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League for Digital Boost Online Roundtable Digitization: the key to the success of small and medium-sized enterprises in the CEE?

Small and Medium-size enterprises need both tangible and intangible assets, meaning investments and connectivity. Still, skills are also crucial to progress, said Member of the European Parliament, Ms Josianne Cutajar in the opening statement of the League for Digital Boost Online Roundtable Digitization: the key to the success of small and medium-sized enterprises in the CEE?

Hosted by Ms Josianne Cutajar and organized jointly by European Enterprise Alliance, Slovak Alliance for Innovation Economy (SAPIE), SME Connect and Union of Entrepreneurs and Employers on March 2 roundtable aimed at identifying the main obstacles of the digitalization of SMEs at the EU level and in Poland that appropriate policies can address.

We all welcome the acceleration the European Commission has given to the process of digitalization. We were glad to take an active stand to co-organize and support initiatives that support digital skills development, qualifications and occupations. Among others, we have learned that skills are the primary tool of job matching instruments and talent platforms are the cornerstone of the labour market. Success in European digitalization lies in the European broad policy framework, regional cooperation and activities at the national level. The development of digital skills is the heart of European digitalization and a way to move forward for enterprises and people.

"This is why we see the League for Digital Boost, which is a Central European initiative, as an important tool to address the issue regionally and come up with solutions on how to overcome

obstacles that policies could address," said Marcin Nowacki, European Enterprise Alliance President.

There are still many difficulties that hinder SMEs from implementing digital tools. Companies' main problems in digitizing are legal uncertainty, the lack of financial instruments, including insufficient support with grants and loans, lack of advice on implementing new technologies, unnecessary bureaucracy, and insufficient employee training. Removing these obstacles and accelerating enterprises' digital transformation would create an additional 3.6 million jobs in the European Union, therein over 235 thousand in Poland. Very concrete examples of supporting measures could be, for example, tax relief for companies investing in digitalization visas for digital nomads for attracting international talent. In addition, formal education needs to be fundamentally innovated: innovative thinking and digital skills at all schools levels. Otherwise, there is a risk of brain drain, as competition for talent between regions and countries already prevails today.

During the vibrant debate, the participants of the round table all agreed that SMEs are the backbone of the European economy, and there are several factors to consider when discussing SMEs' digitalization. *"We need to understand that companies are not only in big cities but also in the countryside. There are different levels of digitalization. And we need to ensure that each SME can access digital solutions if they wish,"* explained Horst Heitz, SME Europe Secretary-General and Chair of the Steering Committee of SME Connect.

Katarzyna Kurek, Secretary of Consumers Forum Foundation, added that we should also remember that consumers respond and carry resilience in the economy. We should keep the importance in mind together with better integration of SMEs and consumers for further proper connectivity. The consumer creates the demand for digitalization, looking for the most cost-effective, affordable, and convenient solutions supporting digital transformation going forward. It is essential to ensure adequate protection and transparency of data usage, intellectual property and cyber security.

As one of the main obstacles to successful digitization, Marcin Nowacki named the lagging behind of the state itself in digitizing its administration. Providing digital access should be a starting point for creating new or innovating existing state services. The example of Estonia, whose digital transformation has been the engine of wider economic transformation, is particularly inspiring.

In order to do so, policymakers in cooperation with digital stakeholders shall implement clear legal frames and undertake a consistent financial plan to support SMEs in digital investments boost. Moreover, despite existing obstacles, the moderator stressed speakers' positive perspectives on the future of digital transformation. *"There are still more issues that have to be addressed regarding the digitization of SMEs. For that reason, I look forward to discussing this*

matter further within the League for Digital Boost," said Adam Pakulski, Union of Entrepreneurs and Employers Legal Analyst.



League for Digital Boost is a Central European initiative by the Slovak Alliance for Innovation Economy (SAPIE). The initiative aims to mobilize key players in the field of digitization of SMEs in Central and Eastern European (CEE) countries to highlight the critical challenges of this topic and propose solutions for policymakers in the region. The main ambition of the League is to connect public actors, private and non-governmental fields, to strengthen the development of the topic of SME digitization strategically and to link business needs with policy-making in the region and to enable the sharing of good practices. "The mission of the League is digitalization across CEE SMEs to maximize their impact on the EU level and strengthen the position of CEE towards the EU Institutions," adds Michal Kardos, SAPIE CEO