



*"The voice of crafts and SMEs in Europe"*

## Single Market Act: good ideas but more ambition is needed, say SMEs

*UEAPME welcomes many proposals in text, calls for "zero tolerance" on transposition of and compatibility with EU law*

Brussels, 13 April 2011 – Despite the many positive proposals contained in the text, the "Single Market Act" unveiled today by the European Commission should have been more ambitious on governance and on the enforcement of legislation, according to UEAPME, the European craft and SME employers' organisation. On the positive side, UEAPME welcomed the chapters on intellectual property rights, standardisation, public procurement and the recognition of professional qualifications, all of which can significantly contribute to improve the competitiveness of SMEs in the internal market and beyond. On the negative side, however, UEAPME was disappointed by the 0.5% "deficit goals" set by the Commission on the transposition of EU legislation in Member States and on national rules' compatibility with it. According to the organisation, the Commission should have aimed at "zero tolerance," i.e. ensuring that 100% of EU legislation is properly applied at national level. It should also be tougher and faster on infringement cases that often hold back small businesses. Moreover, UEAPME expressed doubts on the proposals on "social entrepreneurship", warning against ring-fencing and more red tape, and on contract law, since the EC announced an optional EU-wide instrument while discussions are still ongoing.

Secretary General **Andrea Benassi** offered the following comments:

*"Compared to its 2010 vintage, the 'Single Market Act' unveiled today is a leaner, punchier, more coherent text, which rightly looks at all stakeholders and tries to strike a balance between the needs of each category. We are convinced that many of the proposals presented by the Commission can really make a difference for SMEs operating in the internal market. For instance, a better protection of intellectual property rights is a must, including a single Community patent instead of the 27 different legal systems we have at the moment. The same is true when it comes to standards, public procurement contracts and other issues that must be looked at to improve the competitiveness of SMEs in the single market."*

*"However, the document is not free of shortcomings, the main of which is definitely on governance. If the Commission is serious about ensuring that the rules are the same for all players as it announced today, how can it accept that 0.5% of EU legislation is not properly transposed, and how can it leave Member States free to keep in place a 0.5% of rules incompatible with EU law? We believe that a level playing field can be reached only by aiming at 'zero tolerance', a goal that the Commission regrettably lacked the ambition to seek today. We also believe that more must be done on infringement procedures, which must be stricter and quicker. Unfortunately, today's text is not detailed enough in this respect."*

*"Another shortcoming is the chapter on 'social entrepreneurship'. Pursuing social development, ethical and environmental objectives is a goal that we all subscribe to. However, these objectives cannot become the exclusive domain of the so-called 'social economy' as today's text seems to imply. Moreover, the Commission came up again with the idea of a legislative proposal on the transparency of social and environmental information. This would create more red tape without any concrete benefits for the environment and for the society at large, which need actions, not yet another pile of reports."*

*"Last but not least, the Commission stated today that an optional European contract law tool should be introduced. As far as we are aware, discussions are still open and the option chosen by the Commission is only one of the seven possibilities currently examined by the Parliament and the Member States. We are surprised that the Commission is pushing towards a specific solution, which is de facto pre-empting the ongoing debate on this important file."*

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**EDITORS' NOTES:** UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 80 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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