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Employers' Group

Newsletter

December 2017



The EU is ready for a digital revolution and for reaping its benefits – this was one of the conclusions of the conference on the Advantages of a Digital Society, which took place on 25 October 2017 in Tallinn, Estonia. The participants discussed various aspects of e-society and the Digital Single Market. Cyber security, societal trust, the free flow of data, the further development of infrastructure and getting rid of barriers hindering the Digital Single Market were just a few of the issues raised.

Digitalisation is already changing the way we operate our businesses. The revolution is here and everyone can benefit from it, underlined Jacek P. Krawczyk, president of the Employers' Group, in his welcome speech. He stressed that reacting to ongoing changes in good time and making swift adjustments to business models is key in order to succeed.

A well-functioning Digital Single Market is a must if the EU wants to benefit from technological advances, stated Toomas Tamsar, Managing Director of the Estonian Employers' Confederation. He pointed out that ongoing changes will soon require changes to taxation systems, which need to be adapted to new business models. The EESC has already responded to the request of the Estonian presidency by preparing an own-initiative opinion on taxation of the collaborative economy.

Oliver Väärtnõu, Member of the Board of the Estonian Chamber of Commerce and Industry, presented examples of the benefits that using e-services can have for businesses. He also highlighted the importance of cooperation between the public sector and the private sector in further developing e-society.

New business models come with a new mindset, said Kadri Simson, Estonian Minister of Economic Affairs and Infrastructure, in her keynote address. It is crucial to see digitalisation as an opportunity, not as a threat. She pointed out that legislation should help companies grow, rather than create new barriers. She gave specific examples of how Estonia deals with regulatory measures for a fast-changing business environment.

Best practice from Estonia and the introduction of digital services in Estonia

The participants on the first panel focused on the examples that Estonia provides as an e-society in the EU. The panellists also pointed out a number of areas where further improvement is needed.

Data flow between countries and businesses must be improved in order to provide border-free flows in real time. According to Janne Viskari, Director of Finnish Digital Services at the Population Register Centre, Estonia serves as a unique example of data flow, on account of having a proper approach to the subject. Estonia first

built an advanced secure infrastructure for data exchange and then started gradually implementing numerous e-services.

Cybersecurity and societal trust in e-services was another issue raised. Having been the target of a mass cyber-attack in 2007, Estonia is an excellent case study in that respect. According to Merle Maigre, Director at the NATO Cooperative Cyber Defence Centre of Excellence, the way in which the government dealt with this attack increased societal trust in e-services. To provide sufficient cybersecurity, an effort is required at state level, as well as from corporations and individuals. Similarly, e-society will not succeed without a sufficient level of trust between citizens, the government and the private sector. Having an appropriate level of private data protection and a sufficient level of transparency, and involving numerous stakeholders, made it possible to build such a significant level of trust in e-services.

Innovation comes first and the law follows, stressed Marek Helm, Head of Public Finance Management at Nortal. When discussing the regulatory framework for dealing with digitalisation, the panellists agreed that it is important that the law does not hinder innovation. There will be a number of complicated issues that lawmakers will have to face, such as difficulties in defining the "geographical" origin of data and providing "digital" sovereignty when choosing data storage facilities.

European Digital Single Market

In the second panel, the participants attempted to identify the main measures needed at EU and national level in order to foster the creation of a Digital Single Market.



The Employers' Group delegation participated in the Manufuture 2017 conference as well, which was also organised within the framework of the Estonian Presidency. This conference brought together almost 600 leading representatives from industry and academia, as well as political figures from all over Europe, with the aim of imagining the future of European industry and prioritising ways forward so as to shape technological development towards the year 2030.



Good regulation and regulatory certainty, tailored policies on skills and education that meet the requirements of an ongoing digital revolution, proper investment in infrastructure and close public private partnership on this are just a few issues that have to be tackled in order to create a Digital Single Market.

