



SUOMEN YRITTÄJÄT EUROPEAN ELECTION
PROGRAMME IN SUMMARY



Sustainable growth for Europe

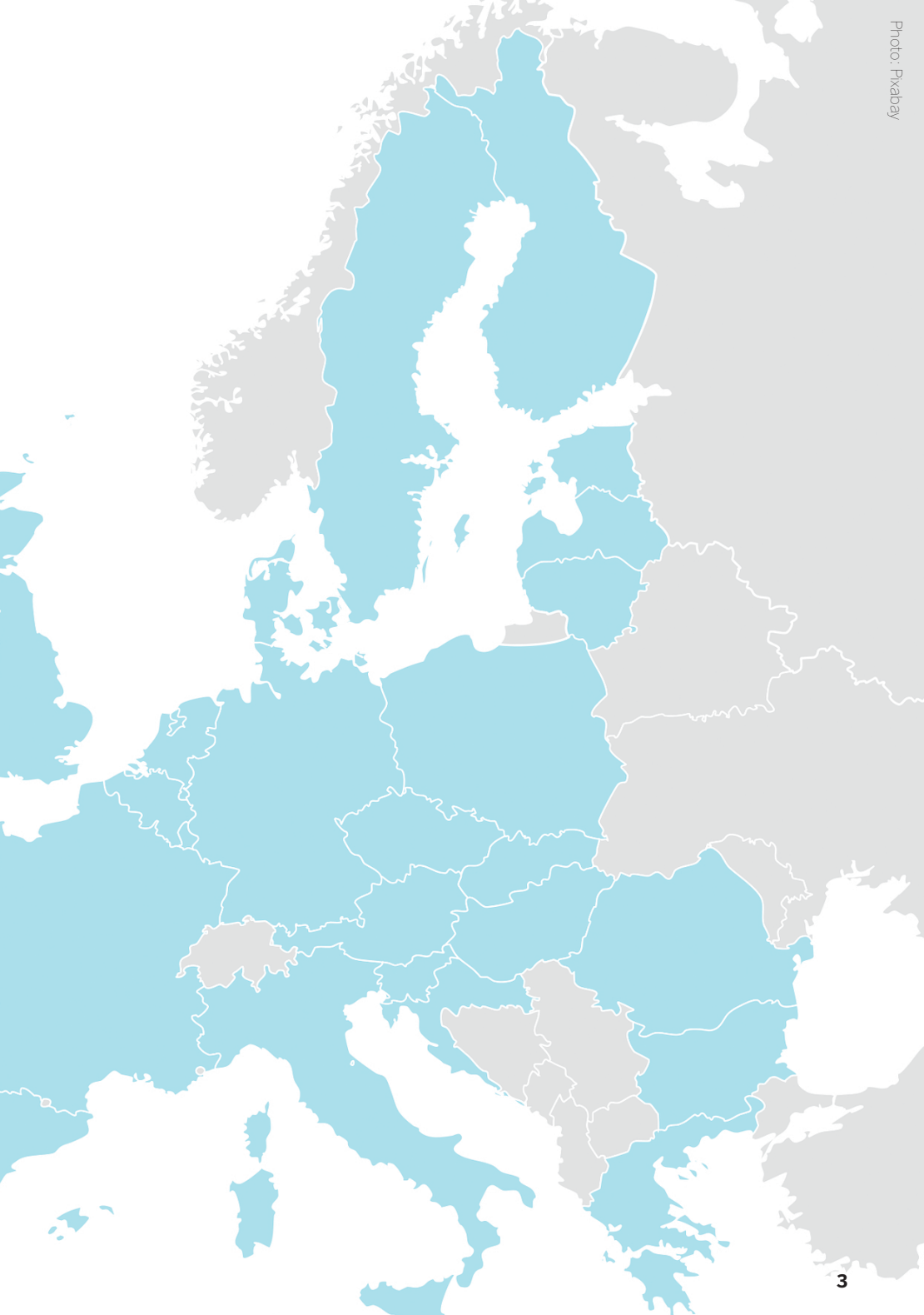
The upcoming European Parliament elections are important for small and medium-sized enterprises (SMEs). Suomen Yrittäjät, the Finnish SME organization, is actively working on EU affairs both in Finland and in Brussels. Our 115,000 members also make us a large business association on the European scale.

The EU provides businesses with a home market of almost 500 million consumers. EU membership means that all Finnish citizens are also EU citizens. The four freedoms of the EU, the movement of people, goods, services and capital, have made citizens better off and given European businesses a competitive advantage on the global market.

The EU single market is also a home market for Finnish businesses. Sixty per cent of Finnish businesses' exports go to other EU countries and 73% of imports come from within the EU. Harmonized EU rules guarantee a simplified business environment for SMEs. Products and services move relatively freely across borders and EU rules have established fair competition in the single market.

There are over 24 million businesses operating in the EU. Of these, 99.7% are small and medium-sized, with fewer than 250 employees. The vast majority of European businesses (94%) employ fewer than 10 people.

Single-person businesses play an important role in the entrepreneurial community, representing 61% of all businesses. Three out of four jobs are created in SMEs. SMEs are the best guarantee of European employment and employee welfare.



In the entrepreneurial Europe envisioned

GROWTH COMES FROM THE SINGLE MARKET

SMEs' opportunities for growth must be improved by strengthening single market rules and facilitating cross-border trading. Existing barriers in the digital single market must be removed for businesses and consumers to fully benefit from the digitalized economy.

