September 2012

Response to the Commission Consultation
EUROCHAMBRES RECOMMENDATIONS FOR THE ENTREPRENEURSHIP 2020 ACTION PLAN

EUROCHAMBRES advocates an approach by the European Commission based on a small number of EU level measures/policies to stimulate and cultivate entrepreneurship, especially among the youth. The Chamber network proposes the following priorities:

- Channel Structural Funds resources towards boosting entrepreneurial training for students and other young people in education. This funding should also be used to stimulate public-private partnerships, notably involving Chambers of Commerce and Industry, which are well experienced in providing such training (see the examples of best practices below).

- Urge all Member States to ensure that the key competence entrepreneurship is embedded in national (or regional) curricula for primary and secondary level education.

- Similarly, urge all Member States to ensure that entrepreneurship is a mandatory requirement in all technical studies, including at tertiary level.

- In parallel to this, ensure that teachers receive training on entrepreneurship education and exposure to enterprise, both during their initial qualification process and subsequently during their teaching career.

- Develop initiatives to make certain that all young people have at least one entrepreneurial experience (e.g. mini-company, local community project etc) before they leave secondary school in order to develop various relevant skills (responsibility, creativity, risk assessment and management, project management, cross-cultural and sectorial management, negotiation, teamwork, staff management etc.).

- Invest in the skills/capacities of would-be and new entrepreneurs through the development of mentoring/coaching schemes, which provide useful and hands-on competences for a successful & immediate start of a business.

- Integrate entrepreneurship education into vocational education and training (VET) given that both initial and continuous VET learners are a potentially significant source of both intrapreneurship (i.e. entrepreneurial/innovative behaviour within an existing business) and future entrepreneurs.

The goal is to equip all students with an entrepreneurial mindset and develop their sense of initiative and creativity. Such attributes enhance career prospects, not only since potential employers increasingly seek enterprising staff, but also by opening young people’s minds to the positive alternative of pursuing their own business ideas.
The 2,000 Chambers of Commerce and Industry belonging to EUROCHAMBRES are continuously engaged in delivering support and services to Europe's current and future entrepreneurs. As such, EUROCHAMBRES attaches great importance to stimulating and cultivating entrepreneurship in the EU and thus remains ready and willing to share Chambers' experience and ideas with policy makers as they consider this hugely significant issue.

General Assessment

Overlap with the Small Business Act (SBA) and Europe 2020

EUROCHAMBRES recognizes the critical importance of an entrepreneurial environment to the Europe's economic recovery and growth. To speed up economic recovery and growth, it is important to pay extra attention to supporting SMEs. However, the Small Business Act (SBA) is and should remain the main EU framework for SME policy. The SBA is reasonably high on the policy agenda, endorsed by the Member States and its implementation has been strengthened by a well-organised reporting and governance structure. Because of this, the SBA has gained political momentum, familiarity among policy makers and has begun to deliver results. An overlapping new initiative could undermine this effective process and create confusion. It is important therefore that this new document does not duplicate initiatives that are already underway, a comment that is prompted by the fact that all initiatives listed under Action Pillar 1 of the draft Entrepreneurship Action Plan are already integral to the SBA. EUROCHAMBRES therefore recommends that this action plan becomes part of the SBA, e.g. as an addendum, and included in its reporting cycle.

EUROCHAMBRES recommends that the Commission and Member States continue to pursue the processes and priorities set in place by the SBA and the 2011 review. There is certainly no room for complacency in tackling and constantly reviewing these conditions in order to make the EU a better place to create and run a business, but we believe that the SBA should remain the framework for doing so.

Promoting an entrepreneurial spirit

Reflecting this call for complementarity rather than duplication, EUROCHAMBRES recommends that the Entrepreneurship Action Plan specifically focuses on one key aspect that is not central to the SBA and where there remains considerable room for improvement across the EU: how to stimulate and cultivate entrepreneurship. Especially important in tackling this challenge is youth entrepreneurship, which is closely tied to instilling from very early on an entrepreneurial mindset. Fostering an entrepreneurial spirit should also be a key action against early school leaving, since it is a means of developing responsibility and confidence amongst young people and encouraging them to pursue their own entrepreneurial activity.
EUROCHAMBRES is in favour of the implementing measures from the Action Pillar II targeted at creating of entrepreneurial mindsets in early stages of education.

Implementation

EUROCHAMBRES suggests that national SME Envoys should be responsible in their country for the monitoring of the implementation of the actions in the Entrepreneurship Action Plan 2020 in close cooperation with SME organisations.

The SME Envoy Network should, moreover, commit to focus in 2013 on the implementation of entrepreneurship education actions/measures.

Further information: Ms Anna Szatkowska, Tel. +32 2 282 08 81, szatkowska@eurochambres.eu
Press contact: Ms Guendalina Cominotti, Tel. +32 2 282 08 66, cominotti@eurochambres.eu All our position papers can be downloaded from www.eurochambres.eu/content/default.asp?PageID=145
ANNEX 1
Examples of good practices

Box 1. Entrepreneurship Module Eligible for Certification – Dutch Chamber of Commerce

The Entrepreneurship Module Eligible for Certification in the Netherlands gives educational institutions providing upper secondary vocational education the option to add entrepreneurship to existing vocational training courses. The module sets out the basis concerning what people should know and be able to do in order to start up their own business and how to ensure that that business survives during the first few crucial years and goes on to flourish. The Entrepreneurship Module consists of 7 work processes, elaborated in competences, knowledge and skills.

Since 2011-2012 the Entrepreneurship Module is embedded in the national qualification structure in upper secondary vocational education. At this moment 17 of 41 regional schools for secondary vocational education are participating in the pilot, with currently 6.000 students taking the module. The goal is to prepare 30.000 – 40.000 students for an entrepreneurial career annually as of school year 2015-2016.

The Centre of Expertise on Vocational Education, Training and the Labour Market for the Trade Sector (KCH) has developed this module together with a variety of stakeholders. The Dutch Chamber of Commerce is one of the main partners.


Box 2. Education for Entrepreneurship - E4E , Training Needs Analysis in small and medium-size enterprises with emphasis on entrepreneurial skills and cooperation with the South East European Centre for Entrepreneurial Learning (SEECEL) – Croatian Chamber of Economy

1. The E4E project (Education for Entrepreneurship) is aimed at creating an integral education system for entrepreneurship as a concept of lifelong learning with the emphasis on the educational goals of the EU. The active participation of all relevant bodies on E4E Coordination has created the joint platform for the development of Strategy for Entrepreneurial Learning, as adopted by the Croatian Government in June 2010. The CCE will carry out promotion activities regarding Strategy for Entrepreneurial Learning throughout the county chamber network. Within the Action plan 2010-2014 of the Strategy, the CCE will be especially engaged in the measure:

“Development of entrepreneurial competences for all employees” that has the target group management and employees in companies, especially in SME.

2. The TNA project aimed at creating a comprehensive methodology and a continuous follow-up of future educational needs in SME as well as establishing the Competence Centre for research and training needs analysis in relation to entrepreneurial skills and follow-up of international trends and their implementation on the national level with a special emphasis on the EU. First research was conducting 2009, and at 2011 CCE was a pilot institution for regional research at SEECEL project.

More information: http://analiza-potreba-za-edukacijom.hqk.hr/
3. The Croatian Chamber of Economy and the Ministry of the Economy, Labour and Entrepreneurship (today Ministry of Entrepreneurship and Crafts) are founders of the South East European Centre for Entrepreneurial Learning-SEECEL, the basic task of which is a systematic promotion and development of entrepreneurial culture and entrepreneurial learning. The funds for the operation of the Centre have been provided from the multi-beneficiary IPA package. The project is aimed to promote lifelong learning for entrepreneurship, which is compatible with the aim of the E4E project.

More information: [http://analiza-potreba-za-edukacijom.hgk.hr/](http://analiza-potreba-za-edukacijom.hgk.hr/) or [www.hgk.hr](http://www.hgk.hr)

Box 3: Entrepreneur's Skills Certificate® - Austrian Federal Economic Chamber

The Entrepreneur's Skills Certificate/ESC® is a modular training programme for upper secondary general as well as vocational education. The ESC® provides understanding of economic basics and entrepreneurial competencies. More than 50,500 students and young adults participated in ESC® online tests in Austria and abroad. The election as European best practice for entrepreneurship education in Oslo 2006 led to a broad dissemination of the ESC® to countries such as Germany, France, Albania, Kosovo, Switzerland, Italy (Alto Adige), Serbia, Poland, the Czech Republic, as well as to requests from Turkey and the Panafican Chambers.

More information: [www.unternehmerfuehrschein.at](http://www.unternehmerfuehrschein.at) or [www.wko.at/bildung](http://www.wko.at/bildung)
I really did not see in your proposal alternative and ambitions funding routes that acknowledge how entrepreneurs think and work, that respects entrepreneurship and creates an culture of innovation, that accelerates and facilitates the speed of internationalization (or even pan-EEU roll-out). Please consider:

1. Crowdfunding (with a clear co-creation focus, supporting business angels and venture capital in building a pipeline)
2. Incubation networks (that are self-sustainable, maybe private, and can invest)
3. Accelerations funds (very early stage funds that assume risk and co-invest on fair terms)

Hope you had good feedback.

Best regards,

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Oliver Gajda

Tel. +49 176 4928 1117
http://about.me/olivergajda
Subject: Orgalime position on the Consultation on the EU2020 flagship on Industrial Policy

Dear Mr Calleja Crespo,

I have the pleasure of enclosing the Orgalime answer to the consultation on the EU2020 flagship on Industrial Policy. We have chosen to address this consultation with a more complete position paper as we feel that the limitation imposed in the consultation (3 issues) would not allow us to fully cover our views on Industrial Policy. We have however followed the Commission’s layout in our answers.

We firmly believe that this is time for the Commission to focus on developing the Industrial Policy which broadens the vision initiated in the Council’s “Compact for Growth and Jobs” to cover the wider real economy. The development of an industrial policy focusing mainly on the green economy as a concept without anchoring it to real world of industrial production and products is artificial: indeed we see the green economy as a business driven evolution of the economy and of technologies which have underpinned European’s growth for many years. The equipment and technologies and systems for this evolution are essentially developed by our companies.

Finally, I would like to stress that we believe much more needs to be done to make Europe as attractive as it needs to be for industrial investors, so as to ensure a recovery of the real economy. We develop our ideas on how to achieve this in the attached position.

I would appreciate having the opportunity of meeting you to discuss our vision.

We thank you in advance for taking our views into account.

Yours sincerely,

[Signature]

Adrian Harris

Cc: Mr Peltomäki, Mrs Groebner, Mr Cozigou, Mrs Ekroth-Manssila, Mr Caballero Sanz, Mrs Paserman, Mr Girao, Mr Leoz-Argüelles, Mr Allen, Mrs Weidel, Mr Spiechowicz, Mr Buhagiar, Mr Panella, Mr Kuck
Position Paper

Brussels, 1 August 2012

Orgalime position paper on the Consultation on the EU2020 flagship on Industrial Policy

Mid-term review of the Europe2020 flagship initiative on Industrial Policy

INTRODUCTION

The present position is formatted to correspond in its numbering to the European Commission’s questions in the Consultation with Orgalime’s position included after each question. We would also like to highlight our conclusions given under the answer to question 2.16 where we provide our comments on what we expect at a wider level from the EU’s industrial policy.

1. GENERAL INFORMATION

1.1. Please enter your name, address, and e-mail address.

Orgalime, Diamant Building, 80 Boulevard Reyers, B-1030 Brussels, BELGIUM

1.2.1 Please specify:

1.2. Who do you represent?

Business organisation

1.2.1. Please specify:

Orgalime, the European Engineering Industries Association, speaks for 37 trade federations representing some 130,000 companies in the mechanical, electrical, electronic, metalworking & metal articles industries of 22 European countries. The industry employs some 10.2 million people in the EU and in 2011 accounted for some €1,666 billion of annual output. The industry not only represents some 28% of the output of manufactured products but also a third of the manufactured exports of the European Union.
1.3. In which sector(s) do you operate?

Manufacturing

1.3.1. Please specify:

- See 1.2.1
- NACE (Rev 2) codes: 25 to 28 as well as repair and installation services under NACE 33.
2. POLICY PRIORITIES FACING EUROPEAN INDUSTRY

2.1. In your experience, which of the following policy-related factors are most important for the competitiveness of European business? Please select a maximum of three factors:

Comment: The European Commission has selected 14 factors of importance for the competitiveness of European business.

Basically the competitiveness of European business is based on the possibility to provide relevant goods and services to potential customers at the required conditions of price and quality. This requires a permanent adaptation to customer needs, including at international level.

At a policy level, since its inception, the EU has at its disposal three areas of instruments which continue to be fully relevant:

- The four freedoms: free circulation of people, goods, capital and services, based on intelligent legislation (completed by standards) which only purpose should be to establish a single market guaranteeing fundamental aspects (quality, health, environment, safety, consumer protection) of goods and services and submitted to a properly enforced market surveillance; such legislation should be user-friendly for all businesses (SMEs as well as large companies)
- The so-called flanking policies, completing this legislative framework by other policy instruments in the areas of skills (including the dimension of entrepreneurship), infrastructures for transport, telecommunication and energy, access to finance, R&D&I
- The international dimension, which should aim at allowing the best possible access to international markets and securing the provision of energy and raw materials as required to develop EU businesses, using both the WTO and bilateral trade instruments.

Since all fourteen factors listed by the Commission can be ranged under these three areas, all of them should be considered in a consistent and holistic manner. However, if priorities have to be given, Orgalime would propose the following:

- SME-friendly business environment and entrepreneurship
- Better and more consistent regulation
- International market access and global competition.

We do, however, comment on most questions of the consultation hereafter.
2.1.1. SME-friendly business environment and entrepreneurship: please explain the importance of the issue, giving examples and evidence.

- With the development of the internal market - a major EU success story - came a considerable body of European product legislation. A few core directives, such as the Low Voltage and Machinery Directives, and occupational safety directives have both regulated the health and safety aspects of engineering products and their free circulation in an ever larger internal market.
- In recent years, however, the EU has enacted a substantial body of legislation in areas such as the environment, employment and social affairs, consumer legislation, etc... while at the same time continuing to develop or review internal market legislation.
- Frequent policy changes, the tendency at a national level to gold plate EU legislation and at EU level to review legislation often on a 5 year basis (generally leading to a revision) mean we now have in the EU a highly complex and unpredictable body of regulation which has become too unwieldy for companies and, in particular, SMEs (which account for over 90% of the companies represented by Orgalime) with their limited resources and their focus on their core business to manage, in particular when the investment horizon and also often the product life cycle for manufacturers in the capital goods industry is 10 years or more. The revision of existing legislation after short periods of time and the adoption of additional and sometimes even incoherent legislation is an avoidable burden for SMEs which undermines their global competitiveness. Example recent review of the RoHS directive.

2.1.2. SME-friendly business environment and entrepreneurship: how can businesses themselves better respond to these issues?

- By working at both European and national level to limit additional requirements on business which lead to administrative burdens.
- By working with their national and European associations to resolve practical issues on the regulatory front as they arise.
- By simplifying the conduct of business: for example by making use of general conditions and model contracts developed by Orgalime. These conditions and contracts are widely used and help companies to sell their products internationally without having to draft individual contracts for each transaction. This reduces companies' transaction costs.
- By diversifying the location of their investments as a function of their markets and the total cost of doing business in and from different regions.

2.1.3. SME-friendly business environment and entrepreneurship: what can policymakers do to address the issues at Member state, local or regional level?

- Avoid gold plating legislation at a national and regional level, given the regionalisation of many areas of policy in member states.
- Support moves to provide much greater regulatory stability, coherence and predictability both at EU level, but also in national and regional policies.
• Cut red tape and go for both simplification and stability in the administrative burdens placed on companies at all levels of the administration.
• Provide better market surveillance to ensure full compliance with our legislation of all products on the EU market, whether imported or manufactured in EU market. Coordinate actions with colleagues in other member states and from customs to the market.
• Encourage the take up of energy efficiency solutions, with central government and the regions showing the example.
• Support the finalisation of an internal market for energy.
• Make use of the Commission’s impact assessment and competitiveness proofing report during the adoption phase of Commission regulatory proposals in Council.
• Take more into account, at a policy and regulatory level, the essential contribution that manufacturing plays in the local economy in terms of employment and social cohesion, with a view to providing an attractive investment framework for companies and their staff.

2.1.4. SME-friendly business environment and entrepreneurship: what can policymakers do to address the issues at EU level?

• Continue to consider the reduction of bureaucratic burden for companies and in particular SMEs, a top political priority. The tools for identifying bureaucratic burden of new legislation, such as the competiveness test and the impact assessment, are available and must be applied comprehensively by all the EU institutions.
• Unleash the Single Market in areas where it has not been completed yet (services, energy and digital sector).
• Provide a supportive framework facilitating the introduction of new technologies in Europe.
• At an EU level: provide much greater regulatory stability, coherence and predictability.
• Where new legislation is deemed necessary:
  o use the instrument of regulation rather than directive
  o aim to render the administration of legislation as simple as possible, including ensuring that overlaps between different pieces of legislation are avoided, thereby reducing the possibility of introducing conflicting provisions and obligations deriving from new regulations (with regard to existing one) for the same product
  o aim to regulate products rather than processes: regulating processes often puts EU manufacturers at a competitive disadvantage, thereby promoting “leakage” of production.
• Promote cost effective infrastructure investment in energy, transport and digital networks.
• In Horizon2020 ensure that programmes such as the Factories of the Future PPP effectively continue to attract SMEs by providing administrative simplification and sufficient funding: the present proposals at the level of funding are not supportive enough given the increasing success of this PPP in attracting SME participation.
• Provide better market surveillance to ensure full compliance with our legislation of all products on the EU market, whether imported or manufactured in the EU.
• Really take into account at a policy and regulatory level the essential contribution that manufacturing plays in the European economy with a view to providing an attractive investment framework for companies.
2.2.1. Access to finance and risk capital: please explain the importance of the issue, giving examples and evidence.

- For most companies access to trade credit in the form of overdraft, working capital facilities or revolving credit lines is essential both to pursue normal business, but also to finance their expansion. While there are wide variations across companies and also countries according to traditions, in particular at the level of debt:equity ratios, which affects the capacity of companies to have recourse to internal funding for their daily operations, access to credit is in many cases more difficult, in particular for smaller or newer companies; and also for all more expensive, in spite of historically low ECB interest rates. The importance of this issue is clear as lack of finance is a constraint both on responding to immediate market demands and on growth.

- There is little sign that the situation has improved from the time of surveys, such as that carried out by DG Enterprise and Industry on “SMEs’ access to finance survey 2011”.

