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VIEWS AND EXPERIENCES
OF THE CHAMBER OF CRAFT AND SMALL BUSINESS OF SLOVENIA
CONCERNING THE REMOVAL OF ADMINISTRATIVE BARRIERS
IN SLOVENIA AND THE EU

Ladies and Gentlemen, Honourable Guests,

It is a great honour – and I share this honour with the organisation I am leading – to have the opportunity to address you in the capacity of President of the Slovenian Chamber of Craft and Small Business, to participate in this conference and present our views and experience in removing administrative barriers and creating better conditions for the development of crafts and entrepreneurship.

Removing administrative barriers or creating suitable conditions for the development of crafts and entrepreneurship, with a particular focus on micro and small enterprises, has become one of the top priorities lately. I would like to put forward, however, some of our views and past experience.

Crafts have a long tradition in our country, its origins extend several centuries into the past. After World War II, during the socialist period, the craft sphere deteriorated to a great extent. The suppression of private initiative in the former state led the Slovenian craftsmen to organise local associations in order to find possible ways of

functioning in the republic as it existed at that time. It was the time when craftsmen were facing the conflict between the privileged sphere of the planned economy and the private economic sphere (represented by craft and small business) on the one hand, and between the limited private sphere and the prevailing state-controlled, privileged part of economy. This is the reason why, in 1969, the Slovenian craft and small business decided to establish the Federation of Independent Craftsmen Unions of Slovenia on their own initiative. At that time, it served as a counterpoise to the Chamber of Commerce of Slovenia which represented a state-controlled, socialist type of mainstream economy.

The role of the Chamber of Craft and Small Business at the time was to take care of the professional development and the promotion of crafts and trades and their position within the economic and political system. Let me point out that, at that time, this organisation strived to achieve some basic conditions for better functioning of crafts, for example the right to obtain the pension insurance, the financial support, and, of course, the right to carry out some business activities which used to be the exclusive privilege of the socialist economy, including the right to recruit people in craft businesses.

We, the craftsmen, have always been at the front of our own organisation, continuously developing it in close cooperation with our own operational base. In cooperation with similar organisations in the neighbouring countries and throughout Europe, we were doing our best to find good practice solutions. In 1991, the Craft Organisation as it existed at the time, was reorganized into the Chamber of Craft. This happened at the moment in history when we were establishing a new country and we wanted our Chamber to become an active partner in creating the Slovenian economic policy. To this end, we submitted in 1991 written requests of the Slovenian crafts to the Assembly and the Government of the Republic of Slovenia containing proposals which in our opinion were of vital importance, especially as regards the development of the country as a whole, and the development of crafts and small businesses in particular.

Let me now list some of the requests or proposals from that period:

- a Commercial Companies Act comparable with relevant European Acts,
- a completely new Crafts Act which would, or rather, should be comparable with similar regulations in some other European states. We thought that certain public competences, which were under exclusive authority of state institutions, should be transferred to the Chamber of Craft. We considered at that time already that we will be able to serve our members in a way which is much less bureaucratic, and, therefore more user-friendly.

We tried to point out that it was high time to take action in order to simplify various official recordings. Our members namely kept complaining that the records which existed at that time were totally »counterproductive« for their everyday operation.

These demands were repeated in 1993 and 1994. I have to say that the proposals from 1991 – although at that time they were looked down at and even ridiculed – turned out to be the »right ones«. Later, Slovenia took into account many of our proposals and inserted them in the legislation adopted in the next few years.

In drafting proposals we often used the models from other European countries and tried to find the solutions which seemed most suitable for our craft and small business.

Our next great experience was the Slovenian approaching the European Union and harmonization of our legislation with the European one. I would like to point out that we paid a lot of attention to this harmonization. We realized that the European legislation imposed lots of additional burdens and administrative tasks; it was characterised by extensive regulation which restricted mobility thus representing a hindrance for entrepreneurial dynamism. The Lisbon strategy later acknowledged these barriers and set different goals, primarily by way of the European development strategy, innovation and entrepreneurship.

During this time we tried to actively cooperate with individual ministries and the Slovenian Parliament, that is, with the Government institutions which created the social-economic policy. Providing better conditions for craft and entrepreneurship primarily depended on Government bodies and their understanding of the role of craft and small business for the Slovenian economy.

Things started to move in 2002 when the Government set up a ministry which was responsible for removing administrative barriers. Unfortunately, the results compared to demands and requirements of craft were rather poor. Nevertheless, we see the work of the current Government which established instruments for removing administrative barriers by the Ministry of Public Administration, as very positive. The present Government is implementing these instruments in three ways – by providing a user-friendly e-Government and enabling a simple and fast access to the business sphere. Another approach is the amendment of the adopted legislation, particularly the provisions where the unnecessary administrative barriers could be removed. The third way is very close monitoring of regulations and by-laws still under adoption procedure, that is, before being actually adopted. I have to stress that the Chamber of Craft is actively involved in all these activities. Our system contains, beside the Chamber of Craft and Small Business at the national level, 62 regional chambers, all included in the so-called e-Vem project, or e-points, where the active entrepreneurs can carry out all acts connected with company registration, while the new ones can start their business activity. I am pleased to note that we are very pro-active in this field, and dispose with highly professional staff and rich experience in the field of craft and trade. This allows us to provide a very high level of counselling for those who wish to enter the business sector. It is not surprising therefore that the rate of new registrations is increasing, especially in the system of craft and small business.

Every year, the Slovenian craft and trade submitted a number of proposals either for the adoption of new laws or adequate amendments to the existing regulations and by-laws. These proposals were substantiated by the fact that the proposed amendments would facilitate the operation of tradespersons, increase the competitiveness of the Slovenian craft and small business, and last but not least,

create the conditions for a faster growth of the economy as a whole which is our common goal.

A lot of work has been done in cooperation with ministries, especially with the Ministry of Public Administration. As I mentioned before, we have actively cooperated and submitted our proposals and comments for the improvement of legal provisions and by-laws even before their adoption. We see this as a very positive practice as it has undoubtedly prevented eventual later correction of inappropriate legislation.

Although a great work has been done lately in Slovenia to remove administrative barriers, the craftsmen and small businessmen are still facing certain problems in their everyday work. Therefore these efforts have to be continued at the national level, and we expect that things will be resolved also at the level of the EU. We have realized that many administrative barriers which are felt in the national economies result from the adopted European legislation. We consider therefore that the barriers will have to be removed at the European level, as well.

Our experience – which is equal or at least similar in craft and small business in other European countries – shows that these companies have to have their own advocate or ‘ombudsman’ to protect them in relation with any measures adopted by the Government or the institutions both at the national level and at the level of the EU. Although the companies of all sizes are cooperating with each other, their economic interests and needs for various forms of development support are not the same.

Our experience shows a need for communication with all craft and trade companies as the best way to identify the problems these companies face in their business operation, and the need for genuine proposals for the resolution of these problems. As I mentioned above, a lot has been achieved in Slovenia in the last period, and I dare say with our active participation. We expect, however, that adequate activities in this field are carried out at the European level, as well.