



"The voice of crafts and SMEs in Europe"

SBA implementation slowing down and far from being complete, survey finds

EU institutions fare better on legislation, worse on business support and administration; 8 out of 10 SBA areas trending downwards

Brussels, 5 October 2011 – Although more open to including SMEs' concerns in legislation, the European institutions still have a long way to go when it comes to "thinking small first" on business support and administration, according to a survey conducted by UEAPME, the European craft and SME employers' organisation (1). The "Think Small Test" and "SBA Implementation Scoreboard", released today to coincide with the European SME Week, aim to assess the extent to which the European institutions and national governments are fulfilling their commitment to respect the "Think Small First" principle and to implement the promises made in the Small Business Act. The European Commission and the European Parliament fared similarly, with results on legislation improving for the second year in a row and opposed to setbacks both on business support, probably due to the withdrawal of crisis support measures, and on administration, where they fell short of meeting the expectations they raised. Downward trends were also recorded in 8 out of 10 policy areas related to the Small Business Act.

"More than two years after the Small Business Act's entry into force, our survey shows once more that the commitments made and the expectations raised have been met only very partially in reality", said Gerhard Huemer, Director of the UEAPME Study Unit. "The EU institutions have clearly improved their act when it comes to consulting and involving SMEs in the decision making progress. Unfortunately, this is the only positive aspect, as our experts' marks decreased both on business support and on administration. Tighter budgets can be blamed for the former, while the unfinished business of 'better regulation' is clearly getting on our associates' nerves. On the concrete dossiers, we have recorded progress only on public procurement and on 'second chance' policies for honest bankruptcies. That is clearly not enough", he continued.

The European Commission and the European Parliament showed similar results on average in this year's **Think Small Test**, which measures the level of respect for the "Think Small First" principle in the areas of legislation, administration and business support services. The index for legislation gained five percentage points for the second year in a row, moving from 42% in 2009 to 52% in 2011. *"Our experts feel that the voice of SMEs now matter more in the EU policymaking process", explained Mr Huemer. However, the index for business support went in the opposite direction, possibly further to the phase-out of some crisis support measures due to tighter budgets. After an increase in 2010, the index for administration also went down this year, as the expectations generated on better regulation were not backed by tangible measures, according to our experts. At national level, Member States fared somewhat better in all three areas, with the average "Think Small First Index" being higher than the figures for both the European Parliament and the European Commission.*

When it comes to putting into practice the commitments made within the Small Business Act, the 2011 **SBA Implementation Scoreboard** recorded a falling average in the 10 policy areas examined at European level, from 48.5% in 2010 to 45.8% this year. Only two areas showed improvements, namely "second chance" policies for honest bankruptcies and public procurement. The largest absolute fall was recorded on State aid, followed by SME finance. The slowdown on both indicators is clearly linked to the cutbacks from crisis support measures, which are slowly being withdrawn. The score on internal market also decreased significantly, possibly as a result of protectionist tendencies in the analysed countries. *"Policymakers seem less willing to open their markets to foreign competition in hard times", commented Mr Huemer.*

"The take home message of our survey is that the implementation of the Small Business Act is slowing down and is far from being complete. This is very worrying news, especially in these uncertain economic times. Although the crisis clearly deserves their full attention, decision makers should refrain from putting SME policy on the back burner. Neglecting Europe's most productive companies would seriously delay the recovery. We hope that the newly established network of national SME Envoys and the SBA review will trigger a new momentum in this respect", concluded Mr Huemer.

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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 82 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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