

## 9 Policy recommendations to promote economic growth in Europe through innovation and technology

IAMCP Position Paper 2012

Despite continued global economic volatility, European SMEs have been able to weather the uncertain financial conditions and continue to seek new opportunities for growth. In 2012, a quarter of European SMEs are expected to hire new staff and 18% of them are forecasted to invest in new technology. Half of the respondents to a Vanson Bourne survey expect cloud computing to play a more important role in driving growth in their businesses.<sup>1</sup>

Striving for annual growth, particularly in a risk-averse environment, is a challenge to which all stakeholders should bring their contribution.

Echoing the “Think Small First” principle, **IAMCP encourages policy makers to consider the following priorities to help European SMEs fulfil their full potential for job creation and long-term contribution to the restoration of Europe’s competitiveness:**

### 1. Encourage a greater involvement of SMEs in public procurement

We welcome the proposed simplification of European public procurement rules and procedures to facilitate SME access to public contracts. IAMCP would like national, regional and local authorities in Europe to use public procurement – which accounts for 17% of GDP – to test innovative solutions. The proposal of a European Cloud Partnership for Public Procurement would provide ICT SMEs across Europe the opportunity to grow alongside established large economic players.

### 2. Promote a data protection framework that is good for both consumers and SMEs

Complying with 27 different legislations in one single market requires expending financial resources and legal expertise which SMEs simply cannot afford. IAMCP considers the efforts to harmonize the data protection rules in Europe as an important step in completing the Digital Single Market. Without this harmonization, SMEs, particularly in the ICT sector, will not have the possibility to take full advantage of the benefits of this European market.

### 3. Increase awareness of the benefits of cloud for SMEs

First, we strongly support the launch of the European Cloud Partnership for public procurement announced in January year by Vice-president of the European Commission, Neelie Kroes. Second, we recommend EU policy makers to support the development of a European Cloud ecosystem under the future Programme for the Competitiveness of Enterprises and SMEs. Such initiatives would set the example and encourage a wide range of users to adopt these new and less costly and more efficient technologies.

### 4. Promote e-Skills

Initiatives supporting cloud computing should be complemented with programmes and policies to ensure that European citizens and entrepreneurs are equipped with the necessary e-skills to succeed. IAMCP welcomes EU initiatives such as the e-Skills Week and intends to actively contribute in an effort to help people acquire the right e-Skills in the digital age.

<sup>1</sup> <http://www.microsoft.eu/entrepreneurship-and-smes/posts/european-businesses-dream-big-in-2012-cm2l.aspx>

## 5. Facilitate greater use of Open Data

Facilitating access to Public Sector Information (or Open Data) can help governments cut costs, strengthen security, and improve people's ability to interface with government much easier. IAMCP therefore supports the European Commission proposal to update the 2003 Directive on the re-use of public sector information as part of its Open Data Strategy for Europe. We encourage these efforts and look to facilitate solutions for the challenges resulting from the need to store data.

## 6. Encourage the set-up of venture capitals for the ICT sector

Access to finance is often an important challenge for SMEs, particularly those who stand at the beginning of the innovation process and need the necessary funding to turn their ideas into reality. The development of new technologies in Europe will need more investment in risk capital for high growth start-ups and innovative SMEs in Europe

## 7. Ensure trustworthiness and privacy of online transactions

Measures designed to enhance online security - such as those that require eCommerce providers to adhere to certain security standards regarding the use of credit/debit card data - promote user confidence. Yet many eCommerce sites do not comply with those standards, creating a cost disadvantage for SMEs that do. Therefore, IAMCP welcomes the Commission's initiative to address card, internet and mobile payments for the benefits of consumers, merchants and payment providers.

## 8. Enable the creation of a true digital single market for the knowledge-based economy

The deployment of technologies, such as cloud computing, will only become possible once the barriers in the digital single market are eliminated. SMEs will greatly benefit from policy initiatives aimed at supporting e-commerce growth, the protection of Intellectual Property Rights, and reducing red tape and costs, such as making electronic security and identification systems more workable, or addressing VAT issues.

## 9. Promote European networks of the future

IAMCP shares the view that high-performance and innovative online services cannot function without high-speed communication networks and as such we support the goals outlined in the Digital Agenda for Europe. This access should be based on diverse platforms including both wireline and wireless as well as licensed and license-exempted technologies.

IAMCP believes that with the appropriate regulatory environment in Europe, innovative SMEs will be able to grow and become more competitive. **With more than 20 million SMEs in Europe, we could create millions of jobs to support the economic recovery, without the need for significant government spending.**

Innovative SMEs are working hard to increase trust and confidence in the services they provide by adhering to industry codes of conduct and applying accepted norms for the management, security and privacy of data, offering customers interoperable solutions and ensuring that customers can control their own data. Such commercial efforts, however, need to be enhanced by forward-looking government policy efforts premised on the Think Small First principle – as outlined in the priorities above – in order for European SMEs to compete, grow, and contribute to the European economy.

### Background on IAMCP

The International Association of Microsoft Channel Partners (IAMCP) is a community of SME partners that aim to provide a positive public policy environment to enable growth and prosperity for the technology industry in Europe. There are 1500 partners in the EU, and 5000 worldwide, which represent local technology firms typically employing between 10 and 100 people. IAMCP aims to strengthen local economies and encourage job creation; promotes a safe and secure online ecosystem; and encourages the use of technology to address pressing societal challenges.

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