

**UEAPME Administrative Council, 2 June 2017**

**[Salutations]**

**Dear friends,**

**It is my pleasure to open the UEAPME's Administrative Council and General Assembly.**

**I would like to thank the GRTU, and other organisers, for this opportunity to share some remarks with you, ahead of your discussions, about the potential for economic and social strengthening in your sector.**

**As a recognised European Social Partner, committed to the implementation of the Social Pillars of Europe, I am informed that you represent some 12 million enterprises that employ around 55 million people across Europe.**

***As the European Association of Craft, Small, and Medium Sized Enterprises, your organisation has the clout to call for a stronger focus on social as well as economic prosperity.***

**This must be a core objective, to keep us moving forward as one European Union, to improve the lives of individuals and communities across our Member States.**

**According to Günter Verheugen, former European Commissioner for Enterprise and Industry, and I quote;**

***“Micro, small and medium-sized enterprises are the engine of the European economy. They are an essential source of jobs, create entrepreneurial spirit, and innovation in the EU, and are thus crucial for fostering competitiveness and employment.”*** End quote.

**Furthermore, as we are aware, crafts, trades, and micro, small or medium-sized enterprises are a driving force of entrepreneurial skills; they are catalysts for innovation; and they are a powerful source of employment.**

**Indeed, according to indicators from the European Commission, some 23 million SMEs provide around 75 million jobs, and represent 99% of all enterprises.**

**They also account for a disproportionately large share of new jobs, with research-based evidence indicating that start-up businesses are crucial, to sustain healthy levels of employment.**

**However, information from the Organisation for Economic Co-operation and Development tells us that, less than one-half of start-ups survive for more than five years. Of these, only a fraction develop into the high-growth enterprises which substantially contribute to job creation.**

**Therefore, I believe that, there is more that must be done to encourage, to nurture, and to support SMEs through relevant legislation and policy, especially during this critical period in their development.**

**SMEs are early adopters of innovation, and play a key role in pioneering and developing new markets. Furthermore, as you are also aware, they provide ideas and inputs that benefit larger businesses; that contribute to research at universities and think-tanks; and that also assist other small enterprises.**

**Safeguarding SMEs is crucial to the prosperity of our economies. However, the benefits of early support for SMEs are not only reflected in increased innovation within our economies.**

**Such strategies of support will also be reflected in opportunities for inclusion.**

**It is this focus on inclusive opportunities which, I believe, should be a primary target for all efforts to strengthen SMEs. In so doing, European-level legislation and policies will respect the social and economic dimensions, within which SMEs are rooted.**

**We cannot have prosperous and strong economies without an equal investment in the social wellbeing of our citizens, across the Member States of our European Union.**

**More stable and better supported SMEs will fuel a culture of inclusion, through economic participation. Let me give you one example from Malta.**

**A young migrant from Nigeria, who has lived in Malta for over a decade, is an active participant in the refugee-led NGO platform, which is coordinated by the President's Foundation for the Wellbeing of Society.**

**During consultations with my Foundation on the subject of employment, it became clear that this man's inclusion, within Maltese society, was facilitated by his decision to take an entrepreneurial route and start his own small business. Through this business he is providing job opportunities, of benefit to Maltese people, also.**

**Entrepreneurship has not only been a pathway to empowerment and prosperity for this young migrant man. It has also been a source of opportunity for his family, for his community, and for Maltese society as a whole.**

**ANOTHER EXAMPLE, CHAIN OF CONVENIENCE SHOPS BEGUN BY A MALTESE ENTREPRENEUR WHO STARTED WITH NOTHING.**

**HE IS INCLUDING JOB OPPORTUNITIES FOR VULNERABLE PEOPLE, EXPANDING HIS BUSINESS WITH A SENSE OF SOCIAL CONSCIENCE THAT IS TRULY INSPIRATIONAL.**

**SMEs and entrepreneurship are sources of social inclusion and economic participation, and must be promoted and prioritised across Europe.**

**I believe that the European Union must continue to build on programmes which support SMEs, in the knowledge that such investment is contributing to the prosperity and wellbeing our communities and societies.**

**The need for more inclusive economic opportunities is also evident in the role of women within our economies.**

**According to indicators from the World Bank's World Development Report, female employment has a direct effect on GDP growth rates. The Report states that country's productivity can increase by as much as 25% if, and when, discriminatory barriers, which prevent equity for women, are addressed.**

The EU Commission itself states that, and I quote, "female creativity and entrepreneurial potential are an **under-exploited source of economic growth.**" **End quote.**

**Furthermore, the economic wellbeing of women has a direct impact on their families, their children, and their communities. The empowerment of women entrepreneurs is the way forward, for us to another important way forward, to actively encourage sustainable growth and prosperity in our European Union.**

**While women constitute 52% of the total European population, according to European indicators, only 34.4% of self-employed people in the European Union, and 30% of start-up entrepreneurs, are women. We must**

do more to **improve the economic participation of women, and there are still striking inequalities that must be addressed.**

**According to the Organisation for Economic Co-operation and Development, trends for startups remain below pre-economic crisis rates, in most OECD economies. There is therefore the need to recognise that the further exclusion of women, from full and active economic participation, is having a negative impact on these trends.**

**National studies indicate a number of determining factors, which are deterring women from economic participation. These include cultural barriers, lack of financing that specifically addresses the risk profiles faced by women over their working lifetime, and a lack of networking opportunities.**

**These gender gaps impose real costs on society, around the European Union and beyond.**

**When anybody is excluded from full, free, and fair participation within the economy and in opportunities for entrepreneurship, then entire economies are affected.**

**We must therefore encourage our governments and business communities to recognise the benefits that an inclusive economic environment brings.**

**There is no one path to success. Governments, investors, private businesses, and civil society must continue to work together to achieve practical strategies, suited to their own context.**

**Coordination between our authorities is crucial, in order to share good practices and to foster synergies within the sector, across Europe.**

**A conference like this is an excellent opportunity to build such synergies, and let me take this opportunity to commend your efforts.**

**We should not focus on fragmented or short-term endeavours. A holistic strategy would harmonise the work being done by diverse stakeholders in the sector.**

**Let us remember that investment in SMEs, and opportunities for entrepreneurship, is not only empowering social inclusion and equity, but also stimulating our economies.**

**Ultimately, the challenges posed by any form of economic marginalisation should encourage us to be more vociferous, to call for full equality and the economic empowerment of all members of society.**

**SMEs are an ideal way of encouraging this positive change. The focus your organisation brings, to review and to improve European-level legislation and policies, is essential.**

**In concluding, let me encourage you to continue striving to achieve a balance between the economic and the social potential of all our Member States, and of the diverse individuals and communities who are proud to call the European Union their home.**

**Let us promote stronger support for SMEs, during vulnerable periods of their establishment and growth;**

**Let us focus on the inclusion of minorities and women, who must have full and equitable participation in economic opportunities;**

**And let us promote a healthy socio-economic path, for the benefit of all the citizens of Europe.**

**Thank you for your attention, and I look forward to hearing the outcomes of your discussions.**