UEAPME Survey on SME involvement in Regional Policy Programmes

UEAPME Study Unit

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1. Introduction

Based on the Cohesion Package of October 2011, Members states are currently negotiating the regulations and will soon prepare their proposals of National Partnership Agreements in order to their priorities to be supported by Cohesion Programmes (ERDF, ESF, Cohesion Fund, Rural Development Fund, Fisheries and Maritime Fund...) for the period 2014-2020. According to the proposed General provision rules on partnership (art. 5), Member states have to associate SME Representa the definition of national policies.

Innovation is a specific focus of the new cohesion policy and is also one of the priorities that M States and regional authorities have to include in their national and territorial actions. The Com has proposed the development of Research and Innovation strate the Member States or regions as condition for the use of ERDF and Rural Development funds fo investments in innovation, in order to increase the impact on business innovation and better coo innovation actions in regions.

The new Regional Policies that will be designed according to the Smart specialisation strategy wil direct impact on European SMEs.

In this framework, the UEAPME Study Unit launched a survey on the involvement of SM Associations in the preparation and implementation of Regional Policy Programmes in order to assess:

1. The degree of involvement of SMEs organisations at all levels and SMEs of the policies developed by the different Regional Operational Programmes in the actual EU Financial Framework 2007-2013;
2. The involvement of SMEs national and local organisations in the preparation of National Part Contracts and of Regional Action plans of the next generation of programmes for 2014-2020.

This Study presents the result of the Survey, to which the SME organisations of 15 EU countries participated: Austria, Belgium, Cyprus, Czech Republic, France, Germany, Hungary, Ireland, Italy Luxembourg, Romania and Sweden.

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2. Involvement of SMEs' organisations in the design and the implementation of the current Regional Operational Programme (Financial Framework 2007-2013)

This section presents the results of the first three questions of the survey, which refer to the involvement of EU SME organisations at the local, regional and national level in the design of the Regional Operational Programme (EU Financial Framework 2007-2013).

1. How much have you been involved in the design of your current Regional Operational Programme (2007-2013)?
2. To which degree do you think the needs of SMEs have been respected in the framework of the Regional Operational Programme (2007-2013)?
3. Have SMEs been involved in the implementation phase of your Regional Operational Programme (2007-2013)?

The SMEs' organisations representatives have been asked to reply using a ranking from 0 to 100 percentage points (pp), where (e.g. for question 1) 0 stood for "no involvement" and 100 for "full involvement".

It is important to highlight that the results imply a degree of subjectivity: in fact, different SME organisations' representatives might have a different level of satisfaction of SMEs' involvement in the Regional Programme.

The results have been presented in Chart 1, 2 and 3 using bars of three different colours:

- Green bars (from 100 to 70 pp): satisfactory outcomes;
- Yellow bars (from 69 to 50 pp): acceptable outcomes;
- Red bars (from 49 to 0 pp): insufficient outcomes.

