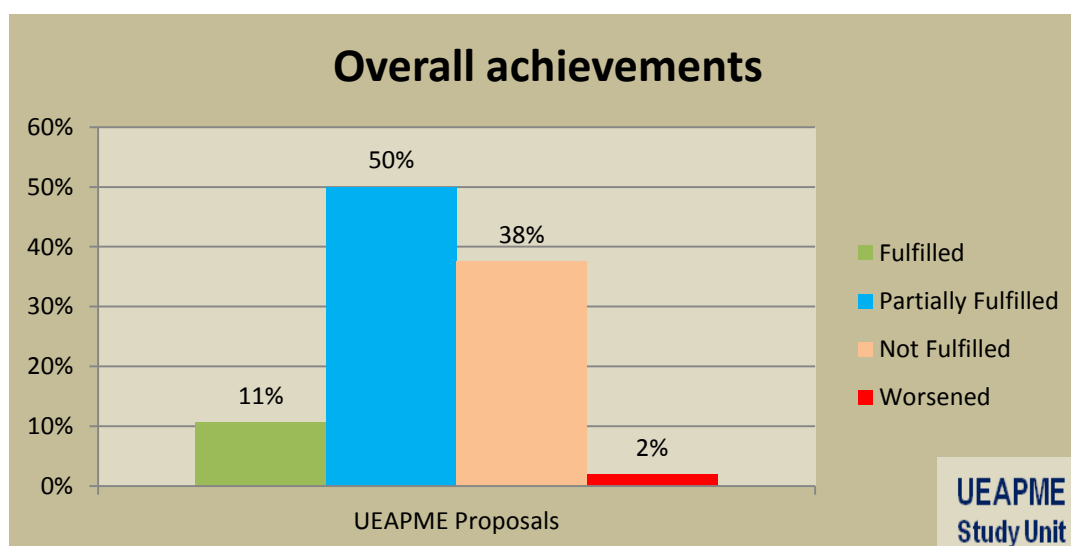


Assessment of European Craft and SME Policy

by UEAPME Study Unit

Achievements for Crafts and SMEs 2010 - 2014



2010 – 2014: Progress for Crafts and SMEs in Europe

Less than two months ahead of the European Parliament elections in May 2014, it is the right time to look back and reflect on what has been achieved during the last years. In autumn 2009, when the current European Parliament and European Commission started their work, the European economy was on the verge of coming out of the crisis caused by the subprime bubble and Lehman bankruptcy. At this time UEAPME, the European Association of Crafts and Small and Medium-sized Enterprises, representing the interest of about 12 million companies from all over Europe, asked for a new European SME policy approach called “Towards Growth, Prosperity and Stability”. This policy programme included answers to the main challenges Crafts and SMEs have been confronted with and put forward a comprehensive set of measures to make SMEs able to contribute to growth, job creation and stability, or more concretely to be competitive, to invest and to innovate.

Five years later, when we look back and assess what has been achieved for the 23 million small and medium sized enterprises in Europe, which provide 2/3 employment and about 60% added-value in the European Union, we can draw an overall positive balance. UEAPME had been able to convince the European Institutions to make progress on more than 60% all our proposals. We saw a worsening of the situation only on 2% of them.

On the positive side of the balance sheet, we find the review of the standardisation system, the new contract with the European Commission for Small Business Standards, the improved SME access to structural and investment funds, including better involvement of SME organisations in programming and easier access to financial instruments, the creation of a specific SME instrument in Horizon 2020, the progress made on late payment regulations and on access to public procurement, the reduction of risk-weights for SME retail loans in the Capital Requirement Regulation (Basel III), the final agreement on a European Patent, and we also saw some improvements as regards consultation of SME organisations.

On the negative side, there are two dossiers where SMEs are confronted with a worsening of the situation: on maternity leave, where discussions are not closed yet and on seasonal workers, where a new and burdensome directive has been adopted.

However, UEAPME also strongly regrets that we hardly saw progress as regards the recognition of the “Think Small First Principle”, which was not only demonstrated with the data protection and the consumer protection directives. No progress had been made either on important dossiers such as the working time directive and the reduction of VAT compliance costs.

Finally, UEAPME has been able to improve initiatives from other stakeholders or from the European Institutions which would have harmed SMEs, for example on electronic waste, musculo-skeletal disorders, non-financial reporting, etc. and which have been stopped or where specific treatments for SMEs could be achieved.

