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European Elections 2024

The **world** is changing.
Can **Europe** also change?

#SEV4Europe

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The EU must change course

The EU has been a model of social and economic development for many decades but, to address its growing competitiveness deficit that will enable it to maintain its social and economic prospects, the European project requires an immediate reboot. Many recent initiatives, such as the Green Deal Industrial Plan, the Net Zero Industry Act, the Critical Raw Materials Act, AI Act, as well as the Single Market and Competitiveness Report and the Long-term Competitiveness Strategy: beyond 2030, are steps in a positive direction. However, convincing answers and workable solutions are needed for the EU to develop sustainably, resiliently, inclusively, with a strong geopolitical presence, dynamic industry, competitive SMEs, innovation, technological evolution, and social prosperity.

The EU's growth potential is not only affected by geopolitical challenges. Endogenous features such as, over-regulation, the lack of a coherent industrial policy, declining added value especially in cutting-edge technologies, a lack of skilled human resources and growing problems within the Single Market must be addressed immediately to ensure that the investment and economic gap does not widen further. Indicatively, in purchasing power terms, in 2008 the EU economy was 5.8% stronger than the US, while in 2022 it was 4.7% weaker than the US.

What's at stake

The 720 MEPs represent the second largest electorate in the world. Among them, 21 Greek MEPs will take responsibility **for directing the future of the EU. Greece must be an integral part of the discussion.** Its post-crisis resilience and many reforms, the improving investor confidence and economic performance are sources of optimism. But no EU country has the ability to go it alone, let alone the smaller ones.

Which EU do we want by 2030?

At these European elections, a clear message is needed for a change of course towards:

- **An EU that continues to evolve**, develops with modern and open horizons, and prospers in an ever-changing world.
- **An EU of cohesion and cohesiveness**, building a resilient, competitive, and sustainable economy as a prerequisite for security and strong economic prospects.
- **An EU with businesses leading the way** in international trade, in the digital and green transitions, in innovation, and which constantly create value, today and for future generations.
- **An EU that remains the benchmark** in terms of quality of life and attracting talent.

The direction towards 2030

Whether our collective effort towards 2030 succeeds will largely depend on how we strengthen five main pillars of the European edifice.

- **A better and more efficient Single Market**, without over-regulation, with an infrastructure that interconnects us, and with a balanced development of regions.
- **A shock of regulatory simplification and structurally reduced bureaucracy** for a friendlier business and investment environment, especially for SMEs.
- **Strengthening re-industrialisation**, for increased resilience, more employment opportunities, innovation, and strong international trade.
- **Empowering the labour market with state-of-the-art skills and flexibility for the changing work environment**, so that people and businesses can adapt to the constant change.
- **An accelerated and successful transition to sustainable entrepreneurship**, as an integral element of our legacy for future generations.

PILLAR 1

A better and more efficient Single Market

The situation today

The Single Market remains a cornerstone of prosperity, with the free movement of people, goods, services, capital, and ideas having made significant contributions. Through the Single Market Task Force, the EU is constantly improving the application of Single Market rules. However, as the recent Enrico Letta report shows after thirty years of implementation, the Single Market needs adaptation. Over-regulation, rigidity in the face of the rapid changes in the digital age and delays in resolving infringement issues, reduce its attractiveness for investment.

- **100 months** is the average time needed for investigating infringements, sending them to the European Court of Justice and implementing the judgments by the Member States.
- An additional **€713 billion** can be gained for the EU economy by 2029 by removing even more barriers.

The challenge

The new geopolitical and economic reality calls for a leap forward with better networks, better competition framework and a cohesion policy that supports growth.

GOALS AND TOOLS

Goal 1: Better connectivity, less alienation

- **Infrastructure for the safe and competitive operation of businesses (especially SMEs)**, with stronger networks, transport corridors, projects of common European interest and digital connectivity.

Goal 2: Faster convergence through the more effective application of single market rules

- **Strengthen supervision** to reduce the time it takes to investigate infringements by creating a specialised office along the lines of the European Anti-Fraud Office (OLAF) or the European Public Prosecutor's Office.
- **Transforming cohesion policy into a growth policy** for the regions that are, or are at risk of, finding themselves with serious competitiveness deficits. Co-financed programmes need to be adapted in order to ensure the direct correlation between each project's growth footprint and the allocated resources.

Why it is important for Greece

A dynamic single market better mobilises investments, strengthens social cohesion and can help ensure the competitiveness of Greece's regions. It also creates more openness (especially for SMEs) within the EU as a result of decreased bureaucracy and more interconnections.