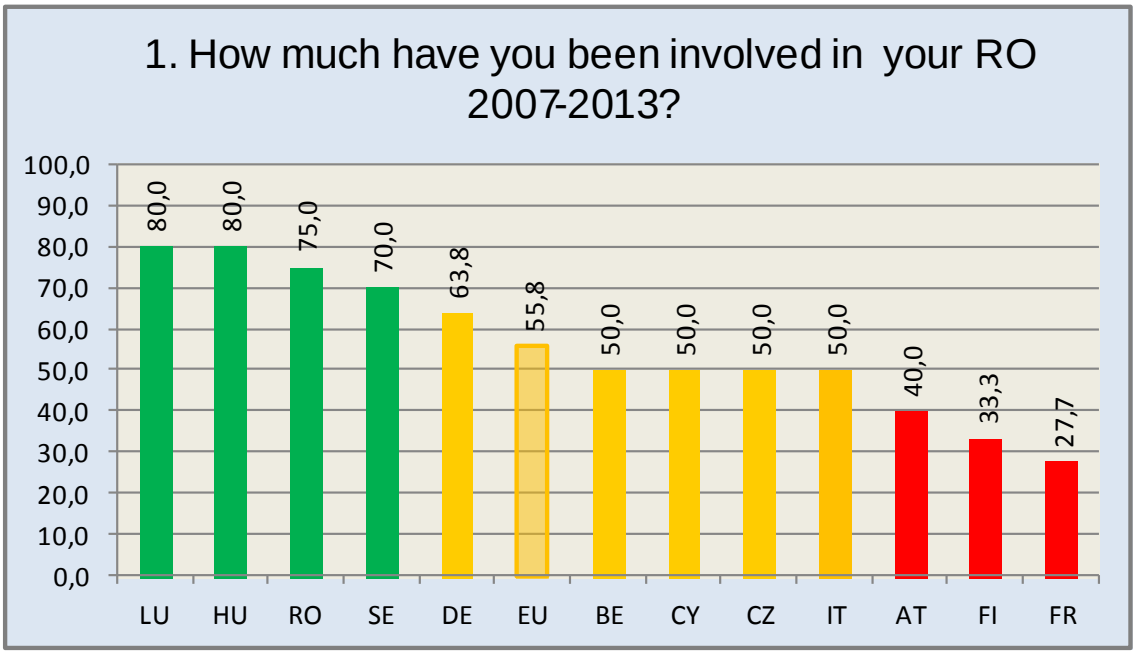

Chart 1

Luxembourg and Hungary (both 60.0 pp), Romania (57.7 pp) and Sweden (57.1 pp) report a satisfying involvement, Germany (63.3 pp) shows acceptable results, with four other countries (Belgium, Cyprus, Czech Republic and Italy) scoring just sufficient 50.0 pp.

The involvement of SMEs representatives has been insufficient in three countries: Austria (40.0 pp), Finland (33.3 pp) and France (27.7 pp).

The EU average value is pp 55.8, which indicates an acceptable outcome.

The second question (see Chart 2) aimed at measuring the degree to which the needs of SMEs have been respected in the Regional Operation Programmes 2007-2013. The outcomes are slightly more positive, as shown by the EU average value, 58.0 pp.

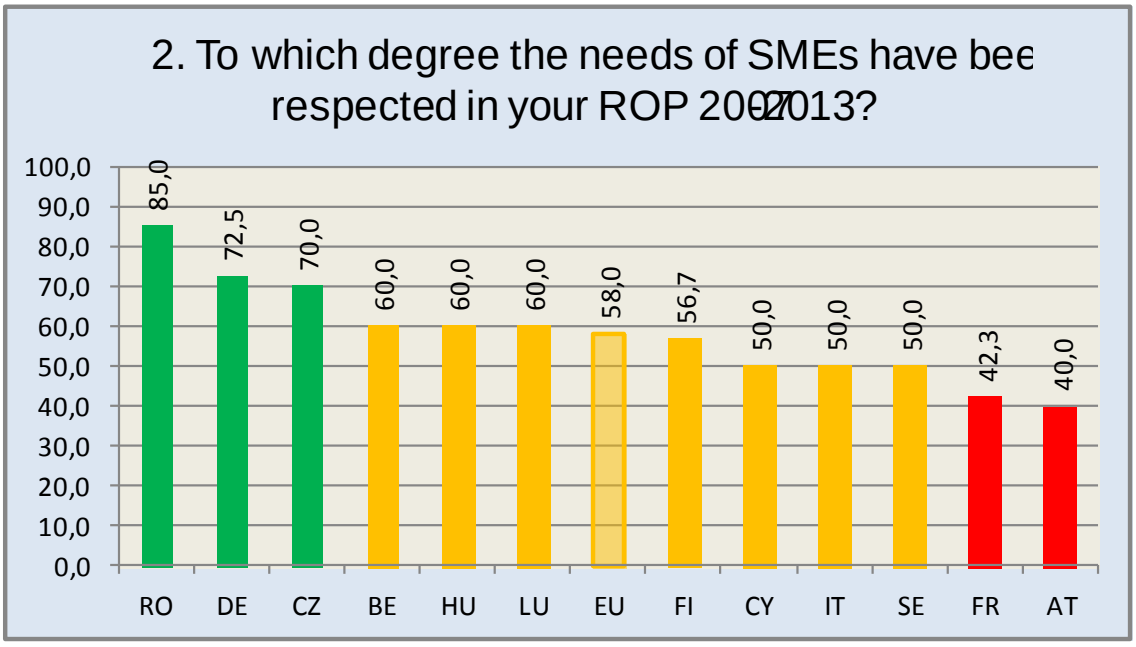

Chart 2

Romania (85.0 pp), Germany (72.5 pp) and Czech Republic (70.0 pp) report satisfactory outcomes, with countries (Belgium, Hungary, Luxembourg, Finland, Cyprus, Italy and Sweden) standing between and 50.0 pp.

