

## **EIN Report**

Summer University Round Table:

### **A True Competitive Free Single market for a Cohesive Continent within the Multi-Financial Framework.**

The context of the Summer University debate this year is marked by a deep economic unease, a lack of confidence in Europe's future, declining stock market values, and a growing concern regarding national indebtedness.

In such circumstances, the emphasis should be to look for solutions that build on existing EU strengths and potential.

Main Conclusion for the Round Table debate were:

#### **1. Complete the single Market.**

- The Single Market Act is an important package of measures that now need to be implemented at national level.
- To be effective, implementation needs to take place at all levels of govt - national, regional and local.
- The Single market is still imperfect - and elements such as services need to be addressed again.
- The EU economy has a great pent up potential, which is even as great as some BRIC countries.

#### **2. The Political relevance of the Single market**

- The relevance of the Single market needs to be communicated to citizens, so that the benefits are more widely appreciated
- The political significance of the Single Market is a basis for recreating confidence in the ability of the EU to economic to grow
- Political support is needed for long term investments in growth promoting infrastructure such as the digital economy
- Member states with credible plans on how to deal with their economic challenges are rewarded through the favorable interest ratings given by the financial markets

#### **3. Administrative reforms**

- A fast track procedure is needed to have the ability to respond to a crisis. The Six Pack measures have taken many months to put into place.
- Where bureaucracy reduces the ability of SMEs to develop and create employment, rules should be simplified.
- New taxes on for instance financial services could destroy value, proper impact assessment would have to be done before any such proposals are adopted
- There is some scope to link regional funds to economic growth objectives.

#### **4. SMEs and employment**

- There are 23 million SMEs in the EU – if every one of them were to employ one person the unemployment problem would be resolved.
- Public procurement is one of the instruments that can be used to encourage innovation and new enterprise.
- Incentives in member states such as Romania give grants to young entrepreneurs and guarantees up to 80% to take out loans with banks (up to Euro 10.000)
- Access to finance is critical since many SMEs do not have collateral they can offer banks, and banks are becoming increasingly risk averse.

**5. From analysis to action.**

- The EPP family has a political majority on the continent at a very difficult time. The challenge is to give the right impulses to generate confidence, investment and growth that will lead to more employment.
- The ideas from Summer University should be widely circulated and debated among the members of the EPP.

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