Siim Sikkut, Chief Information Officer and Deputy Secretary-General for IT and Telecoms at the Estonian Ministry of Economic Affairs and Communications, summarised the priorities put on the table by the Estonian presidency to speed up the creation of the Digital Single Market, including the legal basis for investment, e-commerce, cyber-security and the free flow of data.

Ulrich Samm, EESC rapporteur for the opinion on the European Gigabit Society, complained about the large fragmentation among operators in Europe and emphasised the urgent need to harmonise the systems and legal framework for data flow, etc. In order to provide equal access to digital services, significant public investment in infrastructure in remote and peripheral areas is also needed.

A digital society is not simply a nice thing to have; it is the only thing to have, concluded Viljar Lubi, Deputy Secretary-General for Economic Development at the Ministry of Economic Affairs and Communications, in his closing keynote speech. He pointed out that digitalisation makes competition even more global than before. He also referred to another aspect of digitalisation – robotisation – and the consequences it has for labour markets and business models.

The conference was organised jointly by the Employers' Group, the Estonian presidency of the Council of the EU, the Estonian Employers' Confederation and the Estonian Chamber of Crafts and Industry.



Later on, the group visited the e-Estonia showroom, where they took part in a presentation on mechanisms involved in digitalising society and on available e-solutions and services. The main challenges and policies were explained, as well as the technological basis for an e-society. Members also had a chance to learn about the opportunities that e-residence gives to both citizens and the Estonian economy.

Estonian Chamber of Commerce and Industry: PRESIDENCY WAS AN OPPORTUNITY AND A CHALLENGE FOR ESTONIA

Estonia held the Presidency of the Council of the European Union during the second half of 2017, which means that Estonia played a big part in organising and leading the most important meetings across the European Union during that period. The Estonian Chamber of Commerce and Industry is the biggest and oldest business organisation in Estonia, representing local companies in Estonia and abroad. Mait Palts, Director-General of the Estonian Chamber of Commerce and Industry, spoke about representing Estonian entrepreneurs in the EU and their role during the presidency.

What are the main activities of the Estonian Chamber of Commerce and Industry in the EU?

The main aim of the Estonian Chamber of Commerce and Industry has always been to help entrepreneurs – help them find new markets, make them more effective, help them be better employers, and generally help them cope in the environment that the states have created. In doing that, our focus has been on national cooperation, but everything that happens beyond our borders is increasingly important for entrepreneurs.

The Chamber has been helping entrepreneurs to reach the European single market since the opportunity arose after Estonia became independent and opened its borders. For us, the most important thing has been everything characteristic of and conducive to progress in the EU – believing in free market economy, free movement of goods, capital and people as well as a transparent and clear playing field for all businesses.

Throughout the years, the Estonian Chamber of Commerce and Industry has valued and contributed to many pan-European activities and processes – Eurochambres, Enterprise Europe Network, Europe Direct and most importantly, the European Economic and Social Committee. At European level and around the world, it is important to cooperate and have many good friends as well as people who think alike beyond the borders of our own country. Cooperation is the key to success and to creating the best opportunities for entrepreneurs.

Why are the Chamber's activities regarding the EU important?

Estonia is one of the smallest economies in Europe. Therefore, it is important for our businesses and economy that we have borderless trade and an opportunity to be active around the world. The EU market has been our domestic market for a long time and it is very important that we offer our entrepreneurs every opportunity that can contribute to their success. Accordingly, we think that it is very important that we bring the concerns of Estonian entrepreneurs, if necessary, to decision makers at the highest level and so help make Europe even more entrepreneur-friendly.

Europe must become more entrepreneur-minded, because this is the only way we can ensure the well-being of our children and grandchildren. We must be committed to this task and cannot forget that it is entrepreneurs who create new value and new jobs.

It is undoubtedly important for Europe that while the business environment that we have created together supports entrepreneurship, our education system promotes an entrepreneurial mindset and the state interferes with that as little as possible.

How has the Chamber been involved in the Estonian presidency?