- For energy and other infrastructure financing, see the Electra “Smart World” report which provides extensive comments and suggestions.

2.2.2. Access to finance and risk capital: how can businesses themselves better respond to these issues?

- Businesses have to adapt their growth strategy to their financial capacity in order to avoid the danger of insolvency. But in competitive dynamic global markets it is necessary to invest even in times where internal funds are not available. To encourage positive loan decisions by banks and investors, transparency is of utmost importance.

- Therefore sound financial communication with regard to
  - one’s business and its outlook
  - on the attractiveness of products to customers
  - the efficiency of production processes in terms of cost and quality and successful research, development and design processes

- Should be high on the agenda of the top management.

- For establishing new companies, communication on the product and the commitment of the management team are decisive.

- SMEs may use clustering as a business model for shared risk investment in specific production equipment/facilities which are then used by them as joint production infrastructures: here appropriate financing of such jointly owned facilities should be supported and used.

2.2.3. Access to finance and risk capital: what can policymakers do to address the issues at Member state local or regional level?

- First and foremost, establish the right framework conditions: a reliable legal system, adequate tax levels and a low level of bureaucracy. In the area of corporate finance, manufacturers need an effective and efficient banking system with competitive banks,
stock and trade exchanges with strict rules concerning execution and collaterals, public schemes to support and support funding for new enterprises, R&D and exports.

- Ensure that payment delays are effectively brought down to agreed level over time (30 days) both by governments and private business. The tendency for many larger organisations (including governments and administrations) to pay with excessive delay makes the situation all the more difficult at the level of suppliers, the vast majority of which are SMEs.
- Ensure a staged transposition of the Basel III requirements: there are countries which are introducing Basel III requirements more quickly than required which inevitably means that banks are facing liquidity issues as they seek to reinforce their capital base. This leaves even less money available for trade credit and working capital.
- Ensure that banks operating in the EU are not required to move faster on Basel III than those in competing manufacturing economies.
- Take the necessary steps to promote easier access to trade credit, as traditionally used by companies, rather than what we see as the continuing shift towards capital market instruments which dilute the equity positions of entrepreneurs and therefore their ownership of companies. Consider separating retail banking from investment banking in order to facilitate this move.

2.2.4. Access to finance and risk capital: what can policymakers do to address the issues at EU level?

- See 2.2.3 above
- At an EU level, there should be a common regulation of the financial sector in Member States to achieve a stable and efficient banking system under a European banking regulation authority.
- Banking regulations should always take into account collateral damage to production companies as the latter add only to a small extent to systemic risks. Therefore the EU should carefully observe consequences and impact of all current regulation projects as EMIR, MiFID/ MiFIR, CRD IV/ CDD, as well as Solvency II with regard to business of the companies of the manufacturing sector.
2.3.1. Technologies, standards, design and innovation: please explain the importance of the issue, giving examples and evidence.

It is clear that, for our industry manufacturing in the EU, we are unable to compete on most input costs: labour costs, energy and indirectly taxation are among the highest in the world. Therefore, if we are to maintain our capacity as a successful industry producing in the EU, the engineering industry, which is a capital goods and consumer durables sector, producing equipment and systems for all other economic sectors and in answer to the requirements of societal challenges, on a worldwide basis, must focus on:

- Technological excellence and innovation so that we can keep up our total market share both in the internal market and on export markets.
- Productivity: as one of the main clients of the engineering industry is the industry itself, technology is at the core of increased productivity. This allows us to compensate partially for the cost disadvantage we face. Our industry is particularly strong in the area of advanced manufacturing and production technologies, automation, etc.
- Developing new markets based on fast-evolving technologies, such as in the area of smart grids, smart cities, etc., as described in more detail in the Electra ‘Smart World’ report.

While our industry appreciates the New Approach and therefore the New Legislative Framework where harmonised standards provide presumption of conformity, we see standards first and foremost as a market tool for companies: with nearly 80% of standards unrelated to legislative or conformity assessment activities, when companies invest in standards and promote international standardisation, it is with a view to facilitate market access and gain market share in an increasingly aggressive globalised market. We are therefore overall pleased to see the direction being taken by the proposal for a Regulation on Standardisation, now under ordinary legislative procedure, where many of our suggestions are finding support. For further comments see our most recent positions on the issue of standardisation: 5/04/12, 2/02/12, 16/09/11, 13/07/11, 18/02/11.

2.3.2. Technologies, standards, design and innovation: how can businesses themselves better respond to these issues?

- See above +
- R&D&I policies: industry can contribute to improve the innovation performance of Europe by providing public funding bodies with insight into the main R&D&I priorities which are genuinely relevant for the economy and industry and by anchoring public research programmes to real-world needs. Industry can facilitate this by engaging in Public Private Partnerships and Innovation Platforms/Partnerships. The research-PPPs, such as “Factories of the Future”, are steps in the right direction and should be continued and better supported.
- Standardisation: our industry is investing heavily in standardisation, since some 95% of the financing of standardisation costs in Europe is provided by industry according to...
CEN-Cenelec's estimation. Moreover our industry invests heavily in international standardisation which plays a crucial market access role.

2.3.3. Technologies, standards, design and innovation: what can policymakers do to address the issues at Member state, local or regional level?

- **Innovation**: ensure that the framework conditions are supportive of innovation at a national level, including through supportive R&D&I conditions (taxation, investment tax credits, research infrastructures...), encouraging clusters of excellence to stimulate cooperation among larger and smaller companies with academia and research facilities and para-statal bodies, minimise the red tape for start-ups and provide the right conditions for companies to grow. Such framework conditions are required at a national level, but also at local level, where, for example, multilingual schooling facilities present an attraction in the framework of development of clusters.

- In general, publicly supported R&D&I activities should be better coordinated in order to avoid fragmentation and overlaps. For example, should funding be provided for innovation from Horizon 2020 and Structural Funds, processes and rules should be aligned. Vertical structures such as EIPs might help to make innovation policy more coherent, but business should have a place in these structures.

- **Standardisation**: ensure that the role of standardisation is both known and that dissemination of information about standards is supported. National standardisation bodies (NSB) must be able / in a position to support national industry experts in international standardisation processes (specifically those coming from SMEs), with NSB being considered as a part of strategic national innovation infrastructure: this is a financing issue.

2.3.4. Technologies, standards, design and innovation: what can policymakers do to address the issues at EU level?

- **R&D&I policies**:
  - It is essential to fully understand that the continued success of engineering in the EU depends on framework conditions and a sufficient client base to continue as a successful manufacturing sector in the EU: for example, we have the strongest machine tool and automobile automation sector in the world because of the demands of a European automotive industry where Europe leads in many areas of technology.
  - Public intervention should focus on innovation-friendly framework conditions.
  - Access to programmes should be facilitated by reducing administration and reaction times.
  - Special schemes for SMEs could be rendered more useful, if the current SME definition were amended: R&D-intensive companies have often more than 250 employees but cannot benefit although they have a typical SME structure.

- **Technologies**:
- the greening of the economy must be a business-supported evolution of Europe's innovative industry rather than a replacement of "old" by "new" technologies.

- Our industry offers many energy efficient technologies, both at the level of consumer goods and of professional goods: however investment in innovative products needs to be recovered through a sufficient client base and regulatory predictability and stability: changing the goal posts every few years means that the investment made in efficient products cannot be recovered before more changes are introduced.

- For capital goods, it is essential to remember that the competitiveness of manufacturers depends on designing ever more productive equipment and systems. (See the Mechanical engineering review published on DG ENTR web site).
2.4.1. Skills, restructuring and structural change: please explain the importance of the issue, giving examples and evidence.

- The engineering industry is strongly knowledge-based and in global competition European technologies often are leaders in world markets. This success is based on the high level of performance and qualification of employees.
- As equipment and systems become ever more sophisticated, so companies need to employ the skilled personnel to develop, manufacture and maintain these.
- There is a perennial lack (qualitative and quantitative) of skilled personnel, both at the level of school leavers and also of the working population which needs to update its knowledge regularly.
- There are many studies on the lack of skilled staff both at national and European level (DG Employment’s sector studies on skills needs and CEDEFOP). More recently there has been the “Study on the competitiveness of the EU Mechanical Engineering Industry” published in 2012 by DG ENTR which highlights (Cap 5.3.5) the need for ever more skilful personnel, the increasingly tight market and the increasing competition for skilled staff. See also the “Smart World” report Chapter 8.2, issued by Orgalime in April 2012 and the “Shaping Talents, new business prospects, competitiveness and improved employability through lifelong learning” report by CEEMET, in June 2012.

2.4.2. Skills, restructuring and structural change: how can businesses themselves better respond to these issues?

- First by making more efforts to interest young people from very early on (i.e. at primary school) in the engineering environment, so as to attract them to the right studies.
- Then by having closer relations with teachers and students throughout secondary education.
- By taking on apprentices and training them or retraining them from other professions, so as to partially compensate for the lack of skilled staff.
- By ensuring the regular updating of skills in companies on the basis of a shared responsibility between employers, employees and the state.
- By SMEs adopting more strategic and future oriented approach to human resource development based on their business development and innovation strategies.
- By using more effectively the possibilities enabled by ICT or automation technologies, e.g. in manufacturing, e-commerce, networking for innovation and HRD activities, etc.
- By participating actively, where possible in the governing boards of educational institutions.

2.4.3. Skills, restructuring and structural change: what can policymakers do to address the issues at Member state, local or regional level?

- No education is much more expensive than education. Investment in education over the whole range from kindergarten to retirement must be increased. Therefore:
Focus the on quality and impact of education and training and increase the weight of quality and impact indicators in the funding models of education and training in all sectors of education and training. Promote qualifications and degrees that lead to a high value added jobs.

Ensure that education and training systems allow for active employer involvement in curriculum development and the assessment of learning outcomes, as well as enabling or improving the participation of employers on education and training institutes’ and university governing boards.

Modernise and update where necessary vocational and educational training systems, including those which ensure continuous education of workers. Ensure flexible learning pathways, including improved permeability between vocational education and training (VET) and higher education (HE). Bring closer together academic and professional HE institutions, VET institutions and industry and optimise HE institutions’ responsiveness to society needs, including business needs.

Promote a culture of practical learning in primary and secondary education and invest in improved co-operation between industry and education and training institutions in primary, secondary and tertiary education.

Strengthen the co-operation between practice oriented HE institutions and SMEs and facilitate co-operation and networking among experts from industry, students, teachers and researchers, including interdisciplinary co-operation.

Raise the profile of teaching and teachers in maths, science and technology, including at the level of differentiating remuneration.

Make industry co-operation an integral part of the teacher education thereby strengthening the primary and secondary school teachers’ interest and ability to connect their teaching with the latest developments in the work life.

Establish systems for "early childhood motivation" for practical skills / awareness building among children on the importance of the creation of new value in engineering products in the home environment.

Support effective use of ICT in teaching and learning and invest in e-competences of young people as well as the adults.

2.4.4. Skills, restructuring and structural change: what can policymakers do to address the issues at EU level?

- The principle of subsidiarity must be observed.
- Continue benchmarking the needs in skills and the progress made in member states: modern education systems require modern quality and impact assessments. Current quality and ranking systems should be complemented with labour market related criteria.
- Continue to encourage the mobility of students.
- Promote engineering skills and competences as a key personal investment for long term employment.
- Promote the participation of increased number of SMEs in the EU co-operation programmes in education, training and R&D&I.
2.5.1. Improving the Single Market: please explain the importance of the issue, giving examples and evidence.

- The internal market for products, supposedly completed (but not really) in 1992 is one of the outstanding successes of the EU. For the engineering industry, this has meant over the years a significant growth in competitiveness both in the EU and on international markets.
- There is a need for further development of the internal market, notably in the areas of services, energy and the digital sector.
- There are still areas of the internal market for products which need to be improved, such as for non-road mobile machinery.
- More efforts need also to be made at the level of the adoption of the European Private Company and the improvement of market surveillance.
- Single Market policies must take better into account their international dimension.

2.5.2. Improving the Single Market: how can businesses themselves better respond to these issues?

- By ensuring that internal market legislation is properly applied and by reporting on those areas where it is not.
- By cooperating with authorities in the area of market surveillance through provision of information facilitating conformity testing and the work of customs and market surveillance authorities.

2.5.3. Improving the Single Market: what can policymakers do to address the issues at Member state, local or regional level?

- Avoid gold plating.
- Avoid the temptation towards protectionism in the internal market which is on the rise.
- Perform their market surveillance obligations, both at the borders of the EU and in member states. Since 1993, Member States have had the obligation - at points of entry into the EU - to check at the Customs the conformity of products to EU legislation (also reaffirmed by Regulation 765/2008). Notwithstanding this:
  - Market surveillance is mostly active only when there are accidents, but rarely to check conformity to other EU legislation (e.g. environmental).
  - There are few customs checks: in the machinery sector, for example, less than 0.2% of containers are physically checked at Rotterdam, the first port of entry into the EU.
  - The manufacturer’s declaration of conformity, the first document used by market surveillance authorities, is not used by customs.

To arrive at a solution that is both effective and cost efficient will require a real cooperation between different Commission services with and between Member States and with the support of European trade organisations.
Market surveillance is essential to achieve a level playing field on the internal market, thereby preserving the economic interests and competitiveness of manufacturers in Europe.

2.5.4. Improving the Single Market: what can policymakers do to address the issues at EU level?

- See 2.5.1
- When revising product legislation, choose the instrument of Regulation rather than Directive.
- Focus on developing legislation under Article 114 TFEU
- Focus on legislation which impacts products rather than processes: all products on our market should respect our legislation; imposing more severe or costly regulation which affects manufacturing processes in the EU, favours offshoring / leakage.
- Develop an effective coordination mechanism and support network to improve the functioning of market surveillance.
2.6.1. ICT and internet access and cross-border sales: please explain the importance of the issue, giving examples and evidence.

- Productivity depends a lot on information and communication technology especially in Western Countries. Its contribution to labour productivity growth can be several percent points per year. Continuing productivity growth is important at personal, business, Member state and EU level. ICT plays a key role in this and therefore in the competitiveness of European manufacturing.
- The world’s largest piece of infrastructure, the Internet, is only in its teens. We believe that the Internet and ICT solutions in general will continue to be one of the main, if not the main, engine of global economic growth for at least the next 20 years.
- More and more functions at all levels of the economy and society will go digital. It is extremely important that European companies should have access to the most advanced technologies when collaborating among themselves and with partners and customers outside Europe, and when moving towards service business models. We therefore welcome the moves to support KETs as an integrated chain.

2.6.2. ICT and internet access and cross-border sales: how can businesses themselves better respond to these issues?

- Utilise ICT technologies in all their functions.
- Invest in R&D.
- Focus on their core businesses.
- Think global and network globally.
- Continue to develop their customer base internationally.

2.6.3. ICT and internet access and cross-border sales: what can policymakers do to address the issues at Member state, local or regional level?

- Minimise national regulation when operating cross border.
- Ensure that the public ICT infrastructure and services are globally competent.
- Simplify and move the national regulation to the digital age (e.g. national copyright laws).

2.6.4. ICT and internet access and cross-border sales: what can policymakers do to address the issues at EU level?

- If we understand the need to render cross-border sales more attractive to consumers and therefore the interest of the European Commission to propose a Common European Sales Law, we strongly believe that a clear distinction needs to be made between consumer law and B-2-B sales.
• Interfering in the fundamental principle of freedom of contract – a fundamental basis of contract law in national legal systems should not be considered, even as an option. The Commission's moves in this direction will inevitably be perceived once again as business unfriendly which is not helpful at a time when manufacturing industry should be seen as one of the principle vectors of Europe's economic recovery, in particular since governments are short of funds and consumers are lacking confidence.
2.7.1. Better and more consistent regulation: please explain the importance of the issue, giving examples and evidence.

- Despite a commitment to better regulation and regulatory stability, there is a tendency of regulators to frequently review regulation which inevitably seems to lead to revisions of the law or recasts where new requirements are introduced. Concrete examples of areas of concern today include the future revision of the Pressure Equipment Directive and the ongoing discussions on extending the scope of the WEEE and RoHS directive to a large range of capital goods.
- There needs to be more consistency in the texts of legislation: for example application of the RoHS directive is, in particular, an issue due to poor drafting of texts: the term "made available" in Article 2.2 of Directive 2011/65/EU should be replaced by "the first making available of the EEE on the Union market", hence, its "placing on the market".
- In the Eco design directive, the increasing use of the instrument for capital goods is also an area of concern, as the competitiveness of European capital goods manufacturers is strongly linked to their productivity as a whole.

2.7.2. Better and more consistent regulation: how can businesses themselves better respond to these issues?

- By highlighting areas where there are issues.

2.7.3. Better and more consistent regulation: what can policymakers do to address the issues at Member state, local or regional level?

- As EU legislation is inevitably the result of a compromise, apply regulation on the basis of the texts and of a common understanding without trying to reinterpret EU legislation to suit their own views. Examples: the 0.1% substance threshold under the REACH regulation and the scope of the RoHS directive.

2.7.4. Better and more consistent regulation: what can policymakers do to address the issues at EU level?

By ensuring that:
- Proposals have been thoroughly assessed for their impact on competitiveness and jobs prior to adoption, and thereafter at regular intervals, to ensure that they are cost effective for business and to avoid the tendency to go automatically from review to revision.
- Are stable, predictable and coherent, with clear and demonstrated benefits for sustainability and competitiveness, thus creating a clear investment environment over time.
- Provide legal certainty and cut red tape for all operators.
- Enable introduction of new technologies in Europe.
• Recognise the value of the EU industrial fabric and of the multiple and mutually beneficial interactions between industry sectors and the services industry, and maintain the full industry value chain, from its sourcing of raw materials to the delivery of products to consumers.

• For already adopted policies and legislation, that these have been subject to ex-post evaluation.
2.8.1. Energy infrastructure and prices: please explain the importance of the issue, giving examples and evidence.

- Competitive energy infrastructures are part of the basic framework conditions needed for a successful EU economy.
- A competitive energy market is essential for ensuring that companies which all depend on energy for their production can have access to energy at competitive market conditions: energy is for many industries a significant input factor and cost. We are therefore concerned by the proposals to potentially allow energy prices to rise until 2030, in particular as, in some industries, energy cost may be crucial e.g. in ferrous chrome production electricity represents over 30% of production costs; in zinc production the electricity cost is over 40%; this has both a direct effect on producers of these products, but also a knock on effect down the whole engineering supply chain.
- Security of supply and reliability is of the utmost importance for many industries; blackouts lead to extremely high losses for the whole society; investments in new power production capacity and transmission grids must therefore be realised in time in order to preserve grid stability at all times.

