

## EUROPEAN ENTREPRENEURS CEA-PME'S

proposal for an SME-friendly

## RELOAD EUROPE STRATEGY

**to exit the confinement, get back to work and restart the EU's economy in a coordinated European way**

April 17<sup>th</sup> 2020

**European Entrepreneurs CEA-PME**, the biggest European confederation of *voluntarily associated* Micro, Small and Medium-sized companies, together with **EVBB**, the **European Association of Institutes for Vocational Training**, with **ESBA**, the **European Small Business Alliance**, and with **AMSP**, the **Czech SME Association** – this is **all together 35 business associations** from all over Europe - *remain* deeply concerned about the health and economic situation in Europe in relation to the COVID-19 pandemic.

But first encouraging signs of slow improvement of the health situation in many European countries allow us to underline again the **urgent need to go back to work as soon as possible**, avoiding to make more damages to the economy, and with that in the end also to health care systems and governments, which are both needed.

Again, also in this case, the European Union is called to take over its part for and together with Member States. This is why we call the EU to discuss and decide together on a Roadmap to ease in a harmonised way the COVID-19 restrictions in the single Member States to free movement of people and goods as currently, *and* to launch a **comprehensive economic recovery programme with European SMEs in the centre** of it.

Both aspects together we call it the post-COVID-19 "**Reload Europe Strategy**".

This Strategy needs to be implemented by the EU and Member States with common principles:

### **1. Recognise the sense of responsibility of entrepreneurs and citizens**

As soon as possible does of course not mean not to care about risks for human lives and health, but to define the best practices to re-gain – step by step – pieces of normal life. No company has ever thought and would never dare – and not only for legal reasons – to put the health and lives of their workers and employees at risk. Particularly after more than 1 month of lockdown of economic activities and in many countries confinement of people at home, everybody has learned the lessons regarding social distancing and hygiene necessary to limit the spread of the virus. We will all contribute to do our best, to respect and further develop these elementary rules. **But we are adults, not children.**

## 2. Learning from each other – as much and as fast as possible

The crisis management in different countries should ideally be analysed and compared on a scientific base. But time is running and for the moment results count. Much can be learned from practical experience. We need to listen to each other. The EU should organise and finance all opportunities and means to learn from each other practically and on all levels comparing results: for doctors, for what regards treatment methods of the COVID-19 disease, for health managers about limiting the spread, treatment and testing capacities, for entrepreneurs and engineers to arrange practical solutions to get back to work in safety or to find new markets, sales channels and technologies, for schools and local administrations to teach from remote with equal access to knowledge and support for all children and parents, for governments on how to support SMEs, etc.

## 3. Think of the effects of your policies on other member states

The European Union has still internal borders, and we learned that now again, despite Schengen. But our lives and economies are too much interconnected to do without the others: the automotive industry cannot produce if suppliers from all over Europe can't deliver because factories or border are closed. If one country continues to work or re-starts earlier, while other countries take time, this causes unfair competition. **Europe was before COVID-19 one single space to freely move and work. We must regain this space again.** This requires all Member States' attention: your policies might not only harm or favour your citizens and companies, it might harm or favour also those in other countries.

Based on these **3 principles**, we ask the European Union and the Member States to take immediate action for the following **7 measures** of a common **Reload Europe Strategy**:

### 1. Masks and ventilators for everyone

The EU's action in making masks and all other protection material available all over Europe, in cooperation among countries and companies, included opening the cross-border and international supply chains for this purpose must be continued and intensified: companies need urgently sufficient stocks of protection material to get back to work in safety, hospitals need medicines, tests and medical tools like ventilators.

### 2. As much tests as possible

All member states should do as much as possible to increase at least targeted testing of suspected infected persons and of all contacts they had before. Best would be a testing of the whole population. This costs much less than to continue the lockdown. The network of testing laboratories in Europe should be better coordinated to boost testing capacities.

### 3. "Recovered" certificates and anonymous Bluetooth-based contact tracing

Fast identification, approval and distribution by health care services of **antibodies tests** of immunity to COVID-19 in order to allow as much citizens as possible to obtain

soon an individual certificate guaranteeing the presence of COVID-19 antibodies, and thus the status of “immune” or “recovered”. These would allow to get back to work or to get access to certain public spaces, transport means, etc. Our proposal is to test **at the companies’ costs** all workers below 60 years of age especially in the manufacturing sector. In addition, we support the **voluntary use of Bluetooth-based anonymous contact tracing Apps**, that should be compatible and interoperable all over Europe, to make cross-border tracing possible and thus allow also more free movement in Europe.