For the future, UEAPME has already presented its Memorandum for the European elections and is working on a new policy programme for Crafts and SMEs, to be presented to the newly elected Members of the European Parliament and to the incoming European Commission in autumn 2014.

Gunilla Almgren
President

Peter Faross
Secretary General

Introduction

In December 2009, UEAPME published its policy proposal to the new European Commission and the new elected European Parliament. The document called “[European Craft and SME Policy 2010 – 2014: Towards Growth, Prosperity and Stability](#)”¹⁾ aimed at giving policymakers at all levels an orientation about what is needed to ensure growth, prosperity and stability in Europe’s most important economic sector, i.e. Crafts and SMEs. The most urgent problems to be tackled have been how to guide Europe’s economy out of the crisis, to improve the environment for doing business in Europe, to strengthen SMEs’ competitiveness and their capacity to innovate and to increase the efficiency of public regulations and of the public sector.

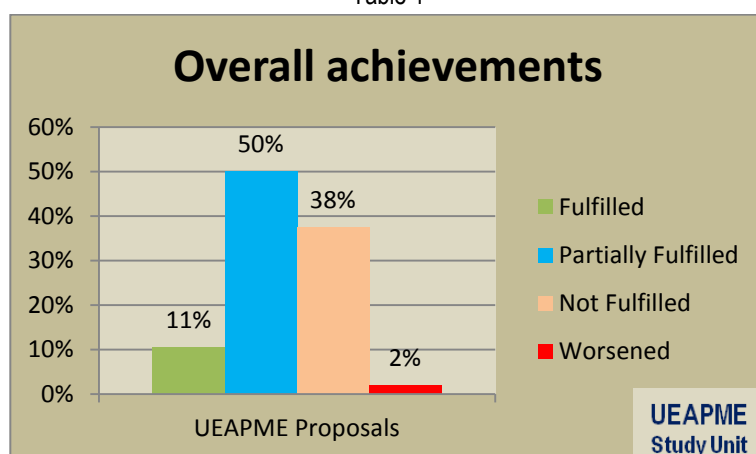
Now, at the end of the current legislative period of the European Parliament and close to the end of the current European Commission’s term, UEAPME wants to present an overall assessment on what has been achieved for Crafts and SMEs during the last five years and on where European policy has failed to answer to the needs of Crafts and SMEs.

The European Craft and SME Policy 2010 document presented about 100 concrete policy measures, including legislation, programmes, policy recommendations and improvements as regards consultation and involvement of Craft and SME associations in the decision making process. For this evaluation we have added additional dossiers, which have been put on the European agenda during these five years and are of specific interest and relevance for SMEs such as the Public Procurement Directive, the reform of the Enterprise Europe Network, the COSME programme, temporary agency work or recognition of qualifications and access to regulated professions.

1. Progress made in more than 60% dossiers proposed by UEAPME

The overall horizontal assessment (Table 1) of these 100 plus policy files shows that 11% our demands have been fully implemented and a further 50% are least partially. This means that for 61% the dossiers put on the agenda by UEAPME in the interest of Crafts and SMEs, an overall positive achievement could be reached.

Table 1



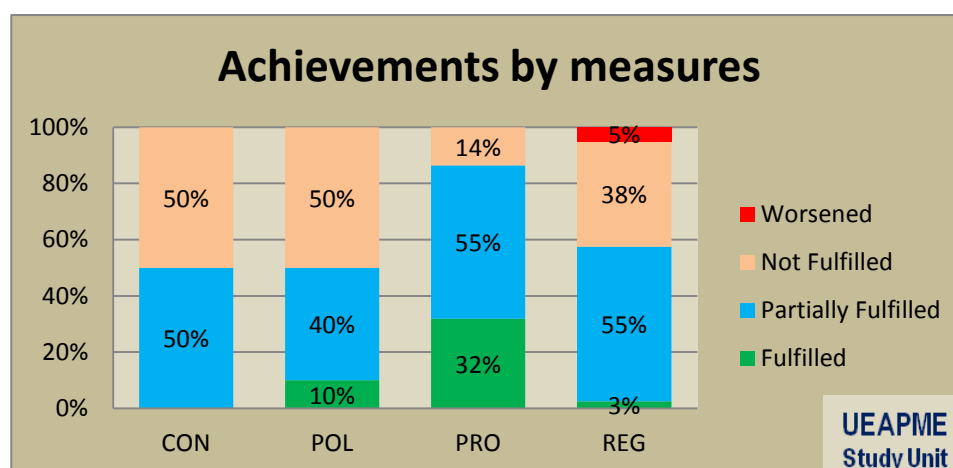
¹ http://www.ueapme.com/IMG/pdf/091203_UEAPME-2014_final.pdf

