

## Crafts & SMEs: driving the transitions

The European Union was founded to preserve peace and democracy in Europe. Economic and social progress is achieved through common action eliminating the barriers between countries, with the essential objective to constantly improve the living and working conditions of Member States' citizens, to strengthen the unity of their economies and to ensure their harmonious development by reducing the differences existing between the various regions.

This fundamental objective of the European Union will become a reality thanks to the efforts of 22,5 million small and medium-sized enterprises (SMEs). Small companies in rural and metropolitan regions alike provide for the daily needs of citizens, ensuring employment and social cohesion. Owner-managers are interested in the long-term development of their company and the local economy, rather than in short-term profits and boosting turnover. Crafts and SMEs have always been pacemakers to drive sustainable change and preserve heritage, values and know-how.

For SMEs to play their role successfully, policymakers in the European Institutions (European Commission, European Parliament and European Council alike) must take into account their specific characteristics. The big majority of companies in Europe – 93% – have less than 10 employees. In these micro companies, the owner-manager works side by side with their employees providing quality products and services to their customers. In addition, the entrepreneur also manages the company, stays up to date with new legislation and business developments, implements them in the company and takes care of administrative tasks. This generally happens in the evening and at the weekend.

The past years have been demanding for all of us, and in particular for SMEs. The pandemic resulted in the deepest recession Europe has seen since the second world war. The war against Ukraine, the related sanctions and the energy crisis hurt the whole society when recovering from the health crisis. Support measures allowed companies and households to overcome both crises. Nevertheless, this came with costs resulting in high inflation, indebted companies and high public debt levels. At the same time, the European Union put in place an ambitious legal framework to drive the digital and green transition. These regulatory changes generate considerable adaptation requirements, especially for SMEs.

The new legislative mandate 2024-2029 approaches. The European Union remains in troubled waters. Geopolitical changes, the climate crisis and demographic changes weaken the competitiveness and resilience of the EU economy. Mastering these challenges together will be decisive for the well-being of our citizens, the stability of our society and our democratic systems.

Europe can't buy its competitiveness, it has to be built. Entrepreneurs are the ones building it!

# SME priorities for European Elections 2024

SME representatives from across Europe agreed on their priorities for the 2024 European elections at the SMEUnited General Assembly in Stockholm in June 2023. The SMEUnited members put forward the following policy priorities allowing SMEs to drive the transition:

**1. SMEs thrive in an entrepreneurial regulatory framework**

**2. SMEs ask to ensure competitiveness**

**3. SMEs look for skilled staff**

**4. SMEs require access to resources**

**5. SMEs must be able to finance innovation and investments**

**6. SMEs require fair access to markets**

**7. SMEs want a stable economic environment**

An effective EU policy for Crafts and SMEs requires a holistic approach that takes all policy aspects and the specific impact of rules for SMEs fully into consideration. This policy should address all SMEs, and respect their diversity with regard to size and characteristics (crafts, micro, small, self-employed, liberal professions, etc.), sector and position in the value chain. This policy should also cover the whole “lifecycle” of an SME from creation, development to transfer or second chance.

Policy-makers as well as public administration should promote an entrepreneurial, business-friendly environment. Administration should be service-orientated and use digital tools to make procedures simpler, faster and cheaper.

SMEs are ready to drive the transition. Let them!