Holding the Presidency of the Council of the European Union has helped Estonia and its Chamber and entrepreneurs to highlight topics that are paramount for us and in which we are competent – be it issues related to developing the digital single market, which have significant development potential, or the functioning of the single market as a whole. I believe that we have considerable work ahead of us if the EU's internal market is to function as we want. We must keep up our efforts to achieve this goal.

Both during the preparations for the presidency and during the presidency itself, the Chamber has cooperated with our policy makers to help set Estonia's priorities. It is important for entrepreneurs that their voice is heard during the presidency and that agreements between Member States support them. The Chamber has helped organise the Annual Conference of the Enterprise Europe Network, which brought representatives of entrepreneurship support structures from around the world to Estonia. Furthermore, we have been able to support the European Economic and Social Committee in organising events in Estonia and to contribute to the organisation of the high-level European Eastern Partnership Forum. Cooperation has been key for these activities as well.

In your opinion, what has been the presidency's main impact on Estonia's economy?

The presidency is an opportunity as well as a challenge for Estonia. We have taken it very seriously and contributed 110% to it. This is an opportunity to bring topics that are important to us to the highest level in the EU and to bring more Europe to Estonia. Although support for the EU has always been high among Estonians, the presidency has given us the chance to bring Europe even closer and help Estonia understand the challenges facing Europe. This is important to keep Europe united. We are always ready to contribute to that.



ESTONIAN
CHAMBER OF COMMERCE
AND INDUSTRY



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Resource efficiency: A VITAL ELEMENT OF CLIMATE ACTION

Resource efficiency - the efficient use of natural resources - has not been a visible element of climate negotiations even though better resource management is a vital approach to climate change mitigation in practice. Resource efficiency was, however, discussed in some of the COP23 side events and it is also on the agenda of other international fora such as the G20.

Perfect fit with business logic

From the business point of view, resource efficiency is a natural approach because it is completely in line with basic business logic: improved cost-efficiency and better productivity. It also has a perfect fit with market demand in terms of the expectations of customers and investors. Accordingly, ever more companies want to take their share of fast-growing markets and provide solutions that help improve the resource efficiency of their customers. This multiplies the impact of individual solutions.

Digitalisation in its different forms is one of the trends that increasingly enhance resource efficiency. The Internet of Things, robotics and Artificial Intelligence are an essential part of the development of industrial, energy and transport systems. Digital solutions contribute both to the functional and resource efficiency of these systems, and ultimately result in better environmental and climate efficiency. In addition to technical improvements, digitalisation also enables the introduction of nontraditional business and consumption models, such as mobility as a service.

The move towards a circular economy is definitely another trend that can improve resource efficiency and create added value in many ways, partly linked to digitalisation. Simultaneously, it can contribute to considerable reductions in greenhouse gas emissions through direct improvements in energy efficiency and indirectly through increased reuse, sharing, recycling or remanufacturing.

In terms of climate change mitigation, the "carbon cycle" is the most relevant aspect of the circular economy. To this end, a circular bioeconomy – while generating economic and social benefits - might have great potential to balance carbon emissions and sinks by capturing carbon from the atmosphere into growing biomass, transferring it into bio-products and replacing fossil energy with renewable bioenergy.

Innovation and partnerships are the key

During COP23, numerous excellent examples of climate action were presented, many of them related to resource efficiency. It was also demonstrated that significant potential for emission reductions could be reached by scaling up existing technologies and good practices. Up-scaling of existing measures is attractive as it is obviously the fastest way to make progress.

On the other hand, one should not stick too closely to existing practices because the climate challenge is so huge that it requires completely new solutions as well. Fortunately there are a lot of



Tellervo Kylä-Harakka-Ruonala attended the COP23 high-level panel discussion on "The importance of resource efficiency in the successful implementation of the Paris Agreement"

opportunities, and the sky is the limit for innovating. For example, Artificial Intelligence could help find unprecedented approaches and solutions to resource efficiency and climate change mitigation by enabling the examination of complex systems - including the carbon cycle and the circular economy - that are otherwise difficult to manage.