However, as regards 38% UEAPME proposals we did not see real progress and in 2%, the situation got even worse after five years.

2. Achievements for different types of measures

The level of positive responses to our demands also differs as regards the type of measures proposed by UEAPME. Table 2 shows that 50% our proposals linked to improvements for consultation and involvement of Craft and SME associations as well as to policy improvements (including recommendations to Member States) have been at least partially fulfilled. Furthermore, we see positive results in 58% our regulatory proposal, while in 38% no progress has been achieved and in 5% cases the results got even worse.

Table 2



CON (consultations); POL (policy, including recommendations); PRO (support programmes); REG (regulations)

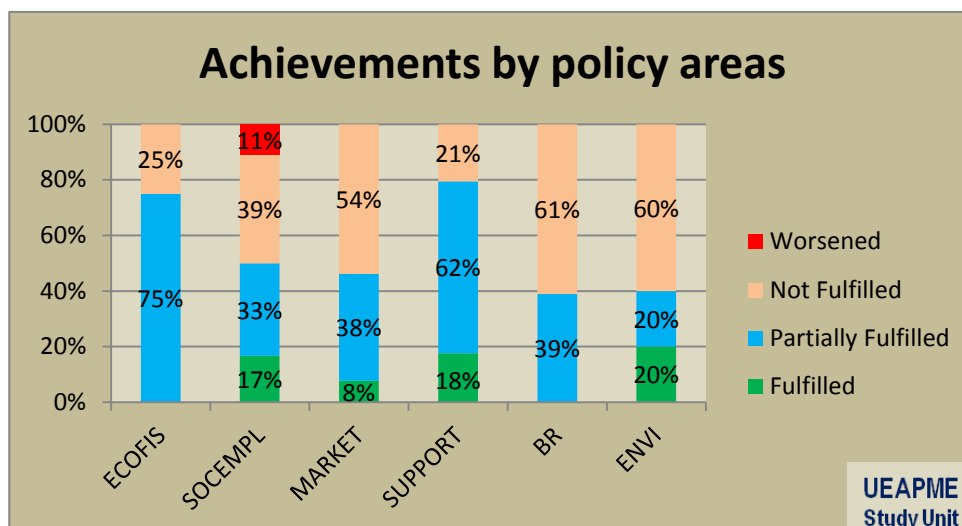
We see much better results as regards programmes supporting SMEs and access of SMEs to European Programmes. Here 32% our ideas have been accomplished and 55% at least partially realised, which sums-up to 86% areas with improvements. Only 14% our proposals have not been taken up.

3. Achievements for different policy areas

A comparison between the different policy areas (Table 3) also shows interesting differences. Positive responses by the EU Institutions were given to the majority of our demands for support programmes (80%) and Economic and Finance dossiers (75%), including SME finance, financial market regulations, economic policy and taxation. Much less positive reactions have been seen in the areas of Internal Market / Legal Affairs (46%), Better Regulation (39%), Environment and Climate Policy (40%) and Social & Employment Affairs (50%).

Furthermore, Social & Employment Affairs is also the area where we saw a worsening of the situation in 11% dossiers.