France (42.3 pp) and Austria (40.0 pp) are the only countries below the 50.0 pp threshold. The results of the replies to the third question are displayed in Chart 3. The level of SMEs involvement in the implementation phase of the Regional Operational Programmes has been the most critical issue.

In fact, the EU average is 48.0 pp, which indicates an unsatisfactory outcome. Moreover, six countries show insufficient result: Germany (46.7 pp), Finland (43.3 pp), Sweden (40.0 pp), Austria (36.7 pp), France (30.0 pp) and Czech Republic (20.0 pp). The only country showing satisfactory results is Romania (75.0 pp), with Cyprus, Belgium, Hungary, Italy and Luxembourg above 50.0 pp.

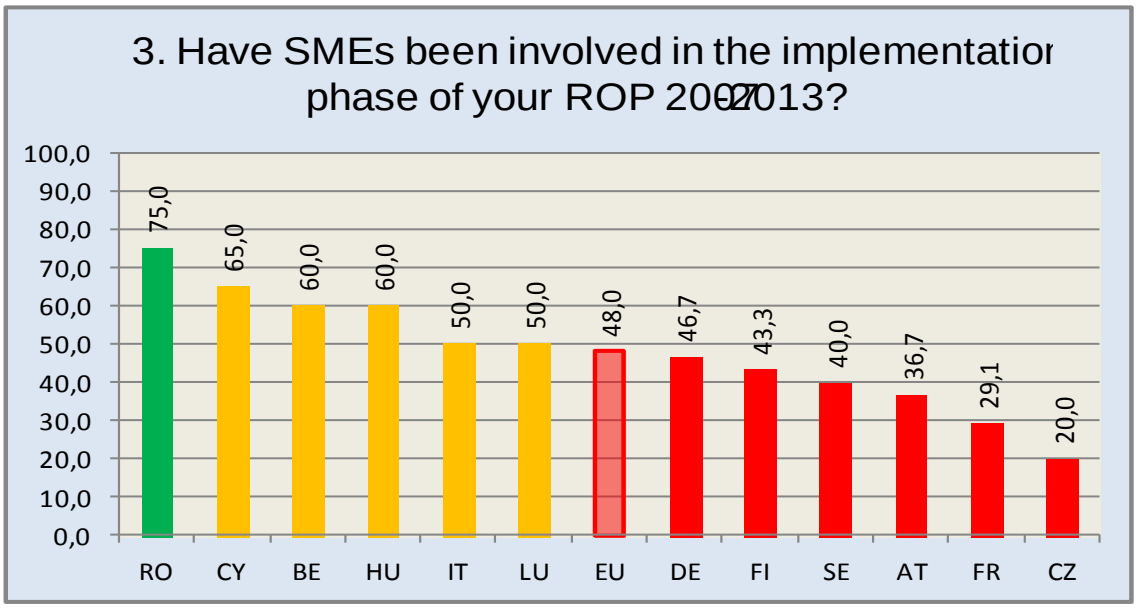

Chart 3

In conclusion, Romania is the only country reporting satisfactory outcomes in all areas, while five countries (Belgium, Cyprus, Hungary, Italy and Luxembourg) have shown at least acceptable results in two fields. Austria and France, on the contrary, reported negative replies to all the three questions.

Finally, Chart 4 depicts the correlation between the level of involvement of SME organisations (horizontal axis) and the degree to which SMEs needs have been respected (vertical axis) in the Regional Operational Programmes 2007-2013. The results show that there is a clear and significant positive correlation between the two indicators. The more SME organisations have been involved in the preparation of their ROP 2007-2013, the higher the degree of SME needs respect and SME friendliness of the policies deployed.