2.8.2. Energy infrastructure and prices: how can businesses themselves better respond to these issues?

- By progressively optimising energy consumption, including most often upon renewal of their equipment and systems. It should be noted that the incentive to move quickly in such a direction depends on a number of factors:
  - How important energy costs are as a total of all input costs
  - Whether there are investment incentives which would influence the allocation of funding: regulating the energy efficiency of products is only part of the solution, in particular in the context of capital goods.
- Manufacturers should and are adopting management systems in energy efficiency, where energy represents a significant input cost factor; these systems include regular internal energy audits and reporting to top management.
- Smart metering will bring new possibilities to enhance energy efficiency by real time monitoring and reporting of actual energy consumption; smart metering may reveal energy saving possibilities that were previously undetected.

2.8.3. Energy infrastructure and prices: what can policymakers do to address the issues at Member state, local or regional level?

- In order to allow integration of networks, facilitate permitting procedures for new transmission and distribution grids and work on public acceptance of such projects.
- Provide stable and predictable framework conditions for utilities, transmission and distribution companies, with incentives (e.g. accelerated depreciation or investment tax credits) to modernise and render more energy efficient their production, transmission and
distribution systems and, in particular with regards to electricity, to adapt them to new requirements for a decentralised and intelligent system (smart grids).

- Promote rational policies at the level of renewables taking into account economic efficiency according to geographical locations and which do not end up causing major price distortions in the market or over- or under-investment through changing incentive systems: subsidy schemes, where they are introduced, should be stable for the period they are designed for and not subject to abrupt changes; they should however be temporary and designed so that when technologies reach their commercial maturity, such subsidies are abolished.
- Invest in R&D in new energy technologies and storage technologies in close cooperation with technology companies; funds should be allocated to promising new technologies and a mix of R&D, tax incentives, direct research funding and joint industrial research and demonstration projects would have the best effects.

2.8.4. Energy infrastructure and prices: what can policymakers do to address the issues at EU level?

- It is very important to establish a single internal energy market in Europe as this the full opening of the electricity market will provide a level playing field for all operators and enhance competition to the benefit of all energy consumers in the EU: industries, services, public sector as well as households.
- Bottlenecks between EU Member states in energy transmission should be abolished; furthermore, isolated areas should be connected to the European grid as soon as technically feasible (e.g. the Baltic countries and the Baltic ring)
- See Orgalime’s position on the Energy Roadmap 2050 – highlights:
  - A competitive, secure & environmentally sustainable future energy system is feasible: now is the time to act
  - each Euro invested in energy infrastructures creates growth, jobs & welfare in Europe
  - a common understanding & framework Smart grids is a must
  - Enabling a framework for R&D&I and investment is a "no regrets option"
  - We recommend establishing a comprehensive, integrated and holistic EU framework including the common denominators for support schemes, for avoiding carbon leakage and for driving R&D&I,
  - Improve energy efficiency where it is most cost efficient & leads to lowest electricity prices
  - Security and reliability of supply also require (at least in the medium term) “Gasification”
  - Technology neutrality is key – let market forces play
  - Investments are needed throughout the market segments: solving the financial crises & developing competitive, new financial products is urgent
  - Consumer empowerment programmes are needed for the “Prosumers” of the future
  - Common challenges require common answers, at EU and global level and across the different stakeholder groups.
2.9.1. Environmental regulations: please explain the importance of the issue, giving examples and evidence.

- Environmental regulations are part of the basic framework conditions under which companies operate in the EU and should not, therefore, be differentiated from other regulation.
- A true sustainability approach which takes into account environmental, social and economic conditions is essential.
- Regulation must also be holistic, as can be achieved by the Eco design Directive.
- Regulation should focus more on products than on processes.
- It should be proportionate by ensuring that:
  o proposals have been thoroughly assessed for their impact on the environment, on competitiveness and jobs prior to adoption, and thereafter at regular intervals, to ensure that they are truly sustainable
  o Are stable, predictable and coherent, with clear and demonstrated benefits for sustainability and competitiveness: for example the Exhaust Emissions Directive 97/68/EC and Noise Emissions Directive 2000/14/EC create difficulties for manufacturers because their varied and interdependent requirements are not taken into account
  o Provide legal certainty and cut red tape
  o Are technology neutral
  o For already adopted policies and legislation, are subject to ex-post evaluation.

2.9.2. Environmental regulations: how can businesses themselves better respond to these issues?

- By being proactive.
- In extreme cases, where the constraints are such as to make production in the EU uncompetitive (this is particularly true when production / manufacturing processes rather than products are affected), by offshoring production. This is not desirable but can become inevitable.

2.9.3. Environmental regulations: what can policymakers do to address the issues at Member state, local or regional level?

- Avoid gold plating and in particular do not attempt to reinterpret legislative provisions which have been agreed upon at European level: for example the 0.1% substance threshold in REACH or definitions under the RoHS directive.
- Apply the legislation by performing their market surveillance obligations, both at the borders of the EU and in member states. Since 1993, Member States have had the obligation - at points of entry into the EU - to check at the Customs the conformity of products to EU legislation (also reaffirmed by Regulation 765/2008):
  o Market surveillance rarely checks conformity to EU environmental legislation, in particular on products
There are few customs checks and the manufacturer’s declaration of conformity, the first document used by market surveillance authorities, is not used by customs. To arrive at a solution that is both effective and cost efficient will require a real cooperation between different Commission services with and between Member States and with the support of European trade organisations.

2.9.4. Environmental regulations: what can policymakers do to address the issues at EU level?

- See 2.9.1+
- At EU level: provide much greater regulatory stability, coherence and predictability. Frequent policy changes, the tendency at a national level to gold plate EU legislation, and to review legislation often on a 5 year basis (generally leading to a revision) mean we now have in the EU a highly complex and unpredictable body of regulation which has become too unwieldy for companies and in particular SMEs to manage. As a result we are faced with legislation, such as the revised WEEE and RoHS directives which have failed in the aim that was fixed when the decision to revise them was taken.
  - Make proper use of competitiveness proofing which must be seen as essential and not as a mechanistic exercise.
  - Proper impact assessments prior to the adoption of legislation are vital to perform an impact assessment after a proposal has is adopted (e.g. the revision of the RoHS Directive with a significant widening of the scope) is not acceptable.
  - Legislation on products should be in accordance with the provisions of the New Legislative Framework.
  - Encourage better market surveillance to ensure full compliance with our legislation of all products on the EU market: application of existing legislation is essential.
  - Begin to really take into account at a policy and regulatory level the essential contribution that manufacturing plays in the European economy towards achieving real sustainability.
2.10.1. Resource efficiency including recycling: please explain the importance of the issue, giving examples and evidence.

- "Creating more with less" immediately reduces production costs, increases profitability and competitiveness, as almost 50% of costs across the engineering industry relate to material and resource consumption. Resource efficiency is therefore an indispensable economic necessity.
- In this context, energy efficiency represents a priority. The Eco Design Directive and its ongoing implementation on some 42 different product groups of our industries, particularly on energy or water consumption in the use phase, is therefore a milestone in contributing to resource efficiency.
- Companies are constantly improving their own processes and products as evidenced by the Commission's own studies.
- Our industries provide ever more energy efficient products to (private and professional) consumers, but at times we find the markets are not receptive due to cost factors.
- At the end of life stage the products of our industry are collected, treated and recycled. For example in the context of the WEEE Directive, some 10 million tons of WEEE were managed in the EU in 2010.
- Sourcing of raw materials is a challenge as Europe is highly import dependent in certain areas.

2.10.2. Resource efficiency including recycling: how can businesses themselves better respond to these issues?

- Through research on materials and on product design with a view to continuously reducing resource consumption for the production of their products.
- By developing ever more resource efficient and productive products.

2.10.3. Resource efficiency including recycling: what can policymakers do to address the issues at Member state, local or regional level?

- Stop illegal exports of valuable waste fractions outside Europe through stricter enforcement of EU waste (shipment) legislation.
- Promote market driven innovation into new recycling technologies.
- Promote market response for sustainable products and technologies to realise resource efficiency gains throughout society.
- Promote R&D&I in resource efficiency.
- Support industry driven activities on resource efficiency and companies' own resource efficiency projects.
2.10.4. Resource efficiency including recycling: what can policymakers do to address the issues at EU level?

- Ensure easy, continuous and affordable access to international raw material markets for European (engineering) industries, especially through the removal of trade barriers and the promotion of free trade at an international level.
- Improve the framework conditions for a European secondary raw materials market.
- Stop illegal exports of valuable waste fractions outside Europe through stricter enforcement of EU waste (shipment) legislation.
- Promote market driven innovation into new recycling technologies rather than regulation.
- Promote market response for sustainable products and technologies.
- Promote R&D&I in resource efficiency.
- Support industry driven activities on resource efficiency and companies' own resource efficiency projects.
- Fully apply all criteria and procedural elements of the Eco Design Directive when considering the use of this Directive for legislating on resource efficiency parameters other than energy efficiency.
- Avoid legislation beyond this (See also 2.9.1 & 2.9.4), including the Environmental Technology Verification (ETV) schemes which is not a solution as ETV gives rise to unacceptably high costs for SMEs (estimate 20,000€ per complex engineering product).
2.11.1. Energy and climate policies: please explain the importance of the issue, giving examples and evidence.

- The 20:20:20 objectives have been set and therefore industry should be able to rely on stable targets and a stable policy framework to facilitate the reaching of these objectives.
- The 20% renewables target is welcome and should be reached: however the transport and storage of the energy so generated now needs to be dealt with seriously before going further. Investing in renewables without investing in the smart grid needed to handle the increasing flow of energy from renewables does not make economic or environmental sense.
- The 20% energy efficiency objectives are unlikely to be met, essentially because of the resistance of member states to commit themselves to investing fully and progressively into the renovation of buildings owned by central, regional or local government.
- Going beyond these objectives and aiming for higher targets in Europe alone are a cause of concern, because being in the lead in Europe is unsustainable if other competing economies do not follow: in the Durban conference it was decided that an international and legally binding climate agreement should be achieved in 2015; hence the EU should not even consider making any further unilateral commitments before such an agreement is reached and effective.
- The continuous discussion around modifying objectives, set-aside of emission allowances and targets is a disincentive to investment in Europe because of the unpredictability of the investment framework for companies.

2.11.2. Energy and climate policies: how can businesses themselves better respond to these issues?

- Businesses are in a key position to develop and invest in low-carbon technologies; actually many technologies already exist that give solutions to reducing greenhouse gas emissions: they need to be taken up more widely. They can help by being proactive in their own products and processes and by rendering consumers sensitive to these issues.
- In addition to technology options, there is the need for modern system planning in order to optimise energy infrastructures and transport, including smart grids, infrastructure for electric mobility, coproduction of heating, cooling and electricity, green ICT and intelligent urban planning.
- In extreme cases, where the constraints are such as to make production in the EU uncompetitive (this is particularly true when production / manufacturing processes rather than products are affected), there is a temptation to resort to offshoring production. This is not desirable but seems to be on the rise.

2.11.3. Energy and climate policies: what can policymakers do to address the issues at Member state, local or regional level?

- Focus on the integration of renewables into the energy transmission and distribution system.
• Focus on energy efficiency:
  o Strengthen requirements on both, private and public, building renovation, including inside equipment, in going beyond the proposed 3% target on central government buildings under the Energy Efficiency Directive.
  o Harmonise energy efficiency product criteria for public procurement to take into account economic feasibility, technical suitability and fair competition for all products.
  o Strengthen consumer information and awareness on energy consumption with ambitious provisions on smart metering and informative billing, providing direct feedback to consumers on actual energy consumption (including possibly through in-home displays).
  o Encourage the use of energy performance contracting and Energy Service Companies that would accelerate the speed of building renovations.
  o Foster the market uptake of existing best available products and technologies.
  o Accompany energy efficiency measures with proportionate and time-limited technical and financial support.
  o Promote research and development into low carbon technologies in close cooperation with industry.
  o Exploit the potential of local renewable energy sources and design national programmes and investment/subsidy schemes that are cost-efficient and do not distort competition (e.g. overcompensation for biomass in electricity production in some Member states has led to problems in other Member states to get raw material for forest industries and sawmills; this kind of problem should be avoided).

2.11.4. Energy and climate policies: what can policymakers do to address the issues at EU level?

• Ensure coherence and consistency in reaching the 20:20:20 objectives: a more coherent and integrated policy approach to Europe's energy and climate challenge is needed, as is a clearer prioritisation among policy instruments. Policy objectives such as greater energy efficiency, renewable generation and decarbonisation should not be integrated into contradictory policies but in one overarching framework. This will pave the way for stable, long-term conditions that will reduce costs and uncertainty and encourage investment in Europe's low-carbon economy.

• In the absence of globally binding commitment to reduce greenhouse gas emissions, the EU must make sure that unilateral climate policy does not lead to carbon leakage before the agreement is achieved by 2015. We should therefore avoid going beyond the 2020 objectives and aiming for higher targets, because being in the lead in Europe is unsustainable if other competing economies do not follow. Moreover the continuous discussion around modifying objectives and targets is a disincentive to investment in Europe.
2.12.1. International market access and global competition: please explain the importance of the issue, giving examples and evidence.

Orgalime's industries are the lead export industries of the EU. You will find thereafter the estimates for 2011 and the figures in (2010)

- Output €1,666 billion (€1,545 billion)
- Employment 10.2 million (9.7 million)
- Exports €519 billion (€462 billion)

Therefore as an industry which represents about 1/3 of the EU's manufactured exports market, access and global competition and competitiveness are central. In 2011, extra-trade for our industry rose by an estimated 12.5% while intra-trade rose by an estimated 5.1%.

2.12.2. International market access and global competition: how can businesses themselves better respond to these issues?

- By directly prospecting international markets.
- By working as subcontractors to OEMs in international markets.
- By investing in these markets so as to be closer to their clients.

2.12.3. International market access and global competition: what can policymakers do to address the issues at Member state, local or regional level?

- Be supportive of export activities through their trade representatives abroad and through support in areas such as IPR protection.

2.12.4. International market access and global competition: what can policymakers do to address the issues at EU level?

- In the absence of tangible progress at WTO level continue working on FTA agreements: these need to effectively aim to concentrate on trade issues and in particular in tariff and non-tariff barriers.
- FTAs should also aim to minimise exclusions, in particular so as not to develop "models" which will weaken the EU's long term negotiation capacity.
- Particular efforts need to be made at the level of public procurement at both national/federal level and regional level.
- FTAs should first concentrate on those countries where effective gains can be achieved.
2.13.1. Access to raw materials and raw materials prices: please explain the importance of the issue, giving examples and evidence.

- European engineering companies require many different resources and raw materials for manufacturing in Europe, including energy, chemicals, ferrous and non-ferrous metals, minerals or plastics. As a high tech sector, electrical and electronic engineering particularly depends on rare earths\(^1\). Almost all elements enter engineering products: while during the 1990s, the semiconductor industry used, for example, some 16 chemical elements, up to 60 elements are used in the manufacturing process today.
- At the same time, supply of rare earths is often highly concentrated (95% are provided by China). So are many other raw materials, e.g.: China holds 35% of worldwide aluminium production, Chile the largest market share (34%) of copper and 60% of Lithium, and Russia produces around a fifth of nickel besides 45% of worldwide palladium.
- This situation often results in ever higher raw material prices and related speculation on price and amounts of raw materials being made available on the international raw materials market.
- Since European engineering industries are often at the end of value chains, their dependence on the availability of resources is a particularly sensitive issue. A lack of resources—even in case of low quantity—has the ability to stop entire production processes. Therefore, secure—and affordable—availability of resources is crucial for our industries.

2.13.2. Access to raw materials and raw materials prices: how can businesses themselves better respond to these issues.

- Manufacturers constantly improve their own designs and production processes and thereby materials consumption.
- Companies invest in R&D\&I to "do more with less" or even substitute rare earths and other scarce resources wherever possible.
- Companies try to diversify to the extent possible their supply chain and maintain certain strategic stocks.
- Companies negotiate long term supply contracts, can move production closer to the raw material supply or pursue vertical integration.
- Substitute rare earths where possible.
- Manage end of life appliances (collection, treatment, recycling, recovery). For example today's WEEE recycling technology allows for the recovery of up to 95% of the base materials.
- Raising awareness on the matter and exchanging best practices: Orgalime's national association members organise particular seminars, workshops and information events or release publications to their member companies on resource efficiency and related topics.

\(^1\) Rare earths include: scandium, yttrium, lanthanum and 14 lanthanoids
2.13.3. Access to raw materials and raw materials prices: what can policymakers do to address the issues at Member state, local or regional level?

- Ensure a harmonised and sound implementation of the Waste Shipment Regulation, as well as ensuring effective enforcement and control of shipments in order to combat illegal exports. Implementation of the regulation should primarily focus on waste shipments with high economic significance in respect of recyclable material content, as well as those giving rise to high environmental concerns.
- In cooperation with industry, design R&D and other programmes supporting the development of technologies and production processes using less or alternative raw materials.

2.13.4. Access to raw materials and raw materials prices: what can policymakers do to address the issues at EU level?

Main recommendations for EU policymakers:

- Focus on improving continuous and competitive access to international raw materials markets for European engineering companies, address barriers to trade and unfair competition at EU and international levels, and avoid that EU action in that field leads to additional increases in raw material prices.
- Support industry driven activities on resource efficiency and companies' own resource efficiency projects.
- Conduct thorough and representative impact assessments prior to any legislative measure.
- Provide an integrated policy approach that would strive for maximum coherence with other EU legislation or policy initiatives.
- Address the issue from a full life cycle perspective, in particular in the area of resource efficiency of products, and take into account all pillars of sustainability, as is the case in the Eco Design Directive.
- Ensure a harmonised and sound implementation of the Waste Shipment Regulation across Member States, as well as ensuring effective enforcement and control of shipments in order to combat illegal exports. Implementation of the regulation should primarily focus on waste shipments with high economic significance in respect of recyclable material content as well as those giving rise to high environmental concerns.
- In cooperation with industry, design R&D and other programmes supporting the development of technologies and production processes using less or alternative raw materials.
2.14.1. Internal transport market: please explain the importance of the issue, giving examples and evidence.

- The transport and logistics sector are vital for the competitiveness of all industries, for example because of the costs implied for consumers and for the complete goods supply chain. The key challenges are here:
  - To ensure the competitiveness of industry and sustainable transport
  - To overcome political barriers, in particular in cross-border transport or infrastructures
  - To foster the diffusion of technologies.