The transition towards a resource-efficient, circular and low-carbon economy requires changes across the whole of society which cannot be achieved by top-down centralised decisions. It is businesses, workers, consumers and civil society in its entirety who bring about change in practice. The key question, then, is how to facilitate these bottom-up initiatives and encourage the actors to go ahead.

Businesses and other civil society partners are used to taking the lead by themselves. Cross-sectoral cooperation is one of the success factors of increased resource efficiency and climate action. Business ecosystems that gather companies and enterprises of different sizes and from various sectors to work together – in partnership with other stakeholders - help generate new solutions and increase the overall efficiency of value chains.

COP23 showcased the fact that civil society climate action is a reality, a fact that was also acknowledged by governments. This does not, however, reduce the crucial role of governments and other policy-makers as facilitators and enablers. Climate negotiations should ensure a long-term, solid and predictable policy framework in order to encourage stakeholders to innovate, invest and operate. It is also desirable for resource efficiency, the circular economy and climate change mitigation to be handled in an integrated way so as to guarantee the necessary policy coherence.



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Germany's future in Europe

Regardless of whether or not there are new elections, many of the questions in the negotiations on any new government in Germany are European questions. Not because everything is being viewed through a European prism, but because they are challenges that logically arise in reality in every EU country.

We employers are calling for a better overall environment for competitiveness, which is the absolute priority if we wish to remain strong not least to meet social requirements. Even in Germany – with its solid economic performance and low unemployment – it cannot simply be a case of "business as usual". We need to think more about the foundations of production and less about regulation and redistribution. Production must first take place – as effectively as possible – before redistribution is even possible. We need to ensure sustainable competitiveness and in particular strengthen innovation mindsets, facilitate excellent education, remove unnecessary red tape and tackle excessive burdens. Only then can we guarantee prosperity, employment and social equality in a way that is reliable and sustainable.

The fact that many countries in Europe are better off today than a few years ago is due first and foremost to the competence and hard work of businesses and their staff. Upcoming structural reforms must aim to boost economic and labour market resilience, including in economically difficult times. They also need to take effect before the problems are so widespread that they may jeopardise growth and jobs. This is all too often not taken into account with regard to demographic change and digitalisation – unfortunately not only here in Germany.

In Germany, as in many other European countries, excessively high social security contributions may end up being an obstacle to economic success as labour becomes too expensive. Nevertheless, time and time again promises are made regarding additional benefits, without regard to the fatal consequences. Total social security contributions in Germany are already increasing by around 50% within a generation because of demographic trends alone – without a single improvement in social benefits beyond the status quo. Who would want to place that burden on their children and grandchildren? We don't! This burden must therefore be kept safely below 40% and any scope for the responsible reduction of contributions – however small – should be used.

The French president was right to call for basic social and labour market reforms, which are currently being implemented in many areas. He is right to follow his own French path here as there is no blueprint for the right reforms: each country has its traditions, its tried and tested approaches and idiosyncrasies.

But one factor is the same everywhere: trade unions and employers are always more familiar than politicians or state officials with the practical challenges and problems that their businesses must overcome with respect to their workforces. This means that they are able to come up with the most viable and innovative rules on working conditions. The right fundamental approach would be to prioritise the social partners all across the EU. Of course, employers and trade unions will also need to measure up if responsibility is properly allocated. They must assume responsibility for seeking solutions. This requires



cooperation based on trust, rather than destructive confrontation. In France, the large and proud CFTD trade union appears to be increasingly gearing itself towards this idea of genuine social partnership. It is to be hoped that it will pursue this path consistently and that many others will follow suit.