Table 3

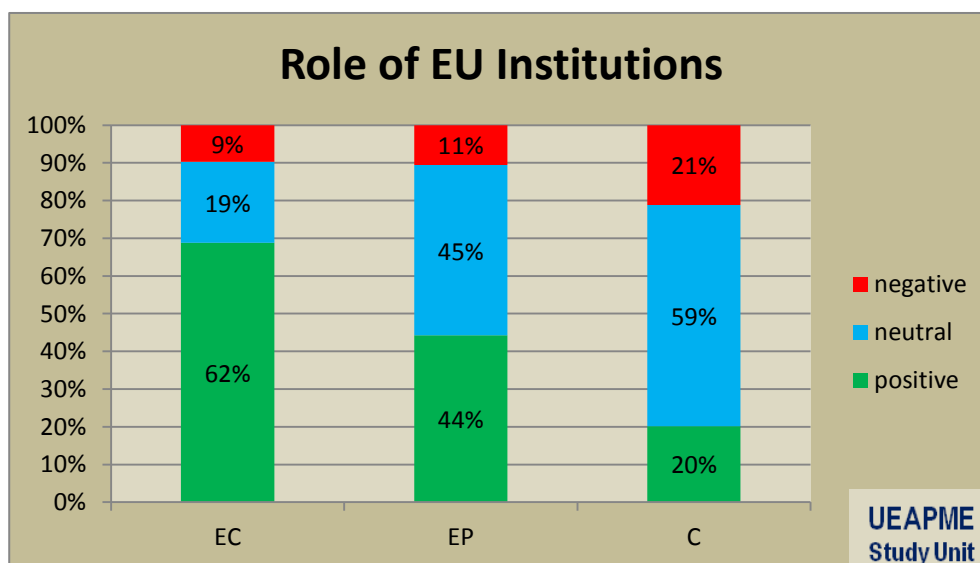


ECOFIS (Economic Policy, Taxation and Finance); SOCEMPL (Social and Employment Affairs)
 MARKET (Internal Market and Legal Affairs), SUPPORT (support programmes), BR (Better regulation),
 ENVI (Environment and Climate Policy)

4. Different European Institutions had different impacts on UEAPME proposals

In addition, we assessed the impact of the different European Institutions on dossiers promoted by UEAPME. Table 4 shows on how many dossiers the European Commission (EC), the European Parliament (EP) and the Council have, from our point of view, played a positive, neutral or negative role.

Table 4



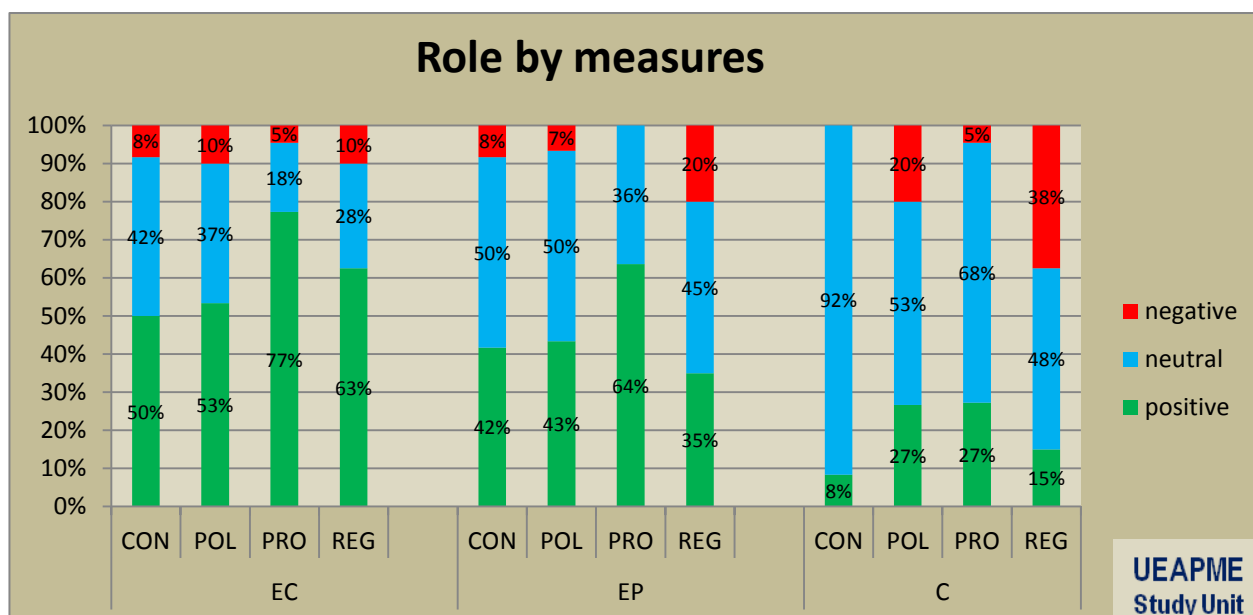
The differences between the Institutions can partly be explained by the decision making procedure in the EU. In most of the cases the EP and Council only become active, if the EC has taken an initiative, which was the case for 62% our proposals. In 19%, the EC has taken no initiative and in only 9% the EC has proposed something contrary to our interests.