- Road infrastructures, in particular, are usually a public good; therefore all users benefit from investments made, but, on the other hand, public budgetary constraints and "return on investment" hamper the deployment of technologies.

- In rail transport, in particular for freight transport, no efficient cross-border system has been established to date.

- If much of the effort needs to be made on creating a true internal market in the area of transport, there are areas where existing technologies can bring better efficiency, in particular in terms of energy efficiency and, in some cases, air quality.
  - Road transport: piezo direct injection for cars, LED traffic lights, road telematics, efficient street and road lighting systems and traffic congestion avoidance by traffic control systems
  - Rail transport: rail energy storage or automatic train supervision

2.14.2. The internal transport market is well developed, however not to the same extent for all modes. Where do you see from an industry perspective priority areas of action?

- Improved rail transport systems.
- For electric vehicles – encouraging the development of charging infrastructures, in particular in private homes, offices and commercial buildings: the efficient management of the charging of electric vehicles, in particular with a view to using renewable resources and off-peak electricity will require the introduction of smart grid networks and smart metering.

2.14.3. There is a need for a more efficient use of the existing transport infrastructure, e.g. by improving interoperability, deploying intelligent transport systems and developing clean and energy efficient vehicles infrastructure. Where do you see from an industry perspective priority areas of action?

- See 2.14.2.
2.15.1. - If you chose "Other", please specify and please explain the importance of the issue, giving examples and evidence.

2.16. If you have further comments on this consultation or suggestions please write them in the box below.

- The most important thing that this industrial policy Communication should bring is the realisation that European industry is one of the pillars of EU economic strength, which has proven its resilience during the economic crisis since 2008.
- Supporting industry triggers a major multiplier effect throughout the economy and creates the growth and jobs which the European economy so urgently needs at this moment. Indeed, it is estimated that, whereas manufacturing industry contributed some 18.7% to EU GDP in 2010, industry in the wider sense, as well as the services which depend upon manufacturing, account for close to half of EU GDP. Moreover, the manufacturing industry accounts for 80% of all R&D expenditure and 75% of EU exports.
- We believe that much more needs to be done to make Europe as attractive as it needs to be for industrial investors, so as to ensure a recovery of the real economy.
- We are concerned that the European Commission is currently not sufficiently living up to its commitment to create the right conditions for industrial investment and innovation in Europe.
- In particular, we wish to emphasise that Europe's industries have been part of the successful EU economic fabric and can remain so, but only if the EU regulatory environment is both internationally competitive and provides a balanced approach across the economy as companies move towards an ever more environmentally conscious production. The development of an industrial policy focusing only on the green economy as a concept without anchoring it to real world of industrial production and products is artificial: the green economy is the natural evolution of the EU's economy which is being brought about by the products, technologies and systems manufactured by the engineering industries and applied by their clients. This is the reality and this is where we believe the EU must focus its support.

2.17. Do you want to upload a longer written response or background documents?

- Yes, the present position.

3. PUBLICATION OF CONTRIBUTIONS

3.1. Please indicate here if you wish your contribution to be anonymous. Unless you specify

Please publish this contribution under the name given.
Dear Stephanie,

After our last meeting on business transfers, I would like to contact you once again on this topic. Indeed, I would like to ask you if you can let me know what are the most recent developments about this, most of all in the framework of the Entrepreneurship Action Plan.

Our French example of ICRE-BTP – which I had the pleasure of presenting you the first time we met – has been again presented a the closing conference of our European project Under Construction 3. In addition, this best practice features prominently within the Final dissemination publication of the above-mentioned project, which you can find by clicking here.

Also connected to the issue of entrepreneurship, I was speaking with Massimo Baldinato recently about some actions we are leading at European level, that I would like to put forward to you as well, as he suggested me.

1./ EuroApprenticeship: European project on the mobility of apprentices is an European action financed by DG EAC to pursue the goal of creating an “Erasmus” for apprentices and make it more interesting in Europe to be apprentices.

2./ EuroSkills 2012 in Belgium: this is the European competition of apprentices in European and takes place every 2 years, next October in Belgium. EBC is a member of the organizing association, World Skills Europe, because we see that there is a necessity of reinforcing manual skills excellence also through competitions of young people, who will be the entrepreneurs of tomorrow.

We believe that all these reflections would be very important and added value to the Entrepreneurship action plan, on which your unit is working.

If you are interested in having more details, please do not hesitate to contact me.

Kind regards,

Riccardo

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The voice of construction crafts and SMEs in Europe
THE CONSTRUCTION SECTOR ACTION PLAN
EBC pledges full support and cooperation with concrete measures in favour of SMEs

Bruxelles, 31st July 2012
The European Builders Confederation EBC, the European professional organisation representing construction crafts and SMEs in Brussels, welcomes the Commission Communication on the construction sector action plan released today. EBC also pledges full support to the Commission’s effort and decision to create a high-level strategic forum.

José Antonio Calvo Delgado, the EBC president, stated: “EBC has been following the long consultation and preparation work and is satisfied of the result. The action plan, the philosophy behind it and the concrete short and medium-term measures prove that the construction sector, with its 3 million enterprises and 15 million workers, can be the answer to the crisis. EBC is ready to contribute to the high-level strategic forum and its working groups, putting forward concrete measures and examples to support crafts enterprises of this fundamental element of the real economy”.

In the framework of the strategic objectives of the Communication, EBC proposes:
To stimulate favourable investment conditions: improvement of access to finance for SMEs; reinforcement of fiscal incentives, such as VAT reduction; more resources for SMEs in the future COSME programme.

To improve human capital: exploiting the results of other commission initiatives, such as BUILD-UP SKILLS, strengthening the European Social Dialogue in the construction sector, by enlarging its representativeness to include crafts and SMEs.

To improve resource efficiency: real implementation of the upcoming energy efficiency directive; setting-up of true financial schemes to improve the uptake of energy efficiency renovation works; better coordination amongst the different legislative measures established by the EC (eco-design, green public procurement, Energy label).

EBC will also put forward measures to strengthen the competiveness of construction’s micro-enterprises, by contributing with reflections on how to aggregate enterprises in clusters, groupings, consortia, which can foster their access to new markets. EBC demands the Commission support to these initiatives in the framework of the implementation of the construction strategy.

*** end ***

Established in 1990, the European Builders Confederation - E.B.C. - is a European professional organisation representing national associations of Craftsmen and SMEs working in the construction sector. Through its national members, E.B.C. represents 2 million micro, small and medium sized enterprises from the construction sector.

The construction sector is of vital importance to the European Economy. With 2.9 million enterprises, an annual turnover of almost € 1300 billion, a total direct workforce of almost 16 million, the construction sector contributes about 10% to the GDP of the European Union.

The European construction sector is composed at about 99% of Small and Medium-sized Enterprises (SMEs), who produce 80% of the turnover. The small enterprises alone (less than 50 employees) are responsible for 60% of the production and employ 70% of the sectors working population.

Information to the press:
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CONSULTATION ON THE ENTREPRENEURSHIP 2020 ACTION PLAN

— RESPONSE —

28 September 2012
UGAL, the voice of groups of independent retailers at EU level, believes that European policies must promote and facilitate the establishment and operations of the “associated grouping” business model whilst strengthening their competitiveness by providing them with the same rights and obligations as other market players. Policy should take into account both SME interests, the particular interests of associative group structures and their related services which support SME cooperation.

Such groupings are characterized by the provision of a support network for individual entrepreneurs; joint purchasing of goods and services to attain efficiencies and economies of scale, as well as respect for the independent character of the associated enterprises. A good example of the organization and efficiency of such groupings is provided by groupings of independent retailers.

Unlike franchise business models, these independent entrepreneurs are shareholders in the group itself. This means that they can take a share of the profits made by the wider group structure and play a role in defining the strategic direction of the group. This business model has proven extremely successful in the retail sector in Western Europe, and should particularly be encouraged in Eastern Europe.

For the reasons outlined in this position paper, this particular form of SME association will boost entrepreneurship, lead to the creation of sustainable new businesses, facilitate sustainable economic growth and provide jobs in the EU 27.

Fulfilling their potential

One way in which independent/SME retail entrepreneurs can reach their full potential whilst remaining independent is by joining a grouping of independent retailers (sometimes referred to as a symbol group or business cooperative). This particular business model allows retail entrepreneurs to compete with large integrated chains. Indeed, joining a grouping allows SME retailers to achieve economies of scale in purchasing consumer goods. It also gives economies of scale in purchasing inter alia energy, telecoms, training, advertising and financial services.

This sustainable business model, represented by such groupings, has not only allowed entrepreneurial independent retailers/SMEs to thrive but also promotes long term growth by helping group members to i) increase the value of their own business and ii) improve the economic performance of their shops. Moreover, member retailers are actively involved in the working of the grouping itself.

Importantly, where an entrepreneurial independent retailer belongs to a wider group structure, he/she has access to a large support network of fellow entrepreneurs who can provide advice, training, help and support during turbulent economic times (e.g. sponsorship, financial solidarity through guarantees and loans via intra-group financing).

Such positive actions ensure that an entrepreneurial independent retailer, belonging to a grouping, can sustainably contribute to the local economy over the long term, thereby promoting wider economic stability. Being part of a larger group structure ensures that individual entrepreneurs can provide a long-term contribution to the wider European economy through inter alia utilising the wholesale function of that group.
Creating a more diverse, sustainable and competitive market place

In addition to promoting entrepreneurship, this particular kind of group structure benefits competition and consumers by ensuring a more diverse, sustainable and competitive marketplace. The consumer is the ultimate beneficiary as such a marketplace facilitates consumer choice, responds to consumer expectations and leads to lower consumer prices.

As it is independent, entrepreneurial retailers who make up a group, levels of customer service at the point of sale are extremely high. This is due to an independent retailer always wanting the best for his/her business.

As groups of independent retailers and their members believe in having a “local touch”, the well-being of these groups, and their members, can promote local/regional development. This can be through developing close relationships with local or regional producers, and service providers, ensuring that the local/regional economy benefits.

This dimension of the market still has ample room for growth. In Eastern European countries it is currently particularly underdeveloped due to the fact that SME entrepreneurs are not familiar with the existence of this particular group model and its economic, competitive and social advantages.

.priority action

✓ The Entrepreneurship Action Plan should state that specific business models exist that encourage and support entrepreneurship. One economically, competitively and socially particular advantageous model is that of associative groupings. Such groupings are characterized by the provision of a support network for individual entrepreneurs; joint purchasing of goods and services to attain efficiencies and economies of scale, as well as respect for the independent character of the associated enterprises. A good example of the organization and efficiency of such groupings is provided by groups of independent retailers.

✓ Political recognition, and support, of this business model is required so that legislation does not inadvertently block its development. For example, at European and national level, rules governing information exchanges, joint purchasing, group commercial strategy and intra-group finance must be sensitive to the needs of entrepreneurs wishing to cooperate in associative group structures.
EUROPEAN RETAIL ACTION PLAN

– UGAL COMMENTS –

2 April 2012
EXECUTIVE SUMMARY

The retail sector is not homogenous. What is in the interests of certain large chains is not necessarily in the interests of the groups of independent retailers, who promote SME retail, and are represented by UGAL.

UGAL urges the European Commission to use the European Retail Action Plan (ERAP) to propose concrete actions to boost growth in the entire retail sector. The European Commission should acknowledge, and promote, the diversity of the retail sector when formulating these concrete actions. This will ensure that the full range of retail companies can take equal benefit from the ERAP.

By including the five priority actions described in this document, in the ERAP, the European Commission will better take into account the needs of groups of independent retailers in Europe. This will contribute to the retail sector reaching its full potential in providing growth, innovation and jobs as part of the EU 2020 strategy.

Five priority actions to facilitate growth in the retail sector

1. Formally recognise the diversity of the retail sector in the upcoming ERAP Communication by acknowledging the important role that groups of independent retailers play in the market. Without such formal recognition of this alternative yet successful business model, it is unlikely that regulatory efforts will be made to take into account its specificities.

2. Where a group of independent retailers is only structured vertically, it should only be assessed in a vertical context (i.e. with reference to the Guidelines on Vertical Restraints and attendant Regulation).

   A horizontal check is only required if a group of independent retailers is i) horizontally structured or ii) when a double assessment is required, due to the specific structure of the group of independent retailers concerned. This test should take into account the full efficiency/economic benefits of the entire group structure.

3. Improve access to finance for independent retailers belonging to a group, through a clarification of paragraph 147 of the Guidelines on Vertical Restraints and article 5 of Regulation 330/2010. At a time when entrepreneurs struggle to access finance from bank loans, the easy use of alternative methods of financing are essential to encourage entrepreneurship and growth in the retail sector.

4. Include a clause on “isolated cases” in the new General Product Safety Directive (GPSD 2). The relevant clause already exists in the guidelines (1) to the existing General Product Safety Directive (GPSD 1).

(1) Guidelines for the Notification of Dangerous Products to the Competent Authorities of the Member States by producers and distributors in accordance with Article 5(3) of Directive 2001/95/EC, chapter 4.1
5. Set up, on the basis of EU and national legislation, a dedicated EU database containing European and national food labelling rules, at the disposal of producers, consumers, national authorities and distributors.

**Groups of independent retailers make a diverse and competitive retail sector possible**

The ERAP’s main stakeholders are the four main EU retail associations. Each of these associations represents a different part of the European retail landscape. UGAL, as one of these four organisations, represents an important part of this landscape.

The UGAL membership statistically is very significant. This is exemplified by the UGAL membership standing for over 300,000 independent retailers with over 540,000 points of sale, directly creating over 5 million jobs. Added to this is a retail turnover of more than 623 billion euros and a wholesale turnover of more than 260 billion euros.

- Statistically, UGAL members contribute more to the EU economy than the 13 largest integrated retailers in Europe combined.

Despite this fact, the needs of SME/independent retailers, and their groups, are often overlooked from a policy perspective. It is in the interests of the European Commission to help these retailers to reach their full potential. Indeed, the horizontal legislation that covers retail activities rarely takes into account the specific challenges faced by the groups of independent retailers represented by UGAL.

**Fulfilling their potential**

One way in which SME retailers can reach their full potential is by joining a group of independent retailers. This "group" business model allows SME retailers to compete with large integrated chains. Indeed, joining a group allows SME retailers to achieve economies of scale in purchasing consumer goods. It also gives economies of scale in purchasing *inter alia* energy, telecoms, training, advertising and financial services.

This sustainable business model has allowed independent retailers/SMEs to not only thrive but also to promote long term growth by helping group members to i) increase the value of their own business and ii) improve the economic performance of their shops. Moreover, members are actively involved in the working of the group itself.

Such positive actions ensure that a member independent retailer can sustainably contribute to the local economy over the long term, thereby promoting wider economic stability. Being part of a larger group structure ensures a long-term contribution to the wider European economy through *inter alia* utilising the wholesale function of that group.
Ultimately, the group structure benefits consumers by ensuring a more diverse, sustainable and competitive marketplace. The consumer is the ultimate beneficiary as a more diverse, sustainable and competitive marketplace facilitates consumer choice, responds to consumer expectations and leads to lower consumer prices.

In addition to the consumer benefit, groups of independent retailers promote entrepreneurship. As it is entrepreneur retailers who make up a group, levels of customer service at the point of sale are extremely high. This is due to an independent retailer always wanting the best for his/her business.

As groups of independent retailers and their members believe in having a "local touch", the well-being of the group, and its members, can promote local/regional development. This can be through developing close relationships with local or regional producers, ensuring that the local/regional economy benefits.

**Priority action 1**

UGAL urges the European Commission to formally recognise the diversity of the retail sector in the upcoming ERAP Communication by acknowledging the important role that groups of independent retailers play in the market. Without such formal recognition of this alternative yet successful business model, it is unlikely that future regulatory efforts will be made to take into account its specificities.

Despite the success story that groups of independent retailers represent, the UGAL constituents have identified one clear challenge to their business. That is the competition test that certain agreements must pass in order to comply with competition law.

It has been reported to UGAL that certain agreements between the central office of a group of independent retailers and its members must often pass a two-stage competition law assessment, when it is not necessary to do so.

The first stage of this double assessment is that an agreement must not contravene the horizontal competition guidelines. If this test is passed, the agreement must be tested for its compliance under the vertical competition law rules. In its current form, this two-stage test is not strictly necessary for many groups of independent retailers. The competition law assessment should be adapted to the structure of the group of independent retailers concerned.

**Priority action 2**

Where a group of independent retailers is only structured vertically, it should only be assessed in a vertical context (i.e. with reference to the Guidelines on Vertical Restraints and attendant Regulation).

A horizontal check is only required if a group of independent retailers is i) horizontally structured or ii) when a double assessment is required, due to the specific structure of the group of independent retailers concerned. This test should take into account the full efficiency/economic benefits of the entire group structure.
UGAL stresses that the European Commission should further recognize the validity of the way groups of independent retailers are structured and supports better recognition of such group structures in future competition law developments.

**Loans to undertakings**

A further challenge to the business model of groups of independent retailers concerns the rules on “loans to undertakings” set down in paragraph 147 of the vertical guidelines (2).

The central office of a group of independent retailers often facilitates access to finance for an independent retailer who is a member of that group. This usually is done in the form of a loan.

The vertical guidelines state that such loans should be provided in the least restrictive way. Considering that in such cases, the group is playing a similar role to a bank, the group should be free to use the loan conditions comparable to normal market rates.

Indeed, granting credit carries a substantial risk. Creditors should be able to mitigate that risk as they see fit. This is often done through financial means such as interest rates by many commercial banks providing industrial credit.

In the context of groups of independent retailers, financial risk should be allowed to be mitigated through non-compete or purchasing obligations. This avoids the need for an independent retailer having to use up its scarce capital through the payment of interest rates yet, using an overall economic analysis, it means that the loan terms are still comparable to market rates.

**Priority action 3**

Improve access to finance for independent retailers belonging to a group, through a clarification of paragraph 147 of the Guidelines on Vertical Restraints and article 5 of Regulation 330/2010. At a time when entrepreneurs struggle to access finance from bank loans, the easy use of alternative methods of financing are essential to encourage entrepreneurship and growth in the retail sector.

**Harmonising retention of title rules**

Many businesses supply goods on credit subject to 'retention of title' provisions in their sales agreements.

Rules on retention of title vary throughout the EU. For example, in certain Member States, if a product stored on a retailer’s property causes environmental damage, the retailer is liable for that damage. In other Member States, if a product stored on a retailer’s property causes environmental damage then the supplier (who remains the owner of the product i.e. retains the title) is liable. Different insurances are needed to cover these different scenarios.