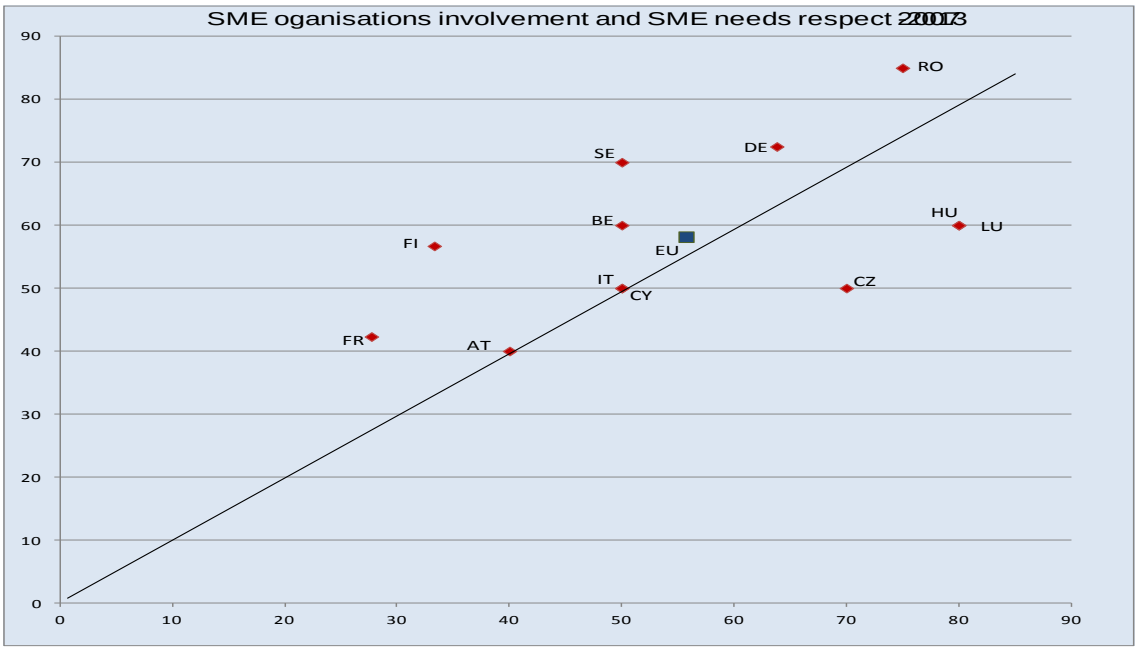

Chart 4

3 Involvement of local SMEs organisations in the preparatory work for the 2014-2020 Regional Operational Programmes (Financial Framework 2014-2020)

The new Regional Operational Programmes 2014-2020 will be based on National Partnership agreements between the EC and every Member state. In this context, every European Region will have to negotiate with their national authorities specific measures for and in their Regions Regional Research and Innovation Strategies for Smart Specialisation (RIS3 strategy)[1]

The second part of the Survey aimed at examining firstly the level of awareness about this new procedure in SME organisations (first question), secondly the involvement of SME organisations in the preparatory work for agreements and the strategy at national and regional level (second and third questions)

As far as the awareness of the cooperation framework between the EC and each Member State is concerned, the SMEs are fully aware of this process in nine countries: Austria, Cyprus, Czech Republic, Germany, Hungary, Italy, Luxembourg, Romania and Sweden. Finland reported a sufficient outcome, while only in Belgium and France the awareness seems to be insufficient.

On the other hand, the SME organisations are fully involved in the cooperation framework at the national or regional level only in six countries: Czech Republic, Hungary, Germany, Luxembourg, Romania and Sweden. Austria reports a sufficient degree of involvement, while in Belgium, Cyprus, Finland, France and Italy there is low or no involvement at the moment.

In 96% of cases, SME organisations have not been invited, and only in one case (Belgium) the SME organisation have asked to participate but their requests have not been fulfilled.

These results show a satisfying situation in some countries, where SME organisations are aware of the RIS3 strategy and already involved in its design, and need for improvements in others

In particular, some actions and higher level of proactiveness are required for the SME organisations that, despite being fully aware of the ongoing negotiations between the EU and their countries, have made the necessary steps in order to be involved in the RIS3 strategy.

[1] See for reference: http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/smart_specialisation_en.pdf

4. Conclusion: recommendations for a better involvement of SMEs in the design and implementation of regional policy programmes

The contribution of craft, small and medium-sized enterprises to the regional development in Europe is of great importance. In this regard, SME organisations have to be involved in the planning and the implementation of regional policies, i.e. the preparatory work for the Regional Research and Innovation Strategies for Smart Specialisation (RIS3 strategy), to facilitate the fulfilment of SMEs needs and fully exploit the SMEs potential to contribute to the regional development and employment creation.

This strategy must rely on three pillars:

1) SME representative organisations need to be more proactive in order to be involved in the preparatory work for the forthcoming RIS3 strategies;
2) At the same time, EU institutions should implement some enforcement processes to ensure that national and regional authorities involve SME representative organisations in the design of next RIS3 strategies;
3) EU and member states should develop information campaigns about the EU and regional Programmes, as well as improve the transparency of their decision making processes.