A positive role of the EP (44% dossiers) and the Council (20%) refers to the number of dossiers this institution has improved from the proposals made by the other Institutions. On the other side, the EP (11%) and the Council (21%) also worsened proposals made by the other institutions.

5. Impact of institutions on different types of measures

The role of the institutions differs quite significantly, if they deal with different types of measures. Table 5 shows that the positive initiatives taken by the EC in the area of programmes (77%) are clearly above the average of 62% (Table 4, positive role of EC), while the initiatives taken in the area of consultation / involvement (50%) and policy recommendations (53%) have been below the average. Also, the EP has played an over the average positive role on programmes (64%), but a much less favourable role as regards regulations (35%), where the dossiers, which have been negatively impacted by the EP are twice as high (20%) compared to the average. We also found this negative impact on regulations for the Council (38%) compared to the average of 21%.

Table 5



6. Impact of institutions on different policy areas

Though this is not the end of the story, if we look at different policy areas, we will find further interesting differentiations such as Table 6 for the EC and Table 7 for the EP are showing.

The support of the EC for our proposals as regards economic and finance policy dossiers (75%) as well as for support programmes (87%) are above the average of 61%, while the EC plays a less supportive role on

better regulation (39%), internal market and legal affairs (46%), as well as on social and employment dossiers (56%). Even more pronounced are the differences for the EP, where we found much stronger negative impacts in areas where strong interests of other stakeholders like trade unions, consumers and environmentalists exist, which is the case in Social and Employment, Internal Market regulations and Environmental dossiers. While on Economic and Finance and support measures as well, the EP supported UEAPME positions above average. Finally, we only saw limited support from the EP on better regulation.

Table 6

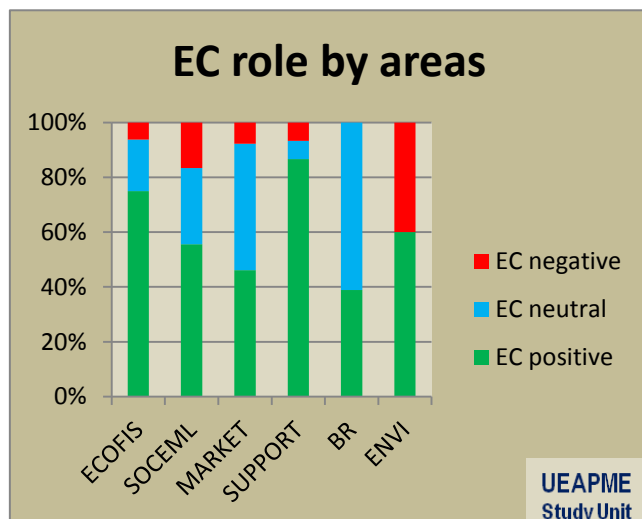
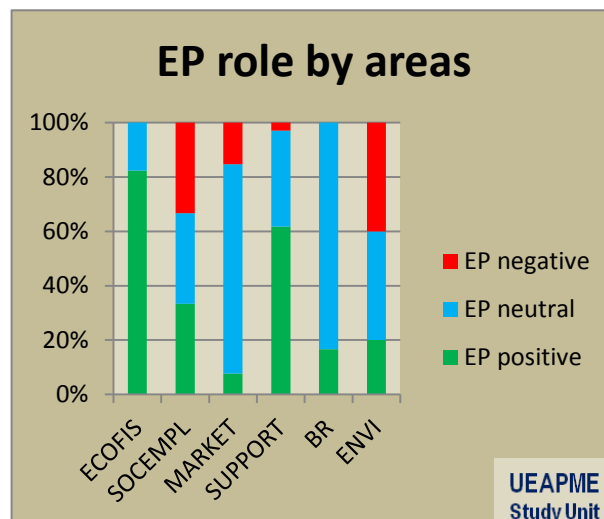


Table 7



For further information on this position paper, please contact:

Gerhard Huemer
 Director Economic and Fiscal Policy
g.huemer@ueapme.com