(2) Guidelines on vertical restraints, OJ C 130 of 19.05.2010, page 1
This means that a company cannot take advantage of economies of scale in taking out a single insurance product to cover potential liabilities. Instead, they must take out a variety of insurance products to cover the different applicable national rules to retention of title and their consequences. This is not cost efficient.

➔ To improve the situation, the European Commission should develop a harmonised retention of title regime across the EU. This could be done by drafting a relevant clause in the Common European Sales Law.

Reducing administrative burden by ensuring clear responsibilities in the supply chain and simple but effective product safety rules for “isolated cases”

The GPSD 1 is currently under review. This review will result in a GPSD 2. The GPSD 2 should be used as an opportunity to reduce certain administrative burdens that have come to light due to the uncertainty of specific rules set down by the GPSD 1.

UGAL members are committed to playing their part in ensuring effective and efficient product safety regulation and consumer protection. In order to successfully fulfill this role, the precise responsibilities of retailers should be sufficiently clear in the relevant legislation.

Clear responsibilities for producers and distributors in the supply chain

The template of responsibilities created by Framework Decision 768/2008 (3) and sectoral product safety legislation (4) clearly sets down the obligations of producers and distributors in the supply chain. This enumerated approach to determining the obligations of producers and distributors is the best way to ensure that retailers play their part in ensuring a safe supply chain. In this way, subjectivity and uncertainty about how risks are best managed by retailers is considerably reduced.

Accordingly, UGAL supports Article 5(2) of the GPSD 1 which encapsulates the retailers’ responsibility to “act with due care to help to ensure compliance with the applicable safety requirements, in particular by not supplying products which they know or should have presumed, on the basis of the information in their possession and as professionals, do not comply with those requirements”.

The remainder of Article 5(2) (second and third sentence) goes on to develop a narrative of the contributory and co-operative role which retailers should play with producers and competent authorities. This spirit of co-operation, which underpins the GPSD, Decision 768/2008 and Regulation 765/2008, is fully supported by UGAL.

That said, the second sentence of Article 5(2) “monitoring the safety of products placed on the market, especially by passing on information on product risks” introduces an element of subjectivity, which would benefit from further clarification.

(3) Decision 768/2008/EC, Annex I, Article R5(2)
(4) Regulation 1223/2009 on cosmetic products; Directive 2009/48/EC on the safety of toys
It fails to elaborate on who the recipient of risk information should be under the variety of different circumstances that retailers are faced with in their daily business.

Although retailers, on the front line of dealing with consumer feedback and complaints, are involved with monitoring safety issues on a daily basis, determining what is (and is not) a product risk is a task surrounded by uncertainty. Indeed this reflects the challenges of hazard analysis and risk assessment in general (5). These challenges are particularly difficult for independent retailers, and their groups, who rarely have the in-house testing facilities that integrated chains have.

**Isolated cases**

A particular problem experienced under the GPSD 1 is how to deal with isolated cases. The guidelines accompanying the GPSD 1 (6) illustrate that circumstances exist where, while safety issues may arise in relation to a product, they do "not require any verification, monitoring or action by the authorities and do not provide information useful for risk assessment or consumer protection" (7). This may be because solid evidence exists that any risk has been fully controlled, or that only a limited number of products or batches are concerned, which have been managed.

 Whilst a single consumer complaint may exist which identifies a perceived risk, the reality may often be that any damage is due to the misuse of the product by the consumer, rather than any inherent dangerous defect, design or risk posed by the product. In these cases, no notification to competent authorities should be made.

It is important that notifications are avoided in these situations in order to avoid proliferation of notifications and to promote active risk management between supply chain partners. Crucially, whether or not a particular identified incident represents an isolated case will not always be immediately obvious to a retailer. Producer input is required to confirm the existence, or not, of an isolated case.

If a retailer is uncertain as to whether or not an isolated case is present, two particular scenarios can arise:

**Scenario i)** only very obvious public health risks will be passed on to competent authorities when identified, leaving considerable potential important risk information under the radar (the ‘tip of the iceberg’ problem).

**Scenario ii)** the retailer may take a highly cautious view of all feedback concerning products and may contact the competent authorities immediately, often unnecessarily. This can lead to notification overload to competent authorities.

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(5) The challenges of risk assessment are reflected in the length of the guidelines for the operation of RAPEX
(6) Guidelines for the Notification of Dangerous Products to the Competent Authorities of the Member States by producers and distributors in accordance with Article 5(3) of Directive 2001/95/EC
(7) Guidelines for the Notification of Dangerous Products to the Competent Authorities of the Member States by producers and distributors in accordance with Article 5(3) of Directive 2001/95/EC, Chapter 3.3
In **Scenario ii)**, the initial processing of the notifications requires time and resources on the part of Member State competent authorities. The needless involvement of competent authorities creates considerable frustration on the part of producers, and this sentiment will often translate into badly damaged business relationships with retailers. These problems will be exacerbated where an unjustified RAPEX (8) notification is made by a competent authority on the basis of information unnecessarily passed on by retailers. Such a notification could potentially expose the retailer to large litigation costs as possible co-defendants with competent authorities, via the chain of causation in a civil case.

**Isolated cases: the pragmatic legislative solution**

There is one simple solution to clarifying distributor obligations in isolated cases.

► **Priority action 4**

**Include a clause on “isolated cases” in the GPSD 2.** This could be added under the GPSD 2 provisions that best correlate to Article 5(2) of the GPSD 1.

The relevant clause already exists in the Guidelines to the GPSD 1 and states: "distributors who have doubts about the safety of a product or whether a dangerous product represents an 'isolated case' must transmit to the producer the information they have. They can also contact the competent authorities for advice on how to proceed" (9).

This wording has previously been accepted by the European Commission, MEPs, Member States and other stakeholders. This should mean that it will be acceptable for future use in the GPSD 2.

The above-mentioned text clearly expresses a preference for initial action to be B2B cooperation between distributors and producers. This is a vital concept, which must be further strengthened in order to limit the negative consequences explained in scenarios i) and ii) above.

**Move from soft to hard law**

Due to the "soft" nature of the GPSD 1 guidelines, there are **no legal guarantees** that their interpretation of isolated cases will always be reflected in the approach taken by Member States.

The influence of the GPSD 1 guidelines on SMEs is doubtful. Such non-binding, "soft law" guidelines, only available via an obscure hyperlink from a European Commission webpage, are unlikely to be consulted by SME retailers. Indeed there is a high probability that SME retailers will not know that such guidelines even exist.

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(8) For further information see: Results of the Public Consultation on the Revision of the General Product Safety Directive
(9) Guidelines for the Notification of Dangerous Products to the Competent Authorities of the Member States by producers and distributors in accordance with Article 5(3) of Directive 2001/95/EC, chapter 4.1
That said, SME retailers, represented in groups of independent retailers, are aware of, and follow, the “hard law” as it is set down in the relevant Directive, or national implementation thereof.

Given this specificity, we are convinced that such a legal provision on isolated cases in the GPSD 2 will clarify how retailers should best deal with isolated cases. This will facilitate an effective supply chain for consumer goods, contribute to the efficient work of Member State competent authorities and ensure overall product safety in Europe.

**Simplifying compliance obligations**

Labelling rules for the products that retailers sell are extremely complex. Different products have different labelling rules. Many labelling rules are set down by EU legislation. These rules are often “gold plated” by a plethora of additional national labelling requirements. This results in a complex regulatory situation that retailers must adhere to in order to comply with the law.

This complex regulatory situation could be simplified by a relatively basic European intervention – the creation of an EU level database containing the labelling requirements that one must adhere to in each Member State.

As a first step, it would be useful to launch a pilot database that includes labelling rules in the food sector. This database would be an information system, accessible to all, on food labelling legislation that would bring together both EU and national labelling requirements.

Such a system would provide:

- companies, consumers and national authorities with the means to easily access all applicable labelling legislation via a one-stop-shop;
- the European Commission with a system where the content is easy to update and revise, if necessary (a “live update” system); and
- all parties with a unique, harmonised and simple way to identify concrete labelling requirements per product, using multi-criteria search functions.

**Priority action 5**

UGAL would support any such proposal to set up, on the basis of EU and national legislation, a dedicated EU database containing European and national food labelling rules, at the disposal of producers, consumers, national authorities and distributors.

This database would allow inter alia companies to concretely identify the applicable European and national food labelling rules. It also follows the Better Regulation agenda, which promotes the employment of IT technologies as a means to bring legislation closer to the citizen.
The action is also a driver of innovation because the database would facilitate the commercialisation of food products. Food business operators who commercialise their products in the EU market would easily be able to identify the relevant labelling requirements. This will reduce information costs, regulatory compliance costs and time to market for food business operators, in particular for SMEs.

**Improving administrative cooperation**

Improving administrative cooperation between competent authorities is crucial for groups of independent retailers. Improving administrative co-operation in official controls of food and feed law is of particular importance. In this context, it is vital that the provisions of Regulation 882/2004 on official controls of food law concerning administrative co-operation between competent authorities are strengthened.

In certain Member States where products come from another Member State and breach food law or create a serious risk, responsibility for such problems is simply attached to the retailer. **This is a wholly inappropriate and disproportionate form of regulation as the retailer is not the responsible party under EU food law (Article 17, 178/2002)** – it is simply impossible for a retailer to control the business activity of the original supplier/producer.

When competent authorities attach these unrealistic responsibilities to retailers, the result is that food law breaches or food risks are not effectively controlled in the Member State where the problem originates. This means that EU consumers continue to be exposed to illegal/unsafe products.

Where competent authorities attach responsibility to retailers for products coming from another Member State, an economic disincentive is automatically created for distributors to source from other jurisdictions, thereby creating an indirect barrier to trade in the internal market.

唆 To improve the situation, current obligations for Member State competent authorities to co-operate in such cases needs to be effectively reinforced in the context of the revision of Regulation 882/2004. The review will take place in 2012.
These groups are set up like wholesale businesses by independent retailers and craftsmen. Their aim is not only to provide their members with the best purchasing conditions. What they are also seeking is to jointly contribute technical and material resources, together with all the services and the human capacity required to guarantee the operation and development of modern commercial and distribution enterprises for retailers to effectively respond to consumer expectations. To achieve this, these groups seek economic performance through networks of points of sale – consisting of SMEs usually working under a common brand name.

UGAL represents nearly 300,000 independent retailers, who manage more than 540,000 sales outlets. This represents a total employment of more than 5,000,000 persons.

More information about UGAL under www.uqal.eu
CONSULTATION ON THE ENTREPRENEURSHIP 2020 ACTION PLAN

— DRAFT COMMENTS —
UGAL, the voice of groups of independent retailers at EU level, believes that forms of cooperation between entrepreneurial SME/independent retailers should be promoted and facilitated by the European Commission. For the reasons outlined in this position paper, these forms of cooperation will boost entrepreneurship, lead to the creation of new businesses, facilitate sustainable economic growth and provide jobs in the EU 27.

European policies must promote and facilitate the establishment, operations and growth of the “group” business model whilst strengthening their competitiveness by providing them with the same rights and obligations as other market players. Policy should take into account both SME interests, the particular interests of group structures and their related services which support SME cooperation.

Fulfilling their potential

One way in which independent/SME retail entrepreneurs can reach their full potential is by joining a group of independent retailers (sometimes referred to as a symbol group or business cooperative). This “group” business model allows retail entrepreneurs to compete with large integrated chains. Indeed, joining a group allows SME retailers to achieve economies of scale in purchasing consumer goods. It also gives economies of scale in purchasing *inter alia* energy, telecoms, training, advertising and financial services.

This sustainable business model has allowed entrepreneurial independent retailers/SMEs to not only thrive but also to promote long term growth by helping group members to i) increase the value of their own business and ii) improve the economic performance of their shops. Moreover, member retailers are actively involved in the working of the group itself.

Importantly, where an entrepreneurial independent retailer belongs to a wider group structure, he/she has access to a large support network of fellow entrepreneurs who can provide advice, help and support during turbulent economic times.

Such positive actions ensure that an entrepreneurial independent retailer, belonging to a group structure, can sustainably contribute to the local economy over the long term, thereby promoting wider economic stability. Being part of a larger group structure ensures that individual entrepreneurs can provide a long-term contribution to the wider European economy through *inter alia* utilising the wholesale function of that group.

Creating a more diverse, sustainable and competitive marketplace

Ultimately, the group structure benefits consumers by ensuring a more diverse, sustainable and competitive marketplace. The consumer is the ultimate beneficiary as such a marketplace facilitates consumer choice, responds to consumer expectations and leads to lower consumer prices.

In addition to the consumer benefit, groups of independent retailers promote entrepreneurship. As it is entrepreneur retailers who make up a group, levels of customer service at the point of sale are extremely high. This is due to an independent retailer always wanting the best for his/her business.

As groups of independent retailers and their members believe in having a “local touch”, the well-being of the group, and its members, can promote local/regional development. This can be through
developing close relationships with local or regional producers, ensuring that the local/regional economy benefits.

⇒ Priority action

✓ The Entrepreneurship Action Plan should state that specific business models (e.g. groups of independent retailers) exist to encourage and support entrepreneurship. Such business models should be promoted by the European Commission.

✓ Political recognition of these business models is required so that legislation does not inadvertently block their development. For example, at European and national level, rules governing information exchanges, joint purchasing and intra-group finance must be sensitive to the needs of entrepreneurs wishing to cooperate in group structures.
Europe needs more entrepreneurs.

More new businesses mean more jobs and more growth. More new businesses also mean a more competitive economy which will better enable European companies to compete internationally and reap the opportunities offered both inside and outside the single market.

New companies represent the most important source of new jobs: they create 4.1 million new jobs every year. Without the jobs created by new firms, average net employment growth rate would be negative. But filling the European vase of entrepreneurship is not just pouring more but also about preventing leakage: avoiding companies to disappear for lack of a new entrepreneur to take it over or lack of support during turbulent times. These elements are key to avoid loss of valuable entrepreneurial capital.

Countries with a more entrepreneurial culture stand to reap the benefits of a deeper and wider job market. Europe lags behind the United States in terms of entrepreneurship: in Europe 45% of citizens prefer to be self-employed, while in the USA this proportion is 55%. This comparison is particularly relevant because the two economies are similar in size, wealth and development. The comparison is thus a pointed reminder that greater levels of entrepreneurship could be expected and attained in the EU.

Crucially, since 2000, only one country of the EU15 has shown a positive trend in its attitudes towards entrepreneurship. In the rest the trend is either stable or, in most cases, negative.

This lack of entrepreneurial drive is not due to an overall dislike of European population towards entrepreneurship but to concrete structural, administrative and cultural reasons that put a brake on enterprise creation and that can be tackled. Fostering and promoting entrepreneurs, entrepreneurship and an entrepreneurial culture are thus a must for European, national, and regional policy-makers to increase our ability to create jobs and prosperity. A European Entrepreneurship Action Plan is therefore needed to address areas where entrepreneurial potential can be unleashed and where key bottlenecks can be overcome and obstacles to entrepreneurial activities removed.

Promoting growth and competitiveness and modernizing public administration to improve the business environment are priorities of Europe2020 and have been at the centre of the Commission Communications "A Small Business Act for Europe" of 2008 and "Review of the Small Business Act for Europe" of 2011. These two communications address the main issues affecting European SMEs throughout their complete life cycle. Although they address some of the outstanding barriers to entrepreneurship, they do not specifically focus on how to increase Europe's levels of entrepreneurship and company birth.

This consultation seeks to identify possible measures which could usefully contribute to the goals of such an Action Plan. Progress in attaining the goals of this Action Plan will be measured through the recommendation and monitoring processes of the Annual Growth Survey and the Small Business Act and its Review.

Consultations to date:

Consultation aimed at: public administrations and private sector organizations and individuals who support entrepreneurs in starting up businesses and in helping them face challenges, particularly during the first years of life of the business; individual entrepreneurs and businesses; other interested members of the public.
The outline of the Action Plan was introduced to the regular meeting of the National Contact Points in late May. A follow-up to this consultation was a detailed discussion held at the meeting of the SME Envoys in Malta on 15 June. The Action Plan has also been discussed in detail in a meeting with business stakeholders on 20 June dedicated exclusively to this subject. In addition, there is a reference to entrepreneurship in the draft document of the Industrial Policy Communication, for which public consultation has been ongoing for over a month.

The proposals within the Action Plan are based in significant part on initiatives which we have observed from our constant communication with relevant ministries and SME/entrepreneur support organizations across the Member States.


2 EU Commission Flash EB No 192 . Entrepreneurship survey in the 25 Member States, US, Iceland and Norway The difference with China is even more telling: 71% of Chinese surveyed would rather have their own business.

3 Finland, where the preference for entrepreneurship raised from 27% in 2000 to 41% in 2009. Despite this Finland is still below the EU average (45%) in 2009.


<table>
<thead>
<tr>
<th>1.1 Please describe yourself</th>
<th>Business support organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2 Please describe</td>
<td>KCH is one of the 17 Centre of Expertise who are committed to a smooth transition between work and learning and a balanced labour market. The Dutch government is striving to embed entrepreneurship firmly within education. One of its spearheads is to embed entrepreneurship within the curriculum for upper secondary vocational education (MBO) in order to offer MBO graduates a solid introduction to entrepreneurship. This is partly in response to developments and demand in the labour market. As far as the Netherlands is concerned, this focus has translated into a variety of initiatives on the part of the Dutch government together with employers' and employees' organisations to bring entrepreneurship into education. One of these initiatives is the development of an Entrepreneurship Module eligible for Certification in upper secondary vocational education. The Centre of Expertise on Vocational Education, Training and the Labour Market for the Trade Sector (KCH) has developed this module together with a variety of stakeholders.</td>
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Safeguards within the Dutch educational system

Within the Netherlands, Centres of Expertise are legally responsible for prescribing at a national level the educational requirements for a qualification (what a person needs to know and is able to do). Participants can be certificated on the basis of these prescriptions. These educational requirements take the form of a description of the knowledge, skills and competences required for a qualification. A level is assigned to the course of training/diploma/certificate on the basis of the qualification as a whole. Dutch law prescribes how such educational requirements are to be laid down, who is to be involved in this and the steps that are to be taken in that regard.

Centres of Expertise have developed these requirements in close collaboration with representatives from education and business who represent the various sectors. Ultimately, it is the Ministry of Education, Culture and Science (OCW) that endorses the qualifications, and after the endorsement they act as a directive for Dutch upper secondary vocational education.

