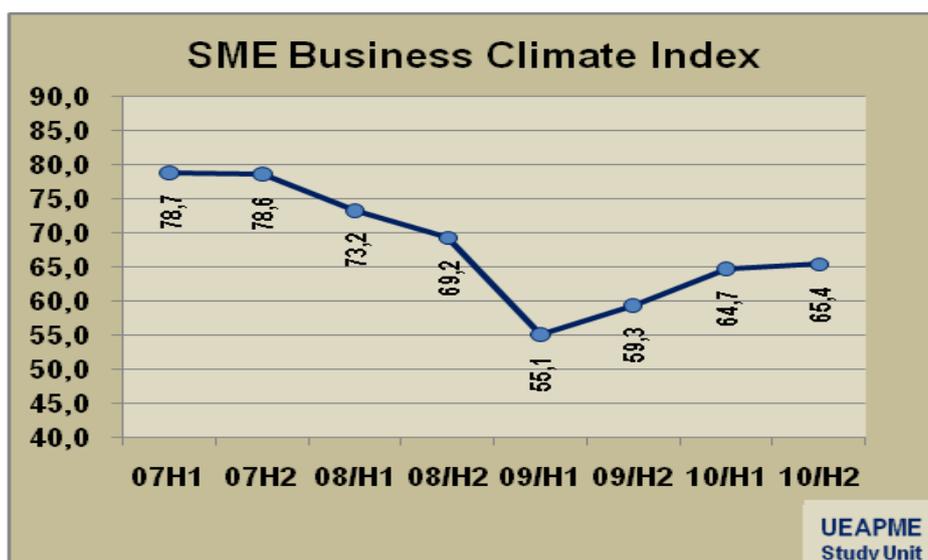
GENERAL REMARKS

The incoming Hungarian Presidency will be a crucial period for the further development of the European Union and especially for Europe's economy. First of all, it will have to start the implementation of the new European Strategy for smart, sustainable and inclusive growth (EU 2020) by given the **flagship initiatives** on innovation, qualification and industrial policy the right orientation.

Secondly, the Hungarian Presidency will have to deal with the political conclusions from the "Mario Monti report" on the future of the **Internal Market**, which must focus on two priorities: to complete the internal market and **make it a reality for all businesses and consumers** and at the same time to **regain the political support** for the Internal Market and for the European project as such.

Finally, and probably most urgently, the year 2011 will have to be used **to pave the way out of the current financial and economic crisis**, which includes regaining of confidence by proper reregulation of financial markets, agreeing on exit strategies for public debts and costly support measures and investing in future growth and employment.

As our newest "[European Craft and SME Barometer](#)"¹ demonstrates, it seems that the recession has come to an end, but there are few signs of a sustainable upswing. Companies are still hesitating about the future economic developments and are very reluctant as regards employment and investment.



Source: [UEAPME EU Craft and SME Barometer 2010/H2](#)

The main challenge at the current stage of recovery is to find the right balance: on one hand, further support for businesses and employees to master the needed structural changes towards a greener and more innovative economy; on the other hand the sustainability of public households and social systems must not be put into danger. With its "[European Craft and SME Policy for 2010 – 2014: Towards Growth, Prosperity and Stability](#)"², UEAPME has presented a comprehensive policy strategy, which includes a wide range of policy measure to ensure such a balance and to pave the way out of the current crisis.

¹ <http://www.ueapme.com/spip.php?rubrique120>

² http://www.ueapme.com/IMG/pdf/091203_UEAPME-2014_final.pdf

EU 2020: MAKE IT WORK

UEAPME welcomes the proposal of the European Commission for an EU 2020 Strategy and asks the Hungarian Presidency to ensure the necessary commitments of all national governments for the envisaged targets and the needed reforms in order to make the strategy work.

Such commitments must include:

- the involvement of social partners and other important stakeholders at all levels in the elaboration of concrete aims and instruments;
- the full respect of the “Think Small First” principles (consultation, impact assessment, only once);
- a chapter on the Small Business Act in the country reports on EU 2020 as well as a review of the SBA before the end of 2010 in the light of the EU 2020 strategy.

Furthermore, UEAPME asks to put a stronger focus on the efficiency and effectiveness of the public sector in the framework of the EU 2020 Strategy aiming at:

- improving the effectiveness and the accessibility of public administrations as well as public, social and employment services;
- improving the quality of regulatory systems and their ability to enforce European regulations;
- supporting the role of the European Commission as the “Guardian of the Treaty”.

Finally, UEAPME insists on a comprehensive approach as regards a new industrial policy for globalisation and the new innovation strategy, which:

- refers to all types of enterprises, recognise all forms of innovation and respects the specific way SMEs are doing business;
- includes the adoption of an SME friendly Community Patent, which is a precondition for more investments in innovation by SMEs;
- avoids any attempt to protect national industries and incumbents;
- aims to remove all barriers (information, financing, technical support, etc.) that prevent SMEs from becoming the backbone of the “green economy”, which is a precondition for a successful implementation of the strategy.

More detailed comments on the EU 2020 Strategy from UEAPME can be found in our [reply](#)³ to the public consultation from January 2010.

³ http://www.ueapme.com/IMG/pdf/100112_pp_EU2020.pdf

INTERNAL MARKET: BETTER ACCESS AND FAIR COMPETITION FOR SMEs

UEAPME welcomes the general review of the state of the Internal Market as initiated by the Report of Professor Mario Monti. We agree that any discussion on the future of the Internal Market has to focus on its completion as well as on the political support for it.

To achieve these goals UEAPME asks the Belgium Presidency to support:

- the removal of the remaining barriers within the Internal Market by correct and timely implementation and enforcement of all directives (i.e. the Services Directive), by forcing the banking sector to provide customer friendly solutions for SEPA and by facilitating tax compliance for cross border businesses.
- a balanced consumer protection regulation, involving SMEs representatives in the whole legislative process to ensure the needs of SME doing cross border business.
- any measures, which protect Crafts and SMEs against unfair competition from shadow economy and undeclared work;
- the enforcement of European competition and State aid regulations by national courts as a measure against unfair competition by public companies offering (cross-) subsidised services.

More on these subjects can be found in our document "[European Craft and SME Policy for 2010 – 2014](#)"⁴.

⁴ http://www.ueapme.com/IMG/pdf/091203_UEAPME-2014_final.pdf

ECONOMIC CRISIS: THE PRIVATE SECTOR HAS TO LEAD THE WAY OUT

The financial and economic crisis in Europe is not over and the majority of enterprises have not regained their confidence in an economic upswing. Therefore, UEAPME asks the Hungarian Presidency to pave the way for an economic recovery, which has to be driven by the private sector, by:

- prolonging the temporary framework on State aid for access of finance for SMEs, especially for guarantees for one year;
- reorienting recovery programmes towards a support of private spending (investment, de-saving);
- supporting access to credit and loans for healthy SMEs by guarantees and promotional banks;
- defining exit strategies for public households, which ensure sustainability and regain confidence from financial markets;
- improving economic and fiscal governance at European and, where necessary, at global level;
- strengthening the efforts to reregulate financial markets without endanger access to finance for the real economy (enterprises and households);

The crisis had also considerable consequences on the labour market situation with a dramatic increase of unemployment and the necessity to cushion the social consequences. Therefore UEAPME asks for:

- supporting social partners to fully implement the flexicurity principles in view to reform their labour markets and modernise social protection systems;
- creating the right incentives notably for SMEs to invest in the employability of the workforce by updating and upgrading skills of workers and unemployed in order to match the new labour market needs.

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