



“By supporting our SMEs we can help Europe emerge stronger than ever”

SMALL BUSINESS

MATTERS

The Small Business Act was introduced across Europe in 2008. Two years on, **Arlene McCarthy MEP** explains why the governments of EU member states must think small first

During the first eight years of this decade, small and medium-sized businesses (SMEs) have been responsible for 80 per cent of job creation in the EU. In fact, Europe's 23 million SMEs have created one million jobs between them in every one of those eight years. This means that work has been found for a total of eight million additional employees thanks to the role of SMEs in our economy. It is a success that must be built on if we are to ensure a strong and sustained recovery from the global financial crisis.

For these reasons alone, policy makers in the UK and across the EU must commit to, and apply in practice, the measures set out in The Small Business Act. Launched in 2008, this Act is more than a set of proposals, although some of the specific elements such as the European Private Company statute are important in their own right. It is an ongoing commitment from the EU to back our SMEs and to 'think small first'. Scrutinising the implications of all our regulations for SMEs will put them

at the heart of our policy making, and at the same time make progress on improving regulation across Europe.

It is important to acknowledge why we need change and where past approaches have not worked. A company local to my region (the North West of England), headed by a committed and able scientist, has successfully competed against big global companies to make an antiseptic product, which is a real achievement for one of the few remaining European SMEs in this sector. Yet the Biocidal Products Directive is threatening its survival.

We should never compromise on safety, but in practice, the Directive has required a duplication of work testing the chemical used, with the same multimillion-euro cost footed by this SME as its multinationals competitors.

We risk putting a European employer out of business to make way for non-EU giants simply through neglecting the needs of SMEs rather than carefully SME-proofing EU law and avoiding unintended consequences. In fact, as a review of that Directive

23 million
Number of SMEs
in Europe

is now underway, a simple solution that requires co-operation between companies to test a product and a fair sharing of the cost has been proposed. I hope this will be implemented in time to save this business and the local jobs that depend on it.

Examples like this are why 'think small first' is a crucial commitment that has to be enacted in all EU laws. We can ensure that regulations are appropriate to the needs of small businesses while still protecting consumers, and by supporting our SMEs we can help Europe emerge stronger than ever from the economic challenges we now face.

Legislators in London and Brussels must be held to account to ensure we do not just pay lip service to supporting SMEs but demonstrate with good and effective policies and smart laws that we will put in place practical and concrete support for our SMEs, which have the potential to put us back on the road to recovery.



ARLENE MCCARTHY

First elected to the European Parliament in 1994, Arlene McCarthy has been a Labour MEP for the North West of England since 1999. She is also the Vice Chair of the Economic and Monetary Affairs Committee, which is responsible

for the economic policies of the European Union and the regulation of financial services