The Entrepreneurship Module eligible for Certification is embedded within the Retailing qualification dossier and, as such, has been endorsed by the Minister of OCW and safeguarded within the educational system. Certificates can be issued for this Entrepreneurship Model as part of a qualification and offered separately either as a supplement to existing courses of training or as a separate certificate. Commissioned by the collective Centres of Expertises KCH developed The Entrepreneurship Module

On behalf of the collective Centers of Expertise's, and thus all sectors within the Netherlands, KCH gives his views on the Entrepreneurship 2020 Action Plan. For this purpose all Centres of Expertise are consulted for their opinion. The 17 centers of expertise's are:

1. Aequor
   Centre of Expertise for the sector food & environment
2. Callbris
   Centre of Expertise for practical learning in the sectors Care, Welfare and Sport
3. ECABO
   Centre of Expertise on Vocational Education, Training and Labour Market for the economic/administrative, ICT and security professions.
4. Fundeon
   Centre of Expertise on vocational education, training and the labour market for the construction sector
5. Kenniscentrum GOC
   Centre of Expertise on vocational education, training and the labour market for the creative industries
6. Innovam Groep
   Centre of Expertise on vocational education, training and the labour market for the automotive industry
7. Kenniscentrum Handel
   Centre of Expertise on vocational education, training and the labour market for the trade sector
8. Kenteq
   Centre of Expertise on vocational education, training and the labour market for the technical sector
9. Kenwerk
   Centre of Expertise on vocational education, training and the labour market for the hospitality, bakery, travel, leisure and facility management sector
10. KOC Nederland
    Centre of Expertise on vocational education, training and the labour market for the grooming sector
11. Kenniscentrum PMLF
1.3 Please indicate present size of your organization

>250 employees.

1.4 Please indicate turnover of your business

<~ € 10 m

1.5 Please specify the form of your business

Other

1.6 Please specify


1.7 Please specify your Organization Public

1.8 Please specify

Within the Netherlands, Centres of Expertise are responsible for prescribing at a national level the educational requirements for a qualification (what a person needs to know and be able to do). Participants can be certificated on the basis of these prescriptions. These educational requirements take the form of a description of the knowledge, skills and competences required for a qualification. A level is assigned to the course of training/ diploma/certificate on the basis of the qualification as a whole. Dutch law prescribes how such educational requirements are to be laid down, who is to be involved in this and the steps that are to be taken in that regard.

Centres of Expertise have developed these requirements in close collaboration with representatives from education and business who represent the various sectors. Ultimately, it is the Ministry of Education, Culture and Science (OCW) that endorses the qualifications, and after their endorsement they act as a directive for Dutch upper secondary vocational education.

1.9 Where are you located

NL, Netherlands

1.10 Please specify

Ede, Gelderland

1.11 If need be, may we contact you in regard to this questionnaire and consultation

Yes.

1.12 Please provide your contact details

KCH
Horapark 2
P.O. Box 7001
6710 CB The Netherlands
TEL. 0031-318 638 572

1.13 Do you agree to your name being published on the European Commission's website along with your contribution

Yes

1. Respondent's profile
### 2.1 Framework Conditions

| 2.1.1 | Cutting red tape (reducing the number of administrative procedures, simplifying them, and avoiding duplication of tasks) | No opinion |
| 2.1.2 | Abolish legalization and other administrative formalities when using public documents cross-border within the EU | No opinion |
| 2.1.3 | One stop shop and relationship managers in business support organizations for businesses that are starting out | No opinion |
| 2.1.4 | One stop shop for taxation and financial reporting (including advice and guidance) | No opinion |
| 2.1.5 | Speed up and simplification of licensing and other permit procedures | No opinion |
| 2.1.6 | Tax and social contributions related to effective cash flow of business | No opinion |
| 2.1.7 | Same social security protections available to entrepreneurs as to employees | No opinion |
| 2.1.8 | Raising awareness of government administrations and their staff about entrepreneurial and SME challenges | No opinion |
| 2.1.9 | Improve the quality and variety of business support advice for start-ups | No opinion |

#### 2.2

If you have comments on any of the above measures, please tell us here.

The Framework Conditions are measures that may contribute to the promotion of entrepreneurship. However, as Centres of Expertise we have no influence on the topics mentioned in the above measures.

#### 2.3

If there are other types of measures not mentioned above which you would consider moderately or important/impactful, please briefly describe here.

#### 2.4 Facilitating transfer of business

| 2.4.1 | Improve legal, administrative and tax provisions for business transfers | No opinion |
| 2.4.2 | Improve information and advice provision for business transfers | No opinion |
| 2.4.3 | Develop, publicize, and improve platforms and marketplaces for successful | No opinion |
### 2.5 Business transfers

If you have comments on any of the above measures, please tell us here

The above measures may contribute to the promotion of entrepreneurship. However, as Centres of Expertise we have no influence on the topics mentioned above.

### 2.6 If there are other types of measures not mentioned above which you would consider moderately or important/impactful, please briefly describe here

### 2.7 Efficient bankruptcy procedures/second chances for honest bankruptcies

#### 2.7.1 Develop and expand programmes to mentor, train, advise, and support second starters

No opinion

#### 2.7.2 Put in place faster and more affordable procedures for winding up businesses and discharging bankruptcies

No opinion

#### 2.7.3 Awareness raising in business and finance community to remove stigma of failure*

No opinion

#### 2.7.4 Specific financial instruments available for second starters

No opinion

### 2.8 If you have comments on any of the above measures, please tell us here

The above measures may contribute to the promotion of entrepreneurship. However, as Centres of Expertise we have no influence on the topics mentioned above.

For the condition mentioned under 2.1.9 SVGB Centre of Expertise underlines the importance of a Starter Portal for start-ups in Creative Crafts. In several sectors of vocational education and training students are prepared to start their own small business. Especially in the sector creative craftsmanship there is need for support advice for start-ups. The Centre of Expertise for this sector (SVGB) in cooperation with schools undertakes activities aimed at facilitating start-ups. (Starters Portal)

### 2.9 If there are other types of measures not mentioned above which you would consider moderately or important/impactful, please briefly describe here

### 2.10 Supporting new entrepreneurs

#### 2.10.1 Increase and improve targeted business support services

Moderately impactful/important

#### 2.10.2 Offer dedicated support for SMEs to benefit from digital entrepreneurship opportunities

Moderately impactful/important
2.10.3 Offer dedicated support for SMEs to 'go green'
Moderately impactful/important

2.10.4 Improve implementation of the Digital Single Market
Moderately impactful/important

2.10.5 Offer tailor-made assistance and advice for 'micro-multinationals' collaborating across distance, borders and markets
Very impactful/important

2.10.6 Offer dedicated support for SMEs to benefit from European trainees (from vocational, technical to bachelor, master or doctoral level)
Very impactful/important

2.10.7 Targeted training, finance, internationalisation support programmes for high growth potential SMEs
No opinion

2.10.8 Offer support for new businesses to innovate
Very impactful/important

2.11 If you have comments on any of the above measures, please tell us here
The mission of the Centres of Expertise is to match work and education. In this matching entrepreneurship becomes increasingly important. Supporting new entrepreneurs is a task that the Centre of Expertise's are willing to accept. They can perform this task from an awareness raising point of view.

To make both worlds of work and education become aware of the importance of an entrepreneurial attitude and to stimulate the development of necessary knowledge, skills and competences for successful entrepreneurship.

Within the connection between work and education we see that following and supporting new entrepreneurs is important and which we can learn from. New entrepreneurs are showing us what is going well and what is not? We can help in finding an answer in how education can anticipate with such training programs. In other words: what do starting entrepreneurs need, particularly in the area of education?

Monitoring new entrepreneurs and companies also helps in identifying trends and developments. Entrepreneurship moves the market and can change things. It is interesting to see which sectors changes and how entrepreneurs deal with the changing labor market.

Furthermore, it is important that SME's can benefit from having (VET) trainees. In the Netherlands, Centres of Expertise are responsible for accrediting work placement companies and for controlling the quality. Within an SME a student can get acquainted with the fun of entrepreneurship. A trainee offers the SME a possibility to grow. Trainees are very eager to learn, are willing to carry out all sorts of tasks and bring innovative ideas. So to offer support to SME's (both nationally and European) to benefit from trainees is very important.

2.12 If there are other types of measures not mentioned above which you would consider moderately or important/impactful, please briefly describe here
• Access to educational facilities for new entrepreneurs

2.13 Improving access to finance

2.13.1 Reinforce loan guarantee and venture capital facilities
No opinion

2.13.2 Improve financial advisory
No opinion
capacity of Enterprise Europe Network (EEN)

2.13.3 Single multilingual online portal on EU finance for SMEs
No opinion

2.13.4 Single national portals on national sources of SME finance
No opinion

2.13.5 Make tax environment more favourable to early stage financing
No opinion

2.14 If you have comments on any of the above measures, please tell us here
The above measures may contribute to the promotion of entrepreneurship. However, as Centres of Expertise we have no influence on the topics mentioned above.

2.15 If there are other types of measures not mentioned above which you would consider moderately or important/impactful, please briefly describe here

2.16 Entrepreneurial education and training for youth

2.16.1 Create a European platform or hub for entrepreneurial learning to share best practice and develop common models for policy, implementation and measurement
Very impactful/important

2.16.2 Entrepreneurial behavior, skills and mindsets to be embedded in national/regional curricula at all levels - primary, secondary, vocational, higher education and non-formal education and training, alongside integration of work-based teaching and learning in all disciplines and curricula
Very impactful/important

2.16.3 All young people to have one entrepreneurial experience before leaving secondary school (either as a formal part of the curricula or as an extra-curricular activity that is overseen by the school or a non-formal education body)
Very impactful/important

2.16.4 Develop a guiding framework to encourage and support the development of entrepreneurial education institutions (vocational and higher education)
Very impactful/important

2.16.5 Increase entrepreneurship education supported via EU education funding programmes
Very impactful/important
2.16.6 Increase entrepreneurial training in line with national job plans

Moderately impactful/important

2.17 If you have comments on any of the above measures, please tell us here

Regarding the requirements for educating and training young people/young adults, the Centres of Expertise are experienced. Many of the measurement mentioned above are already initiatives of the Centres. They are covered in the activities surrounding the qualification development, but also within other activities the Centres of Expertise promote entrepreneurship and to integrate it within education. For some of these tasks (development of qualifications and accreditation of work placements companies) the centers are funded by the national government.

The experiences gained in the Netherlands are largely 'transferrable'. At the moment, all known ambassadors are deployed to spread best practices. Especially the Entrepreneurship module eligible for certification (www.een-ondernemerschap.nl) is in function and content a good example of stimulating entrepreneurial behavior and entrepreneurship at national level, as well as that it can fit on a European level. In close collaboration with Dutch stakeholders like Jong Ondernemen as well as with European organizations like Ya-je this framework can contribute to a better integration of entrepreneurship education.

In educational programmes for example in craftsmanship there is a strong emphasis on the combination of excellent craftsmanship and entrepreneurship. Measurements that support and strengthen these programmes are important and very welcome.

2.18 If there are other types of measures not mentioned above which you would consider moderately or important/impactful, please briefly describe here

• Supporting teachers to stimulate Intrapreneurial behavior (intrapreneurship) and entrepreneurship
• Encouraging Intrapreneurial behavior (intrapreneurial) and entrepreneurship among employees

2.19 Untapped entrepreneurial potential of woman

2.19.1 Continue/expand networks of women entrepreneurship ambassadors and mentors networks

No opinion

2.19.2 Tailored entrepreneurial training for women

No opinion

2.19.3 Create/foster female investors and networking among women entrepreneurs

No opinion

2.19.4 Investment readiness training for women entrepreneurs

No opinion

2.19.5 Same maternity rights for women entrepreneurs as for employees

No opinion

2.19.6 Adequate childcare dependent care facilities available

No opinion

2.20 If you have comments on any of the above measures, please tell us here

The above measures may contribute to the promotion of entrepreneurship. However, as Centres of Expertise we have no influence on the topics mentioned above.

2.21 If there are other types of measures not mentioned above which you would consider moderately or important/impactful, please

No opinion
2.22 Seniors- second careers and business experience

| 2.22.1 | Establish networks of volunteer seniors to counsel young inexperienced entrepreneurs | No opinion |
| 2.22.2 | Tailored entrepreneurial training for seniors without previous business experience | No opinion |
| 2.22.3 | Offer grants for unemployed seniors to become entrepreneurs | No opinion |

2.23 If you have comments on any of the above measures, please tell us here

The above measures may contribute to the promotion of entrepreneurship. However, as Centres of Expertise we have no influence on the topics mentioned above.

2.24 If there are other types of measures not mentioned above which you would consider moderately or important/impactful, please briefly describe here

2.25 Specific support for migrants, minority or other specific groups of potential entrepreneur

| 2.25.1 | Tailored support for other specific groups of potential entrepreneurs | No opinion |

2.26 If you have comments on any of the above measures, please tell us here

The above measures may contribute to the promotion of entrepreneurship. However, as Centres of Expertise we have no influence on the topics mentioned above.

2.27 If there are other types of measures not mentioned above which you would consider moderately or important/impactful, please briefly describe here
ThinkYoung and EFMD (European Foundation for Management Development) have decided to jointly respond to the Consultation on Entrepreneurship2020 Action Plan launched by the Direction-General Enterprise and Industry of the European Commission.

Both organisations welcome the current entrepreneurial policy developments and most of measures proposed in this Action Plan. Nevertheless, we would like to point out that most of current policy evolution have mainly addressed to legal and financial aspects. Accordingly, both Think Young and EFMD would like to elaborate further in the aspect of education including skills, as well as the importance of changing the mindset that people have towards failure while running entrepreneurial activities.

Recommendations

Both ThinkYoung and EFMD welcome the Commission measures in section 2.16 of the Entrepreneurship2020 Action Plan, in particular the following points:

- To create a European Platform or hub for entrepreneurial learning to share best practice and develop common models;
- To embed entrepreneurial behavior, skills and mind-sets in national/regional curricular at all levels of education;
- To encourage young people to have one entrepreneurial experience before leaving secondary school.

Referring to the above point on elaborating further in the fields of education and mind-set change on failure, we would like to recommend the following measures:

- To encourage practitioners to share insights with students by giving courses, seminars at school;
- To encourage and improve the quality of IT and soft-skills related education from an early point (middle school);
- To introduce academic courses from middle school preparing future entrepreneurs to understand that failure is part of success;
- To support development of entrepreneurial education also via the investments from Structural Funds.

• To encourage practitioners to share insights with students by giving courses, seminars at school

The entrepreneurial culture in Europe is not as strong as in other regions of the world. Both organisations believe that part of it is due to a lack of inspirational
figures. To improve the situation, we believe it is vital to encourage practitioners to give students insights about entrepreneurship by giving courses and seminars at school, as theoretical studies need to be complemented by concrete experience sharing.

- To encourage and improve the quality of IT and soft-skills related education from an early point (middle school)

Globalisation has divided the economic sectors in a new geographic fashion. Europe, as well as the United States, have both transformed economy natures with emphasis on entrepreneurial activities facilitated by the evolution and usage of IT services. Many Asian countries are catching up in the field.

Comparing to the US and Asian systems, European schools seem to be less engaged with IT related school activities. Both ThinkYoung and EFMD thus propose to review IT related curricula from the level of middle school, in order to develop IT interests and abilities of students from early stage of school life.

Another key item that we suggest to include as an entrepreneurship measure is the soft-skill education. ThinkYoung has recently conducted a study focusing on the skills mismatch of young workers. The conclusions show that graduates leave higher education are on one hand with an excess of theoretical knowledge that may have little application in the labour market. On the other hand, skills related to facilitation of business operations, such as project management, communication and other relative social skills seem not to be so well developed. This trend not only means young graduates are not properly equipped with skills that employers demand. It may also lead to the scenario that less people are capable of starting up businesses, as they are not properly training with the needed skills for basic business operations. In this sense, both ThinkYoung and EFMD believe it is essential to include soft-skill education as a measure for entrepreneurship education in the Action Plan.

- To support development of entrepreneurial education also via the investments from Structural Funds

ThinkYoung and EFMD appreciate Commission’s proposal to increase entrepreneurship education supported via EU education funding programmes. Nevertheless, we would like to propose to extend the scope of the funding investment to engagements of Structural Funds related resources, as we believe nowadays, entrepreneurship education providers do not and should not only come from the educational sector. The engagements of Structural Funds will be able to bring in more relevant stakeholders (such as regional councils, chambers of commerce and individual practitioners) into the loop of entrepreneurial education.

- To introduce academic courses from middle school preparing future entrepreneurs to understand that failure is part of success

Both ThinkYoung and EFMD agree with points in the Small Business Act (SBA) and measures included in the proposed Action Plan regarding legislative and financial reforms. Nevertheless, in addition to reforms in these two fields (in which the Commission is already highly engaged), it is equally important to eliminate the stigma derived from business failures of entrepreneurs. This kind of cultural change can be initiated and cultivated via offering educational courses also from the stage of middle school, with the purpose of preparing future entrepreneurs to understand
that failure is part of success.

Conclusion

Both ThinkYoung and EFMD are convinced that entrepreneurship must be a cornerstone of any economic system, and it needs a boost in the EU. Accordingly, the two organisations applaud the legislative and non-legislative acts that the EU is proposing and progressing. Nevertheless, we think the educational aspect in the whole process should be further explored.

Via the proposed four recommendations in terms of entrepreneurial courses, mid-set and funding systems, we look to effectively educate a new generation of entrepreneurs, who will be equipped with proper skills and mentality, to be fully benefited from the legislative and administrative changes currently occurring, as well as to contribute to the future socio-economic transformation of the EU.
STATEMENT OF THE EUROPEAN COUNCIL OF THE LIBERAL PROFESSIONS (CEPLIS) ON THE CONSULTATION ON THE ENTREPRENEURSHIP 2020 ACTION PLAN LAUNCHED BY THE DIRECTORATE GENERAL ENTREPRISE AND INDUSTRY OF THE EUROPEAN COMMISSION

The European Council of the Liberal Professions (CEPLIS) is the inter-professional organisation bringing together the liberal professions at Community level. Its members are inter-professional federations of professional bodies in individual EU Member States and mono-professional organisations representing professional associations and regulators at EU level. CEPLIS does not represent individual practitioners. It is their professional or regulatory bodies that are members of, or are associated with, CEPLIS.

These bodies include the inter-professional federations of France (UNAPL), the UK (UKIPG), Spain (UP), Italy (Confprofessioni)), Ireland (IIPA), Belgium (UNPLIB), Romania (UPLR), Malta (MFPA), etc, who have within their membership the national organisations of most of the professions; as well as the organisations representing at the European level the professions of Surveyor (CLGE), Engineer (ECEC & FEANI), Nurse (FEPI), Psychologist (EFPA), Notary (FANE), Osteopath (FEO), Experts in Laboratory Medicine (EFLM/EC4), Automobile Experts (FIEA) etc. At the same time, many national or oversight regulatory bodies of our professions, such as those of the Italian Physicians and Dentists (FNOMCeO), the French Radiologists (FNMR), or the Italian Industrial Experts (Consiglio Nazionale dei Periti), participate in the activities of CEPLIS, as correspondent organisations.