- The single market is one of the EU's greatest achievements. It provides businesses excellent opportunities to grow and scale, and for many SMEs it is the first step towards expanding outside the EU. It must be strengthened through better implementation of existing single market rules, in particular in the field of services, as well as creating new harmonized rules, where needed. The single market offers companies excellent opportunities to grow and develop, and for many SMEs it is the first step towards expanding outside the EU.
- Digitalization must be promoted in all sectors of the European economy. The European digitalized economy should be built on five pillars: free flow and access to data, artificial intelligence (AI), the platform economy, digital skills and creating mutual trust between stakeholders in the digital economy.
- The importance of scientific research, product development and innovation to the growth in the single market must be better acknowledged in European decision making.

THE LOW-CARBON ECONOMY ADVANCES

The EU has to take an active role and invest more in tackling climate change. Emissions must be reduced cost-effectively. Businesses also have an important role to play here, especially in developing and innovating low-carbon technologies.

- The EU has to invest more in tackling climate change. Businesses are a crucial part of this, as the demand for low-carbon technology is growing exponentially in Europe and globally.
- Emissions must be reduced cost-effectively to avoid unnecessary costs for the economy and SMEs. The EU, through its research and innovation policy, can speed up businesses' shift to a low-carbon economy and promote their globally pioneering status in clean technology.

HIRING IS EASIER

Facilitating employment and making it easier for companies to hire new staff should be a central goal for new EU regulation. The labour market does not need more restrictions. Instead, negotiating employment terms at the local level in companies should be encouraged throughout Europe.

- The social dimension has recently gained relevance in European decision making. However, a social Europe should not be taken for granted, nor can it exist without successful businesses. A social Europe also requires a high employment rate.
- Making hiring easier must become a strategic goal of EU labour regulation. A better balance should be struck between the principle of employee protection and a functional labour market. The labour market should not be burdened with restrictive regulation. Employment terms should be negotiated locally at company level.
- The European population is ageing so rapidly that immigration is needed to ensure SMEs' access to labour. Under the principle of free movement of labour, workers can move to places that are short of labour and skills. To further promote labour mobility in the EU, it is important to ensure that workers and entrepreneurs have access to adequate social security when crossing national borders.
- European businesses have an average of five employees. When preparing labour and social legislation, stakeholders, including SMEs, must be sufficiently consulted. Scientific research, product development, innovation and skills are the most important source of European growth and well-being. A shortage of skilled labour weakens SMEs' growth and competitiveness across Europe.
- The EU can strengthen its skills base by coordinating member states' educational cooperation and by promoting the mobility of students and more experienced workers.

THE ECONOMY CREATES SUSTAINABLE GROWTH

When drafting financial regulation in the EU, more attention should be paid to the impact to the end clients, particularly SMEs seeking finance. The fundamental structures of the economic and monetary union need comprehensive reform.

- The EU's economic policies need to be coordinated more efficiently. A sound financial policy guarantees an environment for healthy economic growth. The fundamental structures of the economic and monetary union must be reformed: this should be one of the key tasks for the EU.
- Bank lending still plays an important role in financing European businesses, especially SMEs – the smaller the business, the more dependent it is on banks. Therefore, more focus should be paid to the overall effects of financial regulation, especially the impacts on the access and pricing of finance for SME clients.
- EU initiatives on taxation should acknowledge the trends and changes in the global taxation framework.

THE EU BUDGET SUPPORTS GROWTH

The EU's financial resources should be used to support economic growth, employment and SME competitiveness.

- If the UK leaves EU, the common budget may shrink. In that case, targeting EU's budget on actions that support growth will be even more important. Significant cuts to the Common Agricultural Policy in a post-Brexit budget scenario have already been proposed. Reforming and critically re-evaluating the CAP is necessary and timely.
- The EU's budget should be used to support elements that are important for the EU's future such as economic growth, employment, SME competitiveness, skills, the adoption of new technology, and research and innovation. The terms and conditions for cohesion funding must be reformed in a way that supports structural reforms that strengthen competitiveness and innovation in the economy.

- The next multiannual financial framework (MFF) needs to create stronger synergies between spending programmes. The application and reporting procedure must be simplified and standardized so that it is also more accessible for SMEs.

THERE IS BETTER REGULATION – WHICH IS VITAL FOR SMEs

**EU regulation must always be based on citizens' and entrepreneurs' actual needs.
Regulation must always be preceded by a careful impact assessment.**

- A large proportion of national legislation is derived from EU regulation. Well prepared and evaluated regulation increases economic activity and improves competitiveness. However, regulation also often creates additional administrative and economic burdens on SMEs. That is why, as a rule, EU regulation should always include a thorough impact assessment to ensure that regulation meets entrepreneurs' and citizens' actual needs.
- Regulation must achieve its goals simply and smoothly, keeping costs as low as possible. SMEs' administrative burden should not be increased through additional reporting obligations. The EU needs to offer enough incentives for entrepreneurship and to allow the single market to work in the best possible way, including for the interest of European consumers.
- At the core of better regulation is comprehensive consultation of those affected. The principle of better regulation and Think Small First are established in the EU's entrepreneurship programme, known as the Small Business Act. This programme, launched in 2008, must be reformed to meet the challenges SMEs will face in the 2020s.

SMEs create jobs and growth.

Suomen Yrittäjät – The Federation of Finnish Enterprises, with its 115,000 members, is a large business association representing small and medium-sized enterprises. We are working to create a better entrepreneurial environment both in Europe and in Finland. Suomen Yrittäjät is also part of the community of European SME organizations. Our European partner, SMEUnited, represents over 12 million European SMEs through its member associations. Suomen Yrittäjät has its own office in Brussels, through which we take part in advocacy work in Brussels every single day. We also cooperate closely with Nordic SME organizations.

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