A shock of regulatory simplification and structurally less bureaucracy

The situation today

Extensive bureaucracy and overregulation are not only national problems. They also have roots in the way the EU legislates and are further complemented by the way European legislation is implemented in the member states. The strategy to reduce compliance reporting by 25% and the Annual Burden Survey can help reduce red tape. However, as recent research by BusinessEurope shows, the complex regulatory framework in the EU burdens the operation of businesses, especially SMEs, making it difficult to attract investment and hindering international competitiveness.

- Administrative burdens for businesses amount to **4%** of European GDP.
- It takes **1 to 6 years** to complete environmental permitting.
- Between 2017-2022, **850** new regulatory obligations in **5.400** pages of legislation for businesses were implemented.
- **51%** of legislation does not assess its impact on businesses' competitiveness.

The challenge

We need smart regulation that does not focus on constant micro-regulation but instead, reduces regulatory burdens and compliance costs and facilitates job creation.

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Goal 1: 25% reduction of administrative burdens and compliance costs created by existing EU legislation within 2 years

- **Design and implementation of a program** (in the EU and Greece) that reduces the costs of bureaucracy throughout the life cycle of businesses. Unnecessary regulation can be eliminated quickly, with priority given to areas such as tax administration, corporate transformations, market surveillance, competition cases, trade disputes' resolution, customs' procedures, finance, labour relations.

Goal 2: Reduce environmental permitting time by 50%

- **Drastic simplification of environmental legislation**, removing overlapping or conflicting regulations and making use of modern environmental regulations.

Goal 3: Zero new bureaucracy, by eliminating it before it is legislated

- **Application of a "1 in-1 out" rule to any new legislation.** No legislation is passed if it creates more bureaucracy for businesses than it removes.

- **Competitiveness check and impact assessments:** All new legislation must be accompanied by a quantitative evaluation of its impact on the competitiveness of businesses (especially SMEs) and their ability to innovate. Where legislation has a negative impact, its implementation must be delayed for at least six months after its adoption.

Why it is important for Greece

Despite digital governance solutions, bureaucracy in Greece is still a major problem. Improving the quality of EU legislation combined with a bold reform to cut red tape before it is created attracts more investment and accelerates growth potential (especially for SMEs).

Re-industrialisation with more investments, innovation, cutting-edge technologies, and a strong international presence

The situation today

Recent EU initiatives such as the Green Deal Industrial Plan, Net Zero Industry Act, Critical Raw Materials Act and AI Act are positive steps in regaining the EU's industrial potential. Although they do not represent a bold step forward, they come at a time when industry - especially the energy - intensive one - faces existential threats from competitiveness problems. The triangle '**energy costs - green transition - international competitiveness**' remains unbalanced, increasing the risk of de-industrialisation in the EU. Similar challenges are posed on the technological front, with innovative technologies creating new needs for the transformation of production processes.

- EU industry accounted for **25%** of GDP in 2000, compared to **16,3%** in 2020.
- **-66%** of FDI in the EU vs. **+66%** in the US (2019-2021).
- **-2%** greenfield investments in the EU, **+19%** in the USA.
- **75%** of EU businesses cite energy costs as their biggest challenge.
- R&D spending in the EU **2,2%** of GDP, compared to **3,5%** in the US and **3,3%** in Japan.

The challenge

Industrial policy needs to be at the heart of the growth agenda, boosting domestic production, investment, and innovation.

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Goal 1: More value-added investments

- **Establishing a European investment fund** with resources of at least 10% of the EU budget, as a tool to support the energy transition, domestic production, and innovation in areas such as Artificial Intelligence, Green Transition Technologies, Biotechnologies, Pharmaceuticals & Health, Critical Raw Materials, Security, etc.
- **Drastic simplification of state aid rules** and increased limits for important sectors for the EU's autonomy and increase of the de minimis threshold to €900,000 every three years.
- **Doubling of co-financing for Research & Innovation** investments with priorities linked to industry and critical strategic EU sectors.

Goal 2: Recovery of energy competitiveness

- **A real solution for exports** covered by the Carbon Border Adjustment Mechanism (CBAM) to maintain their competitiveness.
- **A realistic EU energy strategy** allowing for the expansion of networks and storage capabilities, the transition to low-carbon energy (including transition sources) and the establishment of partnerships with third country providers.

Goal 3: More, and easier, international trade

- **Development of strategic partnerships** to ensure access to critical raw materials and new markets. Ratification of trade agreements with Mercosur and Mexico and conclusion of trade agreements with Australia, India, and Thailand.