#### 4. Make the Single Market work again - step-by-step – until summer 2020

The Single market is one of the most important assets of the European Union, it makes the 3 freedoms be a reality and it boosts our economy. The EU must work intensively with the Member States to **remove** again **all possible barriers**, compatibly with reasonable safety and health provisions. Limits could be lifted or re-established if necessary on regional levels, not only for entire countries. Some regions perform better in managing the emergency or have simply less exposure, others perform less well or are less lucky. This might be decided using commonly accepted, **objective criteria** like the number of days to double the infected individuals or the infection spread coefficient (one person infecting how many others?). For transports inside the EU, empty truck tours should temporarily not pay any highway tolls, and double quarantine at borders can be avoided through an EU register of quarantined drivers.

#### 5. Liquidity measures for all SMEs and self-employed in the whole EU

- **Direct financial aid** to Self-employed, Solo-Entrepreneurs, Micro- and Small Enterprises incl. small associations, which have all severe difficulties to obtain even guaranteed loans
- **100% guaranteed emergency loans at 0% interests** all over Europe for all SMEs
- **Significant temporary tax reliefs**: no corporate taxes for 1-2 years, less income taxes or tax cuts, no electricity taxes, no tax anticipations, etc.
- **Pay in 7 days** – especially public administrations and the EU’s services - and change now the EU’s **“Late Payment”-directive**, obliging also private companies to pay their service providers and subcontractors after max. 1 month.

All this should be priority for all Member States and the EU-Commission. Our Economy after 1,5 months of lockdown is severely damaged. There is no such thing as **doing like we always did**. Unusual decisions have to be taken. Liquidity is crucial, otherwise the whole economy will fail. In particular SMEs should be in the centre of the EU’s economic recovery agenda.

In this sense, it is important to underline that self-employed under normal conditions **are not entitled** to receive short-time work compensations or unemployment cheques. Therefore, either the member states do direct financial transfers to them, or the EU does it in their place. Best the EU **ring-fences min. 20% of the SURE funds** for self-employed, obliging Member States have to pay direct financial aid, beyond existing national welfare rules.

Exceptions to State-aid rules, like for 100% publicly guaranteed loans, which are already approved by the EU for one country, can easily be extended to all Member States.

Service providers of the EU and grant beneficiaries in EU projects should now be paid out in **max. 7 days**. This would create immediate liquidity for many SMEs & local administrations.

## 6. A European Reload SME Programme funded with min. 10, best 50 Billion Euro

This should be planned **now** and **opened not later than in 1 month**, calling for proposals to be submitted latest **until beginning of June**, in particular for heavily impacted, typical SME sectors like event organisation and fairground services companies, the building industry, retail shops, tourism companies, hotels, bars and restaurants, etc.

This programme should be for all sizes of SMEs as the EU defines them today. It should give **small flat-rate grants** to at least **1-5 Million companies in Europe** that have to **relaunch their competitiveness** and need a **second chance**: everything that boosts new ideas, develops new services, or finalises new products should be welcome.

**Fast roll-out, easy application and short-term implementation are crucial.**

Parts of this programme can be already successful models, like **DigitaliseSME**, to support digitalisation of SMEs, or **MobiliseSME**, the *Erasmus for SMEs and their employees*, to find new clients and markets abroad. Cross-border activities should be encouraged particularly.

## 7. Prepare for the future: EU-management of pandemics must be reinforced

Pandemics like the COVID-19 can happen again, particularly in a globalised world and probably also facilitated by climate change. As European entrepreneurs, we are favouring a world with global economic and social cooperation. Therefore, we also want the European Union to be ready for the next pandemic: public health is a competence shared between Member States and the Union. This means, the EU can and must do more, Member States must share competences. No isolated national initiatives anymore, cooperation in prevention and crisis management, and - most of all - production of necessary medical and protective equipment *in Europe*, if needed with EU-subsidies, to guarantee a European sovereignty also here.

***If Europe cooperates and if it puts its citizens in the heart of its political efforts, and SMEs in the centre of its economic strategy, we can face and overcome all challenges and crises together.***

Unanimously approved during the online conference on **April 17<sup>th</sup> 2020** of **European Entrepreneurs CEA-PME**, presided by **Mario Ohoven**,  
by **David Caro**, President of **ESBA the European Small Business Alliance**,  
by **AMSP**, the **Czech SME Association**, as well as  
by **EVBB**, the **European Association of Institutes for Vocational Training**.