



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

## **SBA implementation requires adequate funding now, warn SMEs**

*UEAPME speaks at informal Competitiveness Council in Gödöllő, calls for an SME-dedicated funding programme*

Brussels, 13 April 2011 – European SMEs expect the full implementation of the Small Business Act without further delays, and need simple rules conceived for all enterprises and with smaller entities in mind from the outset. This was the message brought forward by UEAPME, the European craft and SME employers' organisation, at the ongoing informal meeting of Industry Ministers organised in Gödöllő by the Hungarian Presidency of the EU. Speaking at the event, Secretary General Andrea Benassi stressed that these top priorities cannot be ignored or postponed again, denouncing the lack of progress on the many actions and principles contained in the Small Business Act. He also urged Member States to create a European SME-dedicated funding programme to secure the resources needed to make progress on the file. Moreover, he warned against the recent suggestions aiming at exempting from legislation certain types of companies, such as all micro enterprises or start-ups, since doing so would create "second-class" enterprises and as rules are needed for all companies to be successful and remain competitive on the market. What policymakers should do instead is simplify legislation and the related procedures in line with the "Think Small First" principle.

*"More than two years after its adoption, the implementation of the Small Business Act is far from being complete. The review recently published by the European Commission shows that only a handful of Member States have acted in a comprehensive way to put its principles and actions at the centre of their policies. This is very disappointing, all the more so in the current uncertain economic climate. The full implementation of a clear European SME policy is a matter of extreme urgency. It is now high time to move up a gear",* Mr Benassi told the 27 European Industry Ministers.

EU policymakers must also work to secure the resources for the implementation of the many important actions contained in the Small Business Act, for instance on risk capital, guarantees, the comparison of existing best practices, statistics and research on the SBA implementation and others, continued Mr Benassi. To this end, they should swiftly create a European funding programme dedicated to SMEs. The existing funding resources must be doubled and should also be secured for the future to ensure continuity and coherence, explained the Secretary General. *"Progress will not be made on the SBA implementation unless the political commitment is present and adequate funding is available. The creation of a dedicated programme would speak much louder than all the words we have heard so far",* warned Mr Benassi.

A second top priority is legislative simplification and rules in line with the "Think Small First" principle. In this respect, Mr Benassi warned against the recent proposals to exempt from legislation certain types of companies, such as all micro enterprises or start-ups. While this may look appealing at first sight, it is not the right way to proceed, he stressed. First of all, standards and regulations related to the quality aspects of enterprises, their products and their services must be respected also by smaller companies if they want to succeed and remain competitive on their market. Moreover, exempting small enterprises from legislation could give consumers, clients, employees, authorities and society in general the impression that they are less protected when buying products or services from or working in small businesses, transforming them de facto into "second class" companies.

Bearing this in mind, it is indeed true actual rules, for instance in the fields of environment, health and safety and others, often create high administrative burdens and compliance costs that hit smaller companies the hardest. However, these should not be reduced or abolished by exempting small enterprises from these standards, but by simplifying rules and the related procedures, for instance on documentation, statistics and similar requests that make the bulk of compliance costs.

*"If rules were created only if really needed, with smaller entities in mind and by applying the real 'Think Small First' principle, there would be no need at all to cut corners by introducing counterproductive exemptions",* concluded Mr Benassi.

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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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