

Silicon Europe 2030

In the bureaucratic slang that we often come across in official reports, SMEs are defined as the businesses with less than 250 persons employed and an annual turnover of up to €50 million. But what does that mean? These companies and businesses are definitely not Google, Apple, Volkswagen or Carrefour. They do not make the headlines, can't pressure governments, don't have media connections and aren't known across the globe, the continent or even in their home country.

However, they are everything else.

In 2015, almost 93% of enterprises in the EU's non-financial sector were SMEs. They were not just small – but micro enterprises, with less than 10 employees. Comparatively, only 0.2% of businesses had 250 or more employees. It is the 0.2% that we most often hear about – crucial providers of goods and services and massive employers, but by far a fraction of the business environment of Europe.

Also in 2015, the EU registered 23.4 million SMEs across the continent, employing a total of 91 million people and generating an amazing €3.934 billion in added value. For countries like Estonia and Cyprus, SMEs made up almost the entire economy.

The fact is that SMEs are the backbone of the European economy. Giant car-manufacturers may impress by employing thousands in a single factory and banks may hold billions on their books, but it is small and medium businesses that prop up Europe, that represent its lifeblood. They are the bread-makers, the coffee-shakers, the vegetable growers, the book printers, the small IT innovators, the service providers and the merchants that made – and still make – Europe a thriving economical force.

Supporting them is my job as Commissioner for SMEs and entrepreneurship. As you know, the Union as a whole is focused on promoting entrepreneurship and skills through education, improving the SMEs' access to markets through free trade deals and on cutting the red tape that entrepreneurs have to navigate in order to open their businesses.

But that is no longer enough.

Europe can no longer afford to simply keep businesses running and people on payrolls. We must adapt. We must innovate. The first companies were born in Europe, and yet the company developed most outside the Old Continent. The truth is that we are not spearheading the future in that respect – we never have. Instead, we have watched others soar to the heights of economic development and have been

enjoying fractions of success in fringe domains or riding the tails of craftsmanship and branding, such as the German car-makers.

The way of the future is the way of the daring, of the disruptors and game-changers. For too long, businesses existed within a box that was carefully reinforced by state and even European institutions. We must exit the box. The US has its Silicon Valley; we will have London, Warsaw and Bucharest.

Look to Estonia, home of the e-Residency, a program which allows entrepreneurs to easily start location-independent companies. The same country issues its own crypto currency. Small and quick on its feet, the Estonian state could innovate and allow innovation to also happen independent from it. The trick is not to keep hold of the helm and fight the technological current, but to spread the sails and let the ship ride the wind.

I come from a country – Romania – in which economic growth does not happen due to the state or in cooperation with state authorities. Instead, it exists in spite of it. Companies reach more markets, hire more people, multiply their fields of activity and extend the range of their services not because the state facilitated for them, but because technology allows them to – because the internet exists. Because the EU ensures their rights of free movement for goods, services and people.

Entrepreneurship is a quality that Europeans have in bulk, especially the smaller firms. My job will be to create space for them to grow naturally, to spread their ideas and make the EU the next leader in technology. For that, we need to flip the script, to change the rules, to restart the game. State, society, business, marginal taxes, unequal incomes, tax havens, agriculture subsidies – all are useful tools and concepts that have run their course.

To feel a change in our pockets, we must first begin with our minds. And to improve European entrepreneurship we must empower and reward our creators, our entrepreneurs, business-owners, innovators, risk-takers, value-makers, and not seek to tax and redistribute their wallets with every electoral program or promise. Social policies and economic protections given to the most vulnerable are the pride of a strong Europe, but they should not come at the price of stifling creativity.

So, what is our goal? To put the new industries at the heart of European SMEs – to create ‘Silicon Europe’. We can no longer afford to linger in coal, petrol, manufacturing jobs, farming and hard labor. They cannot be abandoned either, but the way to the future is through the digital, the online, the streaming and the virtual. That is where the state of the future will be, where voters will have their say, where poets will forge their dreams and where love will take hold of couples. But first, it is where money will be made – and European SMEs will pioneer the way during my term. Thank you.