Why it is important for Greece

Manufacturing has shown resilience. However, its growth to 15% of GDP can be accelerated by European policies for competitive energy prices, access to raw materials, interconnections, and infrastructure, preventing the risk of carbon leakage and attracting investment in cutting-edge green and digital technologies.

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Empowering the labour market with more skills and flexibility

The situation today

17 million people live and work in EU countries other than their own, taking advantage of the Single Market that broadens their job prospects. At the same time, companies are looking for new ways to increase the pool of available talent against an increasingly ageing demographic and a significant skills' gap. Apart from its impact on competitiveness, the shortages of skilled human resources also result in an increased internal competition between Member States. Moreover, the last 5 years have been characterized by growing regulation of the labour market, in matters that traditionally fall under national purview and competences, an approach which often did not consider its impact on EU competitiveness (especially for SMEs).

- **265 millions** citizens of working age in 2022 against a forecast of only **258 millions** in 2030.
- Only **54%** of EU citizens have basic digital skills, **44%** for those older than 55 years.
- **-25%** EU productivity vis-à-vis the US.
- In **46%** of businesses, the lack of employees with digital skills limits production capabilities.
- **PISA 2022: Deterioration compared to 2018, in mathematics and other science fields.**

The challenge

The EU needs a more and better skilled workforce, at a time when technology is changing the world of work, in a balanced, flexible, and effective labour market framework.

Goal 1: A workforce with knowledge and skills

- **Coordinated attraction of more young people** to STEM scientific fields, but also inclusion of STEM subjects in more education/training programs.

Goal 2: Strong national training & education systems for the jobs of the future

- **Participation of >60% of workers in retraining programs by 2030**, through the revision of state aid rules linked to filling job vacancies.
- **At least 20% of students** participating in Erasmus+ programs (2% today) thus enhancing their mobility.

Goal 3: A modern working environment which respects the social dimension and provides for flexibility, inclusion, and competitiveness of the labour market

- **Make maximum use of the EU Treaty** (Art. 154, 155) to ensure that social policy directives are the result of an agreement between the social partners thereby increasing their “acceptance” and utility as instruments for enhancing competitiveness.
- **Development of specific policies** for the adoption of AI at work.

Why it is important for Greece

Flexibility in the organisation of work with modern skills and a human capital that is rewarded for its performance are prerequisites for inclusive prosperity. Addressing quantitative and qualitative shortages, increasing the labour market's absorption capacity, and adapting education and training systems to market needs is a question for national policies within an effective European framework.

PILLAR 5

Accelerating the green transition in terms of competitiveness and sustainability

The situation today

The EU is continuously taking initiatives aimed at reducing the use of primary materials, increasing recycling and reuse of materials, and enhancing the competitiveness of activities linked to the green transition. The new Circular Economy Action Plan and the Ecodesign for Sustainable Products Regulation are some examples of such initiatives. However, access to primary or secondary materials at competitive costs is still a challenge.

- Only **12%** of materials used in the EU consist of secondary materials.
- The EU produces **2,5 billions** tonnes of waste and **20%** of biocapacity, while accounting for **7%** of the world's population.
- **€33,5 billions** deficit from the import of raw materials into the EU, although the use of recycled materials reduces dependency and mitigates risks of price fluctuations and resource availability.

The challenge

The adoption of circular economy principles in the EU can have a positive impact on the environment, society, and the economy, with a net benefit of €1.8 trillion by 2030. But faster progress is needed to ensure the sustainable use of materials and enhance strategic autonomy.

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GOALS AND TOOLS

Goal 1: Reduce the consumption of raw materials and increase recycled / recyclable materials

- **25% increase in recycled content in products.** Create requirements and specifications to increase circularity and create demand for secondary materials.
- **Creation of demand - "green" market** through the modernisation of infrastructure and specifications for secondary materials / fuels and the avoidance of greenwashing.

Goal 2: More green investments

- **Integration of green criteria in public** procurement for secondary (but also green) products, combined with incentives, to shift consumer choices.
- **Encourage the re-industrialisation of abandoned sites with incentives and specific** support to combine economic growth with maintenance of the facilities.

Why it is important for Greece

Policies at the European level can be a driving force to increase Greece's resource productivity, reducing dependence on critical materials and creating new business opportunities (especially for SMEs). This transition could lead to an additional €1.1 billion of GDP by 2030 and 4.6 thousand new jobs per year.



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