In Germany, thanks to a functioning social partnership, young people in particular have better career and economic prospects than in most countries within and outside the EU. Nevertheless, the future governing coalition needs to agree to step up in efforts in education policy. Germany cannot fall behind in education for the sake of the future of younger generations. The unique situation that is federalism – in Germany the federal states are responsible for education – cannot be mapped onto other Member States: however, the particular impact of digitalisation on the demand for education and qualifications is something that affects the whole of Europe. Politicians must modernise the education system and make it fit for the future and, together with the social partners and through further training efforts by businesses for Economy 4.0, they must help ensure a sustainable supply of highly trained workers. Strengthening dual vocational training through vocational schools in Germany is the top priority in this context.

As important as good prospects are, particularly for young people, the aim of responsible policy must be to nurture all talents and make use of employment potential. Not least this means supporting the long-term unemployed, improving the balance between work and family life across the board through all-day schools and nurseries, and creating more flexible arrangements for transitioning to retirement, in order to integrate older workers on an individual basis. We also need to encourage more talent to come to us from abroad for training and employment – the revision of the Blue Card Directive could be beneficial here if this is tackled as called for and suggested by the EESC in its opinion.

The position taken by the new German government in the European Council will be important. The European Pillar of Social Rights has now been enacted, but the new government should resolutely oppose EU competence creep by the back door in the area of social policy. It should monitor the announced introduction of a European Labour Market Authority and other efforts towards EU centralisation with a very critical eye, in order to ensure that fundamental EU principles such as subsidiarity and the autonomy of the social partners are not called into question. Small-scale EU

interference in Member State affairs should be avoided for the sake of the EU's future and support for it.

The revision of the EU Posting of Workers Directive is being dealt with in the trilogue. This is the last opportunity to prevent increased complication and the resulting restriction of the freedom to provide services in Europe, and instead opt for better enforcement and monitoring of existing rules. The European single market relies on competition. But hampering or even obstructing competition through selfish protectionism strikes at the roots of Europe's prosperity.

The new German government has a lot to do in order to prepare the country for the future – on challenges that are facing Europe as a whole.



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Analysis of the 2017 parliamentary elections in Austria

The Austrian parliamentary elections of 15 October 2017 were shaped by the following exceptional facts:

- For the first time in recent election history, the second strongest partner in a coalition managed to become the strongest force in terms of votes and number of seats.
- In no previous elections were voters so "mobile" and willing to switch their vote to another party as in these.
- In no previous elections did tactical voting play such an important role.
- In no previous parliamentary elections was the election campaign so hard fought, with such intensive use of "dirty campaigning".
- In no previous election was mass media reporting so intensive and extensive.
- In no previous election were the internet and social media even remotely so significant.

What were the main reasons for the spectacular outcome of these elections?

- The strong desire among voters to replace political deadlock with renewal and change. The Austrian People's Party (ÖVP) candidate, Sebastian Kurz, geared his campaign towards this sentiment with the promise of ensuring change. This was one of the key reasons why his voters placed their trust in him.
- The agenda was dominated by the issue of migration and integration. More than any other, the problems associated with this issue mobilised, stirred and polarised public opinion and the process by which voters made their decisions. Migration and integration issues dominated the agenda of this election campaign, relegating all other political issues to the background.
- The high priority given to tactical considerations when deciding to vote for a party. Many voters wanted to use their vote to prevent or bring about a particular coalition.

In order to understand the radical changes to the political balance of power, one must be aware of the prevailing opinion among two thirds of the electorate that things had taken a wrong turn in Austria in recent years. The reasons particularly cited for this were: a misguided immigration and asylum policy, the alleged abuse of



the social security system by foreigners, dangers linked to radical Islam, such as the risk of terrorism, and the impression of Austria's borders still not being sealed. It was not until much later that this was followed by a bottleneck in policy reform, the ongoing disagreements between the coalition parties, rising petty crime and noticeable dissatisfaction with regard to economic and social issues. These policy issues gave rise to a desire for a large-scale transformation of the political status quo and for new answers and a new style of politics. Sebastian Kurz, with his radically refocused ÖVP, renamed "Liste Sebastian Kurz – Neue Volkspartei" (Sebastian Kurz List – New People's Party) was best placed to meet these expectations. Aside from the very general commitment to representing change, progress and reform, Sebastian Kurz consistently focused his election campaign on the discontent linked to the influx of "foreigners" and "refugees" and marginalised all other issues. In this area, he fought a strong contest against the FPÖ, which has traditionally seen this as its core issue.

