

# Recovery Strategy

## Declaration of the Board of Directors

**SMEs in Europe** have been affected by the COVID-19 crisis and many of them lost more than 80% of turnover during the last months. Many small businesses have or face a risk of insolvency and many parts of our economy are at a stand-still. Therefore, SMEUnited, the Association of Crafts and SMEs in Europe, calls for a **bold, ambitious and targeted Recovery Strategy including a European Recovery Fund**.

The strategy needs a strong focus on Crafts and SMEs, allowing them to recover, to preserve and create jobs and skills, to stay solvent and to be resilient in the future. To this aim, the Recovery Strategy should be based on the following **principles**:

1. The strategy should use the **twin transition** to create stimulus for a **recovery** as well as increase the competitiveness and resilience of Europe's economy at the same time. However, both, the implementation of the **Green Deal** and the **digitalisation** should respect the capacity of SMEs to adapt. Moreover, we have to put in place realistic interim targets and provide the required support measures. Therefore, a reinforcement of SME Policy through a strong and **effective SME Strategy** is required.
2. The recovery and the twin transition demand massive investments and should be supported by a **European Recovery Fund** and a revamped Multiannual Financial Framework. This should be based on the principles of **solidarity and responsibility** and contribute to strengthen the **fiscal resilience** of all Member States and the EU as a whole. Furthermore, it should aim to crowd-in private investment and to support the solvency of companies having suffered most from the crisis. The recovery should also cater for **an ambitious innovation policy, reinforced upward convergence, cohesion and rural development policy** to tackle demographic change and **revitalise rural areas and city centres**.
3. The **Green Deal** can maximise its contribution for the recovery, if actions with positive effects on growth in Europe are prioritised. This is especially the case for **'the renovation wave'** and **the circular economy**, by creating particularly shorter value chains and taking advantage of local opportunities, incentivising maintenance and repair services and industrial symbioses. Great care should be given not to have detrimental effects on specific sectors, such as retail, services, etc. whilst generally incentivising re-localised activities within the EU. In addition, the EU should increase investments in **renewable energy, energy independence** and **interconnection networks**.
4. Investing in **digitalisation** will strengthen growth and innovation after the COVID-19 crisis. The **European Digital Strategy** should be implemented more ambitiously: Crafts and SMEs demand fair and, if necessary, legally regulated **access to data**. Furthermore, existing gaps as regards digital infrastructure, digital services and tools that appeared – particularly –

during the COVID-19 crisis should be analysed and remedied. Finally, **fair competition** between SMEs and digital platforms must be ensured.

5. Crafts and SMEs should benefit from modern and flexible education and training systems which put emphasis on replying to labour market needs, **ensure employability** and **facilitate transition** from education to work. SMEs should also get the right support to **invest in skills**, especially through support for vocational training and a better use of the Erasmus programme, required to tackle changing demands related to the twin transition.
6. Recovery will profit from a full functioning of the **Single Market**, which requires a **level playing field** for all companies and avoid distortions. Therefore, decisive measures to guarantee an **effective implementation and strict enforcement** of single market rules - in compliance with the principles of subsidiarity and proportionality – have to be taken. **Fiscal or social dumping** must be avoided without hindering the free movement of persons, goods and services. In addition, public procurement should become better accessible for SMEs.
7. A renewed view on **trade policy** must also focus on SMEs and help them to secure and rebuild their value chain and support them to be less dependent on third-country companies. The European Commission is working on the concept of open strategic autonomy. The challenge is to combine open trade in which SMEUnited firmly believes and a new reality which requires more strategic autonomy. The concept should be elaborated in a way which avoids protectionism and takes into account the interest of SMEs. Moreover, the recovery depends on an open trade policy that relies on cooperation. It should be based on **fair rules and reciprocity** and the respect of **WTO rules**.
8. In order to ensure SMEs liquidity, all public authorities have to **pay their invoices on time** and business must show solidarity. Access to finance has gained huge importance for SMEs ensuring that they can get the necessary finance during the emergency stage and allowing them to invest for further development in the digital and green transformation.
9. The European institutions have to ensure a **flexible regulatory environment** for SMEs to thrive and should avoid introducing new burdensome legislation. Applying the **Better Regulation principles** and avoiding gold plating are more important than ever.
10. In these challenging times SMEUnited emphasises that the **contribution of SME organisations** to the development, implementation and monitoring of measures is crucial to respond to the real needs of Crafts and SMEs. Hence, we call on European and national institutions to respect the consultation processes, especially **Social Dialogue**.

SMEUnited already published a [first batch of concrete proposals](#) for a European Recovery Strategy and is willing to cooperate with all European Institutions and other stakeholders to make the recovery of Europe successful. We count that every Institution will be able to play its role.

Brussels, 15<sup>th</sup> May 2020