Counting some four million European citizens amongst their members, the professions represented within CEPLIS act as employers to millions of persons across the EU and contribute substantially to the realisations of the Lisbon goals aiming at making the Union the most competitive and dynamic knowledge-based economy in the world.

CEPLIS salutes the initiative of the European Commission to launch a public consultation ahead of an Action Plan aiming at improving Entrepreneurship at the European level. Our organisation believes that the questions asked by the consultation document are very relevant and pertinent for identifying ways to promote entrepreneurship. The sector of the Liberal Professions is very interested in this initiative. A great number of professionals are in fact exercising jointly with colleagues coming from the same or similar disciplines and with other collaborators, in forms quite resembling those of regular Small or Very Small Businesses. At the same time, many a liberal professional collaborating with European businesses are the more and more often called to accompany these businesses abroad in the context of the internationalisation of European entrepreneurship, a movement highly encouraged by the European Commission.

As legitimate stakeholders of every current and future policy of the European Union relating to entrepreneurship, our professions feel that the European Commission should take into consideration, when drafting these policies, the special risk that liberal professional entrepreneurs take - a risk not relevant to SMEs - because of the professionals’ direct and total liability, as well as other issues such as the tax status of the professions. European policies promoting entrepreneurship should not ignore that liberal professions are exposed to a triple control: civil, penal, and deontological – under the codes of conduct of their regulatory bodies, and are characterized by independence of professional decision making and action. It is also interesting to note that many liberal professionals begin their professional life as "micro" entrepreneurs (less than 10 employers, very small initial budget). Special administrative provisions should be design in order to facilitate the launching and sustainability of their businesses.
In the past CEPLIS has several times called upon the European Commission to address the specific issues created by these specificities in order to further encourage the creation of liberal professional SMEs (see http://www.ceplis.org/en/positions.php position on COM 2008-394). We take this opportunity to renew this call. Our professional organisations wish to put their resources and knowledge at the disposal of the European Commission, especially in the context of its efforts to promote the spirit of entrepreneurship through education, but also towards working together in favour of less burdens and better conditions of work for liberal professional entrepreneurs.
European Commission consultation on the Entrepreneurship 2020 Action Plan

Additional comments on proposed measures

2.2. Framework Conditions

1. The administration of regulation is a cost to growth. Employment legislation, employment tax and health and safety regulation continue to be areas that cause most difficulties for businesses. Greater coordination by EU member states – specifically national parliament regulatory policy committees and independent bodies promoting better regulation – would be welcomed.

2. It would not be helpful to have a one-stop shop for taxation and financial reporting, as the advisors would likely be experts in one field rather than the other, and would therefore be unable to advise businesses in both areas.

3. Stability, certainty and clarity in the tax system support growth. In the UK, the Office for Tax Simplification has published recommendations to improve the tax environment for SMEs. Similar EU level initiatives would be beneficial.

4. Government programmes and policy developments would benefit from the expertise of those that have successfully run or advised a business.

2.3 Other types of measures

5. Intervention to boost start-up growth should also emphasise cash flow management. For example, if an entrepreneur has a bad credit rating it can be difficult to access finance and establish their business.

2.5. Facilitating transfers of business

6. Differences and inconsistencies between the Transfer of Undertakings (Protection of Employment) (TUPE) regimes across different Member States create difficulties during cross-border business transfers. For example, there are discrepancies between the definitions of ‘business’ and ‘undertaking’ in different member states.

2.7. Efficient bankruptcy procedures/second chances for honest bankruptcies

7. [Regarding 2.7.1] In our view, there is no justification for singling out second starters for training and support, as all entrepreneurs should be able to benefit from such initiatives.

8. Mentoring does not have to be face to face, and can take place by phone or webcam. Emphasising flexibility could encourage greater uptake by mentors and mentees alike.
9. Procedures for winding up businesses and discharging bankruptcies vary significantly across member states, and lengthy procedures and restrictions on bankrupts can be a factor in discouraging entrepreneurship.

10. On the assumption that ‘financial instruments’ in 2.7.4 is a reference to banking facilities, we note that many banks do not offer accounts to bankrupt entrepreneurs. Specific measures to address this problem would be beneficial, so that bankrupts have access to bank accounts (for instance, accounts that do not have an overdraft facility). [See also the comments in our response to the UK Insolvency Service Consultation on Bank Accounts for Bankrupts (ICAEW Rep 16/12), available from: http://www.icaew.com/en/about-icaew/what-we-do/consultations-and-representations/representations/2012-representations.]

2.11. Supporting new entrepreneurs

11. Clusters can have such an influential role in supporting digital innovation, and therefore the emphasis should be on building a connected and experienced environment to support innovation rather than providing dedicated support in itself. Improving implementation of the Digital Single Market will remove barriers to trade across the EU and also help create a secure and trusted environment for innovation across the EU.

12. ICAEW supports measures to enhance targeted training, finance, and internationalisation support programmes for high growth potential SMEs. More could be done to highlight export opportunities and signpost support to European SMEs. In the UK, ICAEW has published an international trade guide for Chartered Accountants with UK Trade and Investment and a UK Export Finance and Credit Insurance guide for SMEs.

2.17. Entrepreneurial education and training for youth

13. ICAEW strongly backs the introduction of financial and enterprise education in national curriculums and the development of opportunities for learning business skills after leaving school.

Contact:

Jonatan Thompson
EU Affairs Executive
T +32 (0)2 235 0616
CECOP answer to the European Commission consultation “Entrepreneurship 2020 Action Plan”

Brussels, 1 October 2012

CECOP – CICOPA Europe (European Confederation of Worker Cooperatives, Social Cooperatives and Social and Participative Enterprises) is a European confederation, grouping national organisations in 16 countries, which in turn affiliate over 50,000 cooperative and participative enterprises in industry and services. The vast majority are SMEs and they employ 1.4 million workers across Europe. Among the main sectors of activity, we find metal and mechanical industries, construction and public work, social services, environmental activities, white goods, transport, education and culture, etc. Most of them are characterised by the fact that the employees in their majority are member-owners. Furthermore, several thousands of those enterprises are specialised in the reintegration of disadvantaged and marginalised workers (disabled, long-term unemployed, ex-prisoners, addicts, etc.). More than a thousand worker cooperatives in the CECOP network were created as business transfers to employees of conventional enterprises in crisis or without heirs.

Introduction

While promoting entrepreneurship, it is essential to promote at the same time long-term and sustained growth, namely one which takes into consideration long-term economic interests over the short-term ones, which is combined with long-term social and environmental concerns and a type of growth that leads to the generation and equitable distribution of the wealth. The more long-term growth and development will be a priority, the more the three aspects (economic, social and environmental) will reinforce each other. In this respect, cooperatives, as stakeholder-based and democratically controlled enterprises, are natural partners in favour of long term growth and development. In the same line, the European Commission should more clearly encourage long-term productive initiatives in favour of these enterprises, rather than short-term financial strategies that are in the sole interest of investors and shareholders.

CECOP urges the European Union institutions to analyse why certain enterprises have proved to be more resilient to the crisis than others. We need to underline that, in the industrial and service sectors, most cooperatives in the EU have remained alive and their employment levels have remained basically untouched, as is reflected in CECOP the report “The resilience of the cooperative model. How worker cooperatives, social cooperatives and other worker-owned enterprises respond to the crisis and its consequences”¹, published this year. We strongly believe that the experience gained by worker and social cooperatives when resisting to crises could be a great source of inspiration for the development of SMEs in Europe at large.

Facilitating transfers of businesses

In order to avoid the loss of valuable entrepreneurial capital, it is essential for the EU to adopt a strong policy in favour of transfers of businesses. Successful business transfers save jobs and skills, but they also create a favourable environment for new jobs: in fact, the 2008 Communication "A Small Business Act for Europe" indicates that more new jobs are created in successfully transferred enterprises than in start-ups. Business transfers should thus remain a priority in future EU policies on entrepreneurship, but also in future EU policies on employment and restructuring.

The European Commission addresses the transfer of businesses mainly from the angle of the "failed entrepreneur" and with a focus on measures in favour of a second chance for the latter. According to CECOP, business transfers should not be addressed only as a career prospect for one individual - the failed entrepreneur - but as an entrepreneurial and employment solution for European citizens and regions at large, which is particularly relevant in the current situation of massive jobs losses and enterprise closures. Preventing enterprises from closure is in the core interest of the European countries and regions: local wealth and skills are maintained.

Moreover, the European Commission addresses business transfers mainly as transfers to a new entrepreneur and deny the diversity of forms of transfers that we can find on the ground. It is essential to promote all types of business transfers, including business transfers to employees. Especially in the current situation, the EU can ill afford to deny successful experiences of enterprises and jobs being saved. During the last years, business transfers to employees have completely disappeared from European Commission texts. Surprisingly, the 2004 Communication on the Promotion of Cooperative Societies in Europe is the last of the series of Commission documents which, since 1994, had consistently hailed business transfers to employees as an important and viable modality of enterprise restructuring. Nevertheless, this change of priority does not mean that business transfers to employees have stopped or even decreased since 2004. In fact the opposite is true.

The cooperative system has a very rich record of experience in the field of business transfers to employees. In the CECOP network we can find numerous successful examples of enterprises threatened by closure (due to the lack of a successor or due to bankruptcy) that were bought out by the employees and transformed into cooperatives. Those transfers are characterised by a high rate of success, comparatively low costs and high policy significance for European industry. Business transfers to employees under the cooperative form are even on the increase with the ongoing crisis, especially in France, Italy and Spain. For example, CECOP’s French member, CG Scop (French union of worker cooperatives) has accompanied 128 successful business transfers to employees in 2010 and 2011. 1,279 jobs have thus been saved in those enterprises, without mentioning all the upstream, downstream and surrounding local economic activities where jobs are also at risk when an enterprise has to close down. CECOP wishes to strongly underline that this is not conjunctural policy, and that, instead, what is at stake here is the economic development and social cohesion of entire European regions. The European Commission cannot fail to take this issue very seriously.

The conversion of enterprises in crisis into economically sustainable cooperatives requires an anticipated and precise diagnosis. In addition, the earlier the diagnosis can be established, the more successful and sustainable the restructuring will be. The authorities at all levels should cooperate with the cooperative system in facilitating the establishment of early diagnoses of enterprise crises and of the feasibility of transformation into cooperatives. It is important to underline that the success of those transfers are the result of a very rich and sophisticated support provided by cooperative federations (support services and consulting, financial support, employees’ training etc.).

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2 COM(2004)18
Very often, the problem encountered in business transfer to employees in cases of bankruptcies is the lack of knowledge about this business scenario amongst concerned professionals (e.g. lawyers, accountants, etc.) and within the judicial system. Training for professionals would thus be essential in promoting this practice. Better knowledge about cooperatives should also be promoted in trade unions and among persons and structures whose mission is to provide information about the creation or transfer of businesses. Preferential rights should be given to employees in order to give them the best conditions for a takeover bid for an enterprise facing closure.

Specific state aid provisions in coordination with fiscal policy at the member state level in favour of saving and developing economically sustainable activities that are threatened by closure, in particular through business transfers to employees, should be suggested by the European Commission.

On the issue related to business transfers, there should be a stronger link between employment and entrepreneurial concerns. In fact DG Enterprise and DG Employment (dealing with restructuring policies) should coordinate their policy measures in order to guarantee anticipated and sustainable business transfers in Europe.

Supporting new entrepreneurs and existing enterprises

"Europe needs more entrepreneurs" states the consultation document. This is absolutely true but CECOP considers crucial not only to promote start-ups or to facilitate the transfer of business threatened by closure or facing bankruptcy, but also to strongly **support existing enterprises**. Between start-ups and closure, there is a whole life of an enterprise asking for specific policies, measures and regulatory systems in order generate durable economic activities and jobs, as well as innovation and presence on the internal market and in the globalized economy.

Thus, policies and structures facilitating enterprise development should be reinforced. Business support entities that are key to the creation and development of enterprises, such as federations, incubators, training centres, R&D institutions, advisory centers etc., should be explicitly promoted.

**Inter-SME collaborative networks**, such as the ones we already have in Europe under the cooperative form (artisans’ cooperatives, SME cooperatives, activity and employment cooperatives etc.), should be encouraged, as those networks considerably reinforce the sustainability of the SMEs through shared marketing, purchases or other services. Such networks also strengthen SME innovation.

Improve access to finance

Cooperatives in industry and services are facing unfavourable attitudes from banking institutions and very high requirements and access conditions when applying for credits and loans. Those difficulties have encouraged worker cooperatives and their federations to put in place specific financial instruments for their development. Some of them are entirely dedicated to cooperatives (such as CFI, Coopfond and Fondosviluppo in Italy or SOCODEN in France) or even other social economy enterprises (such as ESFIN-IDES in France, Soficatra and CoopEst at the European level).

European institutions could contribute to bring down barriers for access to finance for worker and social cooperatives. The European Investment Bank and the European Investment Fund should be involved in the creation and **strengthening of non-banking**

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financial institutions for the development of worker and social cooperatives. They should:

- act as intermediaries between these networks of enterprises on the one hand and the financial markets, the banks and institutional investors on the other, with the issuing of non-voting financial instruments, both redeemable ones (such as classical bonds) and non-redeemable ones (such as participative certificates that can remain as equity for an indefinite period in enterprises, and can thence increase the capacity of the enterprises to obtain bank loans for productive purposes, especially under Basle 3). In addition, the policy environment should promote interaction with banks and institutional investors with the aim to encourage the subscription of these new financial instruments. These mechanisms should respect the governance system of joint control by the member-stakeholders over their enterprise and by the latter over their common financial institutions, as decades of experience has shown that this was the safest way to maintain the specific strengths of these enterprises and ensure the long-term effect of the investments carried out in them. The experience since the crisis that flared up in 2008 confirms this fact.

- favour joint guarantee mechanisms

- manage common funds among enterprises

In particular, a strong effort towards financial support for enterprises, especially those that strive to be born and to remain rooted on a given territory should be ensured. Such financial support should include, inter alia, policies encouraging banks loans to enterprises and policies promoting non-banking financial instruments developed by enterprise networks, like ours.

**Entrepreneurial education**

CECOP welcomes the idea presented in the consultation paper of creating a European platform for entrepreneurial learning to share best practice and develop common models for policy, implementation and measurement.

Entrepreneurial behaviour, skills and mindsets should in fact be embedded in curricula at all levels of learning and in all disciplines. Entrepreneurship is not always the initiative of one person – the entrepreneur – in the case of cooperatives it is an initiative of several persons. Thus European Commission should promote all types of entrepreneurial education, including education specific to cooperatives. The cooperative form of business should be integrated in different educational levels and disciplines related to enterprise creation and management.
Cogeca reaction to the European Commission public consultation on the Entrepreneurship2020 Action Plan

Brussels, 26th September 2012


The objective of this consultation is to identify possible measures which could usefully contribute to the goals of such an Action Plan. Such measures should address areas where entrepreneurial potential can be unleashed and where key bottlenecks can be overcome and obstacles to entrepreneurial activities removed.

Given the fact that the vast majority of Cogeca’s 38000 member cooperatives are SMEs, Cogeca contributes to the consultation, by identifying the priorities and the respective measures which could significantly promote entrepreneurship, as a driver of growth in the European economy.

The respective questionnaire developed by the Commission, suggests five distinct policy areas, each specified in a number of relevant measures. Four other categories of measures are targeting the needs of distinct groups of potential entrepreneurs (women, youth, seniors and migrant/minorities/specific).

Cogeca would like to submit its views as to the measures likely to have the highest impact in promoting entrepreneurship, in each of the groups of measures suggested in the questionnaire:

**Framework Conditions**

In the policy area addressing the general conditions Cogeca, in the context of its participation in the High Level Group of Independent Stakeholders on Administrative Burdens (Chaired by Edmund Stoiber) and its recommendations, would emphasise the high importance of:

- Cutting red tape (reducing the number of administrative procedures, simplifying them, and avoiding duplication of tasks)

Other important measures to improve the entrepreneurial conditions would be:

- Establishing one stop shop and relationship managers in business support organisations for businesses that are starting out
- Establishing one stop shop for taxation and financial reporting (including advice and guidance)
- Speed up and simplification of licensing and other permit procedures
- Adapt tax and social contributions related to effective cash flow of business

The rest of measures suggested in this policy area, are less likely to have to promote entrepreneurship

**Facilitating transfers of business**

Measures aiming to improve business transfers are not expect to have an important impact, apart from the moderate effect of the measure to:

- Improve legal, administrative and tax provisions for business transfers
Efficient bankruptcy procedures/second chances for honest bankruptcies

The measures suggested in this policy area, are not expected to have an important impact

Supporting new entrepreneurs

In order to support setting up new entrepreneurial ventures, Cogeca, believes that the measures with the highest impact would be to:
- Offer dedicated support for SMEs to ‘go green’, and to
- Offer support for new businesses to innovate (entrepreneurial innovation should also be encouraged as well as various forms of joint/ co-operative action (setting up co-operatives, to jointly invest in producing valuable products and services)

A moderate impact is likely to come from the measures aiming to:
- Increase and improve targeted business support services
- Targeted training, finance, internationalisation support programmes for high growth potential SMEs.

Improving access to finance

Ensuring access to finance is vital for all agribusinesses, thus Cogeca has raised this issue and therefore stresses the high importance of measures to:
- Reinforce loan guarantee and venture capital facilities

Other measures with a probably moderate impact would be to:
- Establish a single multilingual online portal on EU finance for SMEs
- Make tax environment more favourable to early stage financing

The rest of measures also suggested in this policy area, are not expected to have a significant impact in increasing the uptake of more entrepreneurial ventures.

Entrepreneurial education and training for youth

As for measures to support and nurture more future entrepreneurs, it would be important (but with a moderate probable impact to support:
- Entrepreneurial behaviour, skills and mindsets to be embedded in national/regional curricula at all levels - primary, secondary, vocational, higher education and non-formal education and training, alongside integration of work-based teaching and learning in all disciplines and curricula (co-operative entrepreneurship should also be included in the curriculum)
- All young people to have one entrepreneurial experience before leaving secondary school (either as a formal part of the curricula or as an extra-curricular activity that is overseen by the school or a non-formal education body)
- Increase entrepreneurship education supported via EU education funding programmes
- Increase entrepreneurial training in line with national job plans

The rest of measures also suggested in this policy area, are not expected to have an important impact

Untapped entrepreneurial potential of women

Proposed measures to encourage women entrepreneurship are not likely to have an important impact, except for measures to ensure
- Adequate child/dependent care facilities available

Seniors – second careers and business experience

The only measure with a probably moderate effect would be to:
- Establish networks of volunteer seniors to counsel young inexperienced entrepreneurs

Specific support for migrant, minority or other specific groups of potential entrepreneurs

Targeted measures for entrepreneurs emerging from these particular groups are more vague, thus also less apt to an assessment.
Europe needs more entrepreneurs.