Much less importance was placed on "traditional" election campaign issues, such as: the tax and contribution burden, which is above the international average; the loss of earnings in real terms in recent years; the inadequate wages among certain occupational groups; the issues surrounding pensions, healthcare and jobs, as emphasised in particular by the SPÖ, along with its concern that the social security system would be dismantled by a coalition of which it was not a part.

In this context, Sebastian Kurz's highly professional online and offline election campaign proved successful. It focused on the issue dominating public opinion and dispensed with any detailed programme, replacing this with an extensive "personality campaign", supported by large donations from industry and private donors as well as a generous marketing budget.

The SPÖ on the other hand spent the entire campaign searching for the right strategy, alternating between positioning their incumbent chancellor, Christian Kern, as an Austrian Macron, and

the semantics of 19th century class struggle. The intense "dirty campaigning" also ultimately proved to be highly counterproductive.

The parliamentary elections have shifted the political balance of power in Austria. The definitive removal from office of the incumbent chancellor, the reversal of positions between the strongest and second strongest parties, and the demand of the New People's Party, with the biggest number of votes and most seats, for Sebastian Kurz to be made chancellor in the coming years: these are the most noteworthy consequences of these unusual elections, which could truly be described as "crossroad elections".

Coalition talks are currently taking place between the New People's Party and the right-wing populist FPÖ, after the SPÖ announced that it would be joining the opposition. It is as yet difficult to assess what consequences a government involving these two parties will have on Austria's position in the EU and on its international reputation, as well as on Austria as a place for doing business. The issue of Europe scarcely featured in the election manifestos of either party and generally speaking played a marginal role in the election campaign. Although the FPÖ has softened its position on the EU, having until very recently been decidedly critical, or even dismissive, one must be sceptical about a clear and reliable pro-EU policy from a government that includes

the FPÖ. With Austria's EU presidency in the second half of 2018 approaching, this is not without its problems. To what extent Sebastian Kurz will have the will and capacity to make Europe a key issue and place it at the top of the government's agenda remains to be seen.

Following the departure of the traditionally pro-EU Greens from the parliament, there is now only one party in the national parliament – the liberally-oriented NEOS – whose commitment to the EU is sustained and unambiguous. The fact that the NEOS will play a key role in creating a constitutional majority for any ÖVP-FPÖ coalition government could provide a future Chancellor Sebastian Kurz with valuable support for a pro-EU stance from the government.

The text is based on: Plasser/Sommer "Richtungswahl 2017" (Crossroad elections 2017)



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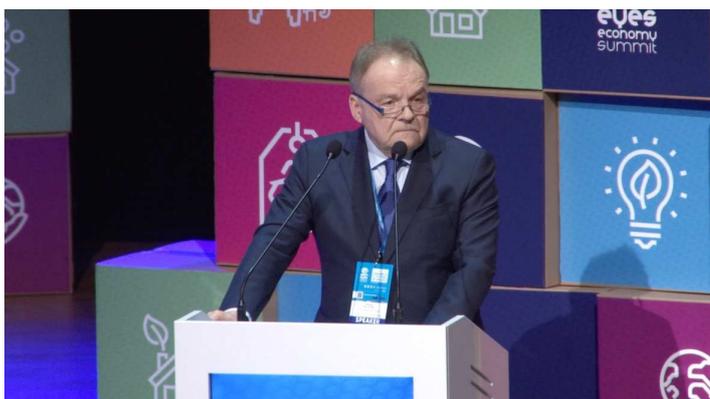
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Open Eyes Economy Summit

On 14 and 15 November, the second Open Eyes Economy Summit was held in Cracow - an "open eyes" congress dedicated to the idea of an economy based on social values. The programme covered five themes: Firm-Idea, intangible assets management; City-Idea, urban circular economy; Brand-Culture, fair trade-fair game; Man-Work and; International Governance - macroeconomics applied to solve problems at municipal, regional, national and international level.

