

## Section: "The EU's role in supporting Innovation and Entrepreneurship"

### Coordinator: Spyros Ignatiadis, General Director of SEVE - Unit Conclusions

The aim of this section was the cooperation between the Balkan business entities and the promotion of innovation in SMEs, with the presence of very important representatives of small and medium-sized enterprises as well as the promotion of the role of SMEs in the Balkans and the high added value that should be given to the economic development of the region. Through the initiative of the ministry, Greece is called to play a leading role towards this direction but also to propose policies to the institutions of the European Union for their development.

In the context of this section, the following were mentioned:

The former president of the SEVE- Greek Exporters Association, **Mr. Dimitris Lakasas**, stated that Europe is lagging behind in investment in Research & Development (R&D), which has a negative impact on its performance in the international economy. As a result of the brain drain phenomenon, he focused on the general context of lagging behind in R&D investment, stating that the Balkan countries should pay special attention to tackling the difficulties arising from the small size of most companies.

Mr. Lakasas pointed out that Innovation and Extroversion should be the two pillars of the Forum that focuses on entrepreneurship, as they are the ones who will judge the future of the Balkan small and medium enterprises. At the same time, however, he stated the positive relations that exists in the Balkans, something that is also proven by the interpretation of the numbers, since during the last decade, trade between the Balkan countries increased by 79.2%.

**Mr. Aleksandar Stevanovic**, President of SASME, at the Serbian Chamber of Commerce, argued that the current economic environment is not conducive to innovation. However, compared to the past, companies are closer to a larger market, the European one, while there are more resources available for businesses, as well as available technical support.

The President of GSEVEE **Mr. George Kavvathas** stated that small and medium enterprises, which employ 87% of employees in the private sector, in order to survive need access to financial resources and support and incentives to organize in clusters, so that through partnerships they can modernize, move on to the digital age and invest in extroversion actions.

Moreover, he mentioned that the new Bankruptcy Law should give a second chance to companies that faced problems that bent their stamina and also he referred to the pilot program Early Warning Europe, which was implemented for three years together with the EEA (Athens Chamber of Tradesmen) which provided the tools that would help businesses identify their critical weaknesses and fix them. Closing his position, he argued that the Hellenic Development Bank (HDB) should take on the role of supporting small and medium-sized enterprises in need of liquidity and not just act as an intermediary, to systemic banks that do not release resources to those companies that they really need them.

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**Dr. Mladen Perazic**, director of Montenegro's Education & Quality Service, informed that his country is in the process of creating support mechanisms for business development, while he pointed out that training of target groups was a prerequisite for using EU programs and resources.

**Mr. Florin Jianu**, President of the National Council of Small and Medium Enterprises of Romania, stated that the Romanian Business is dominated by SMEs, as almost all businesses in the country are medium, small or very small, contributing 60% to the GDP of the country, while he pointed out that only 3 in 10 companies are moving to digital transition and have adopted electronic transactions, while the country needs many more innovative start up companies to boost the economy.

The panel was also asked questions from the audience. Indicative:

1. Given that most companies of the particular area are small and medium-sized and mostly do not have the appropriate research departments to develop innovation, how will they do it? How can small and medium-sized enterprises in the Balkans innovate?
2. Technology is developing exponentially resulting in the production of new knowledge every day. This trend creates many opportunities and makes it difficult for small and medium-sized enterprises to adapt to the ever-changing environment. In your opinion, what should they do in order not to miss the developments?
3. The exclusion of SMEs and very small SMEs is a fact due to the strictly restrictive funding framework, what do you think should be done in this direction?
4. Business size is often their biggest disadvantage to grow. Incentives need to be created to create cluster mergers.
5. How feasible is digital transformation for SMEs and what are the proposals to reduce the digital divide?

### **Conclusions:**

1. Strengthening SME Clusters and Innovation Poles in the new EU Programming Period 2021-27 with the aim of collaborating Business & Research Centers to increase the research footprint of SMEs.
2. Strengthen programs that strengthen key EU strategies for the 2021-27 Programming Period (Green and digital transformation beyond borders) and geopolitical targeting for European cooperation and integration in the Balkans by: Strengthening resources available for cross-border and transnational programs and continuation of the Balkan Med in the new Programming period.
3. Coordination & synergies between national, sectoral, regional programs.
4. Creation of a decentralized Staff Unit of ESPA 2021-27 at YMATH within the framework of the Ministry of Interior.
5. To continue the effective cooperation of the Managing Authority of Interreg with YMATH and the other Government and collective bodies of the Balkan countries, which has been operating effectively for the last decade based in Thessaloniki according to the European Principles of Proximity and Subsidiarity for the benefit of the wider region of the Balkans.