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DIRECTORS AND EXPERTS OF BETTER REGULATION MEETING

Rome, 18th and 19th September 2014

Panel Discussion

The implementation of the “Think Small First” principle
and how to produce tangible results for EU businesses

RETE Imprese Italia
The “Think Small First” Principle in Italy



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Who we are

R.E TE. Imprese Italia (Italian Enterprise Network) coordinating body of the five principal Italian Organizations representing micro, small and medium enterprises and widespread: Casartigiani, Cna, Confartigianato Imprese, Confcommercio - Imprese per l'Italia and Confesercenti.

Enterprises that operate in the sectors of crafts, commerce, services, tourism, and micro, small and medium-sized enterprises (SMEs) of manufacturing and construction, (about 2.6 million members)



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Some DATA: European SMEs and Italian ones

In Europe

SMEs represents today about the 99.8% of the more than 20 million enterprises in the European Union. There are only 43,500 enterprises with more than 250 employees, but almost 19 million enterprises employ less than 10 people - the so-called micro-enterprises.

Year 2013	Micro	Small	Medium	SMEs	Large	Total
Number of enterprises	18,783,480	1,349,730	222,628	20,355,839	43,454	20,399,291
%	92.1	6.6	1.1	99.8	0.2	100.0
Employment	37,494,458	26,704,352	22,615,906	86,814,717	43,787,013	130,601,730
%	28.7	20.5	17.3	66.5	33.5	100.0
Gross Value Added at Factor Costs (billion euros)	1,243	1,076	1,076	3,395	2,496	5,891

Source: EC – Annual Report on European SMEs 2013



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Some DATA: European SMEs and Italian ones

In Italy

The five Organizations joined in R.E TE. Imprese Italia (Italian Enterprise Network) represent the micro, small and medium-sized enterprises operating in the craft, commerce, services, tourism sectors as well as in the manufacturing and construction businesses.

Year 2013	Micro	Small	Medium	SMEs	Large	Total
Number of Enterprises	3,908,990	185,827	10,505	4,105,322	1,902	4,107,224
%	95.2	4.5	0.3	100.0	0.0	100.0
Employment	7,387,105	3,296,432	1,010,272	11,693,809	2,026,985	13,720,794
%	53.8	24.0	7.4	85.2	14.8	100.0
Gross value added (billions)	385,186	251,888	68,382	705,457	167,704	873,161
%	44.1	28.8	7.8	80.8	19.2	100.0

Source: R.ETE. Imprese Italia 2014



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The «Think Small First»

The "Think Small First" principle implies a better regulation.

Sometimes it implies less regulation.

- Which are the main tools used in Italy to implement the TSF principle?
- How did they work?
- What can we do, at European and National level, to have better results?



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Listening to SMEs - The Task Force MOA

1) The Task Force MOA (Italian Measurement Process) - good experience because the procedures to be measured have been selected in accord with the stakeholders. Every procedure has been fully mapped in and the presence of goldplating has been checked.

Results

From 2007 to 2013, 93 procedures have been measured; cost of these administrative burdens in € 30,98 billion; the regulatory areas mapped were the ones more important for SMEs.



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Listening to SMEs - The Task Force MOA

The goals achieved and the perception of the administrative burden's reduction is quite not significant for our entrepreneurs.

- Only few legislative bills have been approved;
- Burdens imposed by various level of government. Sometimes a measure adopted at a national level need a further local implementation.
- Delay in implementation of the legislative measures adopted;
- Monitor and evaluation system for the reduction-measures implemented.



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Listening to SMEs - The On-line Consultation

2) The On-line public consultation

Most complex procedures are:

- Fiscal compliance;
- Construction activities;
- Starting a business;
- Public procurement;
- Safety at work.

The same result we had with the MOA Task Force.



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Listening to SMEs - The implementation of TSF

3) The implementation of Think Small First: the Statute of Enterprises

Two are the most important provisions of this Law in applying the Think Small First principle:

The role of the SME Envoy has some formal tasks such as:

- to monitor the implementation of the SBA in Italy;
- to analyze -ex-ante and ex-post - the impact of any new regulation affecting the SMEs;
- to inform the national and local Authorities when the new legislation is disproportionate or may increase the financial or administrative burden for SMEs.



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Listening to SMEs - The implementation of TSF

The results of the two reports provided for the Statute of Enterprises certify that the implementation of the Think Small First principle in Italy is not so far from the starting point.

- In the reports submitted it would appear that all the legislation adopted in 2013 do not have introduced new administrative burden;
- According to us, and after consultations with entrepreneurs, there are some administrative burden introduced in the environment, labour and safety at work and energy legislation.



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Listening to SMEs - The SMEs TEST

The Impact Assessment should be introduced at every stage of the discussion of a proposal (at European as well as at national level).

The "only once" principle has to be applied whenever possible as well as the proportionality (risk based) principle.

A crucial element of the SME Test is the consultation of Small Business Representatives bodies or SMEs themselves.



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Listening to SMEs - The SMEs TEST

Moreover, the AIR in Italy has not to be enclosed to the Decrees Law.

From 2012 we had 28 Decrees Law on subject matters of interest to SMEs, including 9 from January till June



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PROPOSALS

- The stakeholders need more info related the impact assessment process and they have to better participate to the Impact Assessment and SME Test (the consultation is not enough)
- The Annual Report has to involve the SMEs Organizations (ex. the Italian experience)



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- Revised version of the SBA has to enforce the Think Small First Principle with better tools to ensure the effective implementation
- Common effort: carried together by all the EU Institution (Commission, Council and Parliament) and the Member States with the active involvement of the representative SMEs organizations at European and national level



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- Policy has to be based on concrete and practical experience, which implies that legislation should be introduced only when it is really necessary.
- To implement a Test Panels of Entrepreneurs to evaluate new initiatives in a flexible and quick manner;
- To avoid "Gold-plating" - the practice of exceeding the terms of EU legislation and adding undue and unnecessary provisions, - with harmonisation and - where appropriate - the use of regulations.