Two thousand people and two hundred speakers took part in the conference. The programme was addressed to business (how to apply the principles of an economy based on social values in their own sector), to start-ups (how to use their social and business potential), students (how to plan their own development),



marketing (how to build relationships based on the VALUE > TRUST > PROFIT model), academia (how to cooperate with business) and non-governmental organisations (how to build relationships together so as to ensure the common good at the interface between society-business and public institutions).

OEEES received the honorary patronage of the EESC. The EESC president Georges Dassis was represented in Cracow by the vice-president Gonçalo Lobo Xavier. Polish employers were the co-organisers of the Congress, responsible for the section of the programme entitled Man-Work. During the opening session, Andrzej Malinowski asked what the future of work would be, how it would look in the future. He wondered whether we were ready for phenomena such as jobless growth or the gig economy culture. He spoke about the impact of changes in the labour market, the penetration of private and public space, the blurring of the boundaries between the place of work and the place of rest. New trends will shortly become everyday reality. Therefore, we should prepare ourselves now, for example, by aligning labour law to future challenges and developments. Legislation must keep pace with reality.

SMEs, Craft and Family Business category: FUTURE PRIORITIES, CURRENT CHALLENGES

Pietro Francesco De Lotto has been elected new spokesperson for the EESC's SMEs, Craft and Family Business category. On 6 November 2017, category members discussed the category's future priorities. In the afternoon, two discussion panels were held. The first focused on how to take better account of the needs of SMEs when shaping and implementing supporting policies and measures. The second dealt with improving access to finance for SMEs when shaping and implementing supporting policies and measures.



Many of the participants complained about the current inadequate definition of SMEs and pointed to areas which should be improved in the future. A number of aspects should be considered when preparing the next definition of SMEs, such as a stronger industrial base to strengthen competitiveness, the promotion of entrepreneurship and entrepreneurial spirit, and the establishment of a regulatory environment which factors in SMEs.

The definition of SMEs must be adapted to stop the creation of obstacles to capital and finance. The next MFF should support the internationalisation of SMEs and allocate funding for digital innovation hubs in the EU. It is important to allow for the wide variety of types of SMEs in order to enable them to develop in a diversified ecosystem.

Category Priorities

The EESC has long been involved in supporting the very complex world of SMEs, helping to provide them with a friendlier economic, legal and financial environment. In order to strengthen our commitment, the EESC's bodies have decided to split the former SMEs category into two parts. The aim of the newly created "SMEs, crafts and family business" category is to widen the horizon of the former category's mandate.

We want to focus renewed effort on these crucial economic and social agents. Over the last decade, SMEs have helped to sustain investments, while at the same time maintaining employment rates and overcoming, often with great difficulty, the financial constraints of a restricted credit market or unfair late payment practices.

Nevertheless, SMEs remain the real backbone of the European economy. In recent years they have come face-to-face with new economic and industrial developments. They will have to deal with many challenges in the near future. Innovation and digitalization, vocational skills, and easier access to financial markets are needed. Overregulation and administrative burdens should be severely curtailed.

Referring to the incoming period, we feel that the outdated definition of SMEs should be adapted so as to reflect the current diversified nature of these kinds of enterprises.

On the other hand, the concept of "crafts" is another issue that needs to be dealt with. We need to think about craft companies as having the entrepreneurial value of custom manufacturing. As such, the size of a company should not determine whether it can be (legally) classified as a craft company.

All in all, both national and European organisations have a lot of hard work to do together in order to achieve the full implementation of the THINK SMALL FIRST approach.



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