

Crisis? This is the best starting point to success!

The Speech at the Round Table “Building the future: The road to prosperity is always under construction”

Athens, October 20th, 2016

Ladies and gentlemen,

The hosts prepared for us, as a background for our discussion, some information and figures describing the crisis in the European and specifically in the Greek construction industry. Presented picture of this sector is gloomy indeed. However, this is a good point for starting the process of recovery.

The European construction sector:

- contributes 9% to the EU GDP,
- employs 15 million people (including 1.0 million of the European civil engineers)
- consist of 3 million enterprises (of these 95% are SMEs with less than 20 workers)

The real question is:

How to ensure permanent and sustainable economic growth in Europe?

Not only in construction sector, because the construction industry is not “a lonely island “and it is closely related to the rest of economy or social issues.

Usually, when I deal with complicated, multifaceted problems I try to find the nodal points in which the most important aspects of the whole issue are converging. I do this with the hope that unraveling of these nodes will allow solving a significant part of the whole problem. In case of the permanent, sustainable economic growth,

or may better to say, economic development, the center of gravity is the SME's sector.

In the European Union over 21 million SMEs employed almost 90 million people and generated more than 28% of EU28 GDP.

Overall, SMEs accounted for 99.8% of all enterprises active in the EU28 non-financial business sector, 67% of total employment and 58% of the value added.

On this background, the meaning of **Construction and Engineering SMEs** make up approximately 20% of total European SMEs Sector.

Micro, small and medium-sized enterprises, which employ the majority of European civil engineers, are the driving force of the European economy. The success of Europe depends on whether we can unlock the potential of the SMEs sector, and on our ability to release the energy slumbering in it, and whether we will be able to successfully create a political and social climate for promoting and supporting entrepreneurship in our countries.

We have to remove administrative, bureaucratic, fiscal and legal obstacles stifling SME's development. We have to remove the excessive burdens limiting SME's access to the market.

If we could achieve even small success with supporting of SMEs, remember please, that we can immediately multiply that by millions. This is highly effective way of acting.

The flourishing of the SMEs sector will have a significant influence on solving other challenges like unemployment, lack of perspective for young people and people in their fifties, and many others.

SMEs do not ask of any privileges but they have **the right to request clear, fair, straight and stable rules of doing their business** and what is more, we should create this in our own interest.

Finally, last but not least, SMEs are safe for Politicians. They do not organize massive strikes, do not visit Headquarters of The Governments and burn tires in front of them, they do not threaten to transfer their business to other countries. They work hard from morning to night to stay alive **but they are keen observers and judges** of economic actions of their governments and also the activity of the European Union Authorities.

So that is my first advice. Not only for Greece but for each state in Europe and in the World : Let us allow the people work and do their businesses, and the authorities, organizations, institutions and even every single man let them help as much as possible.

The lesson from our history.

The reforms of Octavian Augustus, the Roman Emperor of the time of Jesus Christ.

The tax collectors were winning tenders for this position on the basis of the highest bidder. It was more like a robbery than some kind of a tax system.

Result: an empty treasury and the economy and trade of Rome in the ruins.

Octavian Augustus established two simple and not too high taxes:

- 1% of the accumulated wealth,
- tax calculated per head of resident / citizen of Rome,

Result: The prosperity of people and the Emperor. Flowering of Roman economy.

The Investments

Wise, well targeted investments are the obligation and responsibility of each government or public authority because the cost of non-investment would be much higher than the cost of investment, considering that it would actually damage economic growth in the short term and competitiveness in the long term.

What does it mean "wise investments"? There are investments which support economic and social, sustainable development. The investments which at the same time offer a good return on invested capital but not only in financial meaning.

In case of Greece, the most desirable areas for public investments they seem to be energy efficiency renovation, energy from renewable sources, infrastructure sector, touristic industry and earthquake protection of existing buildings and infrastructure. It was proved that every single Euro invested in energy efficiency increase, gives up to 7Euro of income for public authorities.

My second advice: Wise investments there is an obligation, necessity, responsibility and the way to recovery.

Thank you for your attention.

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