More new businesses mean more jobs and more growth. More new businesses also mean a more competitive economy which will better enable European companies to compete internationally and reap the opportunities offered both inside and outside the single market.

New companies represent the most important source of new jobs: they create 4.1 million new jobs every year. Without the jobs created by new firms, average net employment growth rate would be negative. But filling the European vase of entrepreneurship is not just pouring more but also about preventing leakage: avoiding companies to disappear for lack of a new entrepreneur to take it over or lack of support during turbulent times. These elements are key to avoid loss of valuable entrepreneurial capital.

Countries with a more entrepreneurial culture stand to reap the benefits of a deeper and wider job market. Europe lags behind the United States in terms of entrepreneurship: in Europe 45% of citizens prefer to be self-employed, while in the USA this proportion is 55%. This comparison is particularly relevant because the two economies are similar in size, wealth and development. The comparison is thus a pointed reminder that greater levels of entrepreneurship could be expected and attained in the EU.

Crucially, since 2000, only one country of the EU15 has shown a positive trend in its attitudes towards entrepreneurship. In the rest the trend is either stable or, in most cases, negative.

This lack of entrepreneurial drive is not due to an overall dislike of European population towards entrepreneurship but to concrete structural, administrative and cultural reasons that put a brake on enterprise creation and that can be tackled. Fostering and promoting entrepreneurs, entrepreneurship and an entrepreneurial culture are thus a must for European, national, and regional policy-makers to increase our ability to create jobs and prosperity. A European Entrepreneurship Action Plan is therefore needed to address areas where entrepreneurial potential can be unleashed and where key bottlenecks can be overcome and obstacles to entrepreneurial activities removed.

Promoting growth and competitiveness and modernizing public administration to improve the business environment are priorities of Europe2020 and have been at the centre of the Commission Communications "A Small Business Act for Europe" of 2008 and "Review of the Small Business Act for Europe" of 2011. These two communications address the main issues affecting European SMEs throughout their complete life cycle. Although they address some of the outstanding barriers to entrepreneurship, they do not specifically focus on how to increase Europe's levels of entrepreneurship and company birth.

This consultation seeks to identify possible measures which could usefully contribute to the goals of such an Action Plan. Progress in attaining the goals of this Action Plan will be measured through the recommendation and monitoring processes of the Annual Growth Survey and the Small Business Act and its Review.

Consultation aimed at: public administrations and private sector organizations and individuals who support entrepreneurs in starting up businesses and in helping them face challenges,
particularly during the first years of life of the business; individual entrepreneurs and businesses; other interested members of the public.

Consultations to date:
The outline of the Action Plan was introduced to the regular meeting of the National Contact Points in late May. A follow-up to this consultation was a detailed discussion held at the meeting of the SME Envoys in Malta on 15 June. The Action Plan has also been discussed in detail in a meeting with business stakeholders on 20 June dedicated exclusively to this subject. In addition, there is a reference to entrepreneurship in the draft document of the Industrial Policy Communication, for which public consultation has been ongoing for over a month. The proposals within the Action Plan are based in significant part on initiatives which we have observed from our constant communication with relevant ministries and SME/entrepreneur support organizations across the Member States.

1. Respondent’s profile

1.1. Please describe yourself: *(compulsory)

Other

1.7. Please indicate type of your organisation *(compulsory)

Public
Private
Other

Ministry of Economic Affairs, Agriculture and Innovation.

1.9. Where are you located? *(compulsory)

NL - Netherlands

1.11. If need be, may we contact you in regard to this questionnaire and consultation? *(compulsory)

Yes
No

1.12. Please provide your contact details. *(compulsory)

Ministry of Economic Affairs, Agriculture and Innovation, The Netherlands
Rinke Zonneveld
Director of Enterprise Department
1.13. Do you agree to your name being published on the European Commission’s website along with your contribution? *(compulsory)

☐ Yes   ☐ No

2. Questionnaire

In the remainder of this consultation please give us your views on a series of initiatives which could contribute to improving conditions for European entrepreneurs, framework conditions and support for success. These measures could be taken at European, national, or regional level. Please tell us how impactful and important each measure could be in your view using the ranking scale, where:

0 = no opinion,
1 = not very impactful/important,
2 = moderately impactful/important,
3 = very impactful/important

2.1. Framework Conditions

2.1.1. Cutting red tape (reducing the number of administrative procedures, simplifying them, and avoiding duplication of tasks) *(compulsory)

2.1.2. Abolish legalization and other administrative formalities when using public documents cross-border within the EU *(compulsory)

2.1.3. One stop shop and relationship managers in business support organisations for businesses that are starting out *(compulsory)

2.1.4. One stop shop for taxation and financial reporting (including advice and guidance) *(compulsory)

2.1.5. Speed up and simplification of licensing and other permit procedures *(compulsory)
2.1.6. Tax and social contributions related to effective cash flow of business * (compulsory)
2.1.7. Same social security protections available to entrepreneurs as to employees * (compulsory)
2.1.8. Raising awareness of government administrations and their staff about entrepreneurial and SME challenges * (compulsory)
2.1.9. Improve the quality and variety of business support advice for start-ups * (compulsory)

2.2. If you have comments on any of the above measures, please tell us here: (optional)

The Netherlands considers entrepreneurial policy to be largely a matter of national competence. Each Member State has its own challenges regarding entrepreneurship and must deal with these in accordance with their national situation. The Netherlands considers it important that any action at European level occurs within the framework of the Small Business Act, which is after all the long-term strategy to stimulate enterprise and SMEs. Moreover, European actions should have clear added value and impact above a national approach.

The Netherlands sees the clear added value of a European approach for reducing the administrative burden. In order to overcome the current economic and financial crisis, a more ambitious program beyond 2012 is required to reduce the administrative burden of EU regulation, in particular for SMEs.

In relation to section 2.1.7, the Netherlands attaches great importance to preserving the freedom of choice for entrepreneurs regarding collective provisions. In the Netherlands, freelancers cannot in principle make use of collective provisions such as incapacity benefit and pensions, with certain exceptions. These public provisions are compulsory— with certain exceptions— for employees. However, freelancers do have a choice in this matter. They themselves can choose whether they wish to have work incapacity insurance or contribute to a pension. The government encourages the freelancers to do so, and provides them with a number of tax facilities for entrepreneurs, which are unavailable to regular employees, to make their own social security arrangements.

2.3. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)

In addition to reducing administrative burdens, strengthening the internal market, improving access to finance and encouraging innovation and open and competitive markets are crucial preconditions for European entrepreneurs. The Netherlands sees clear added value of a European approach on these actions.
2.4. Facilitating transfers of business

2.4.1. Improve legal, administrative and tax provisions for business transfers (compulsory)

2.4.2. Improve information and advice provision for business transfers (compulsory)

2.4.3. Develop, publicise, and improve platforms and marketplaces for successful business transfers (compulsory)

2.5. If you have comments on any of the above measures, please tell us here: (optional)

The business transfer market is not a transparent market because both buyers and sellers are reluctant to announce their plans. Sellers do not want their plans to be known, because that can drive away customers to competitors and reduce the price of their company. There is basically little to be done about this situation.

The Netherlands has a very transparent market compared to other countries. 40/50% of all companies for sale can be found on the internet. This has been achieved by providing information and raising awareness about business transfers and acquisitions. Our aim is to raise awareness among sellers that business transfer is a process that must be started in good time as it takes longer than expected. We also want to make sellers aware that business acquisition can provide more successful results than through starting a business on their own.

2.6. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)

Data is important for making business transfer policy. The Netherlands would like to see new European research on business transfer. It is also important to share the best practices of business transfer in the European context.

For business transfers it is also important that there is good access to finance and a favorable fiscal environment for business transfer.

2.7. Efficient bankruptcy procedures/second chances for honest bankruptcies

2.7.1. Develop and expand programmes to mentor, train,
advise, and support second

• starters (compulsory

2.7.2. Put in place faster and more affordable procedures for winding up businesses and discharging

bankruptcies (compulsory

2.7.3. Awareness raising in business and finance community to remove stigma of

failure (compulsory

2.7.4. Specific financial instruments available for second

starters (compulsory

2.8. If you have comments on any of the above measures, please tell us here: (optional)

The Netherlands considers bankruptcy prevention and providing opportunities for second starters primarily a national responsibility. In certain areas, the EU can provide added value that is supportive to national policy, particularly through the exchange of best practices. This can be realised through existing organisations and consultative structures.

The focus should be on making the distinction between legitimate and fraudulent bankruptcies and the differential treatment of these. Without this distinction everyone will be tarnished with a negative image that would be justified only for a small minority. At the same time, there is a need for a much greater use of investigation and prosecution and to the further development of appropriate penalties for fraudulent acts. Only then can the necessary space be created to help the genuine entrepreneur and make a smooth and quick restart possible.

More cooperation is possible and desirable in the area of fraud, especially because the hardcore of professional fraudsters often work across borders. The availability of a government ban in all Member States, or even a European government ban, is therefore worthwhile studying. The exchange of information is another area of concern.

Specific programs for mentoring and training that are specifically aimed at second starters, seem pointless. Starting a business is essentially the same process for starters who were declared bankrupt and for starters who have not been declared bankrupt.

2.9. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)
2.10. Supporting new entrepreneurs

2.10.1. Increase and improve targeted business support services (compulsory)

2.10.2. Offer dedicated support for SMEs to benefit from digital entrepreneurship opportunities (compulsory)

2.10.3. Offer dedicated support for SMEs to 'go green' (compulsory)

2.10.4. Improve implementation of the Digital Single Market (compulsory)

2.10.5. Offer tailor-made assistance and advice for 'micro-multinationals' collaborating across distance, borders and markets (compulsory)

2.10.6. Offer dedicated support for SMEs to benefit from European trainees (from vocational, technical to bachelor, master or doctoral level) (compulsory)

2.10.7. Targeted training, finance, internationalisation support programmes for
high growth potential

SMEs (compulsory)

2.10.8. Offer support for new businesses to innovate (compulsory)

2.11. If you have comments on any of the above measures, please tell us here: (optional)

The Netherlands considers policy for new entrepreneurs/starters as a matter of national competence. The EU can provide added value, particularly in ensuring that starters are not unnecessarily inconvenienced by red tape and administrative burdens, that new entrepreneurs can compete in EU procurement, creating awareness about entrepreneurship and the sharing of best practices.

2.12. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)

2.13. Improving access to finance

2.13.1. Reinforce loan guarantee and venture capital facilities (compulsory)

2.13.2. Improve financial advisory capacity of Enterprise Europe Network (EEN) (compulsory)

2.13.3. Single multilingual online portal on EU finance for SMEs (compulsory)

2.13.4. Single national portals on national sources of SME finance (compulsory)

2.13.5. Make tax environment more favourable to early stage financing (compulsory)

2.14. If you have comments on any of the above measures, please tell us here: (optional)
Access to finance is an important framework condition for SMEs. The Netherlands stresses the importance of taking the effects on SMEs into account within the necessary adjustments to our financial system. European cross-border action can have an added value in supporting access to finance, by for example removing obstacles for cross border investment through implementing the EU passport for Venture Capital Funds for instance. Therefore, measures which are related to access to finance, namely the Equity of Growth Facility (EGF), the Loan guarantee facility (LGF) and the Equity and Debt facility in Horizon 2020, should be among our top priorities. The Commission’s activities should be directed at supporting and complementing Member States’ policy on improving access to finance with transboundary actions (i.e. not replacing national activities).

2.15. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)

2.16. Entrepreneurial education and training for youth

2.16.1. Create a European platform or hub for entrepreneurial learning to share best practice and develop common models for policy, implementation and measurement *(compulsory)*

2.16.2. Entrepreneurial behaviour, skills and mindsets to be embedded in national/regional curricula at all levels - primary, secondary, vocational, higher education and non-formal education and training, alongside integration of work-based teaching and learning in all disciplines and curricula *(compulsory)*

2.16.3. All young people to have one entrepreneurial experience before leaving secondary school (either as a formal part of the curricula or as an extra-curricular activity that is overseen by the school or a non-formal education body) *(compulsory)*

2.16.4. Develop a guiding framework to encourage and support the development of
entrepreneurial education institutions (vocational and higher education) *(compulsory)

2.16.5. Increase entrepreneurship education supported via ED education funding *(compulsory)

2.16.6. Increase entrepreneurial training in line with national plans *(compulsory)

If you have comments on any of the above measures, please tell us here: *(optional)*

If we want to encourage entrepreneurship we have to take action early, as the foundation for successful entrepreneurship and enterprise is laid in primary education. Entrepreneurship should therefore be embedded in the educational system. Not by separate courses on entrepreneurship, but through connections with core subjects such as reading and maths and through involvement of the local business community, parents and other stakeholders.

Because the education systems in the Member States are very different from each other and the commitment and goodwill of teachers and school boards and local entrepreneurs is crucial for embedding entrepreneurship in education, it is not desirable that entrepreneurship education policy is coordinated at EU level. Moreover, entrepreneurship and enterprise is stimulated by a bottom-up approach in which involvement of teachers and local businesses is key. Goals in the field of entrepreneurial education can therefore be defined at EU level, but the way these goals are achieved should be determined by the Member States.

The sharing of best practices momentarily takes place through existing organizations and consultation structures (e.g. Thematic Working Group of Entrepreneurship Education, OECD etc). The reporting and recommendations should however be improved. This should lead to good practices and practical tools which policymakers can make use of.

Much attention is currently paid to education to generating enthusiasm among students to become entrepreneurs. A useful addition would be to pay attention to how students should carry on with their business, how they should plan for growth and what kind of parties can help them achieve their goals later (particularly if the business is started from secondary education). Internationalisation can also be discussed in education.

2.18. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: *(optional)*

2.19. Untapped entrepreneurial potential of women

2.19.1. Continue/expand networks of women entrepreneurship ambassadors and mentors *(compulsory)

2.19.2. Tailored entrepreneurial training for women *(compulsory)
2.19.3. Create/foster female investors and networking among women (compulsory)
2.19.4. Investment readiness training for women (compulsory)
2.19.5. Same maternity rights for women entrepreneurs as for employees (compulsory)
2.19.6. Adequate child/dependent care facilities available (compulsory)

2.20. If you have comments on any of the above measures, please tell us here: (optional)

The Netherlands endorses the economic potential of female entrepreneurship, particularly the high growth potential of female entrepreneurs. The Netherlands has a generic entrepreneurial policy that maximises the scope for female entrepreneurs and entrepreneurs from ethnic backgrounds. This is inspired by the principle that ethnic origin or gender is secondary to entrepreneurial performance. The focus for the Netherlands lies on increasing quality of entrepreneurship for all entrepreneurs and to achieve more growth companies.

The EU may add value to the national policy for female entrepreneurship by:
- The exchange of best policy practices. Especially on how policy / process is organised and what the success and failure factors are in the realisation;
- Raising awareness about female entrepreneurship;
- Greater use of the network of EU ambassadors;
- The dissemination of lessons learned from the experience of Member States with the EU program Mentoring Scheme for Female Entrepreneurs, and evaluating and if adequate continuing and embedding this program within the Member States.

2.21. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)

2.22. Seniors - second careers and business experience

2.22.1. Establish networks of volunteer seniors to counsel young inexperienced entrepreneurs (compulsory)
2.22.2. Tailored entrepreneurial training for seniors without previous
2.22.3. Offer grants for unemployed seniors to become entrepreneurs (compulsory)

2.23. If you have comments on any of the above measures, please tell us here: (optional)

2.24. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)

2.25. Specific support for migrant, minority or other specific groups of potential entrepreneurs

2.25.1. Tailored support for other specific groups of potential entrepreneurs (compulsory)

2.26. If you have comments on any of the above measures, please tell us here: (optional)
The Netherlands has a generic entrepreneurial policy that maximises the scope for female entrepreneurs and entrepreneurs from ethnic backgrounds. This is inspired by the principle that ethnic origin or gender is secondary to entrepreneurial activities.

2.27. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)

Workplace innovation plays an important role in stimulating innovation by improving access to internal and external information and stimulating continuous learning on the work floor, for instance by increased cooperation among colleagues and between companies. Workplace innovation contributes to the exchange and input of knowledge, leading to improved innovation processes in companies. The Netherlands supports the call for a European learning network for workplace innovation issued by DG ENTR.

2.28. If you have any further comments on aspects of encouraging greater entrepreneurship which are not elsewhere addressed in this consultation, please use this space: (optional)

Entrepreneurship is essential for our national and European economy. People with an entrepreneurial spirit should be supported in their efforts.

The Netherlands is performing well in terms of entrepreneurship. Around 12% of the Dutch are entrepreneurs, which is a fairly optimal score. Areas where Dutch entrepreneurs do not score very highly are ambition for growth and innovation. The Netherlands will therefore focus its entrepreneurial policy in the coming period on promoting growth, particularly amongst SMEs with high growth potential. Dutch policy will therefore shift from more entrepreneurship to better and more highly qualified entrepreneurship.

Based on the notes of the consultation it seems that the Commission is focussing on more entrepreneurship in Europe (headline: “Europe needs more entrepreneurs”). In the Informal Competitiveness Council of the 16th and 17th of last July, the Commission pointed out that only 11% of Europeans are entrepreneurs. This is, however, a reasonably optimal score. Netherlands
therefore considers that the scope of an Entrepreneurship Action Plan, should focus on the quality of entrepreneurs and growth rather than on more entrepreneurs. Simply adding to the number of entrepreneurs will not make an economy more productive.

Netherlands considers entrepreneurial policy largely a matter of national competence. Each Member State has its own challenges regarding entrepreneurship and must tackle this situation at national level accordingly. Only the actions with a clear added value of a European approach should be adopted. With regard to the target group policy, the starters policy and Entrepreneurship Education, we don’t consider that the European approach would generate added value. Each Member State has its own challenges with the different target groups and should address them in a tailor-made way at national level. Particularly in view of the current budgetary framework, facilitating starters is a matter of national policy choice. Educational systems differ in Member States. And the goodwill of school boards and teachers is crucial for embedding entrepreneurship in education. It is therefore not desirable that Entrepreneurship Education policy is coordinated at EU level. Netherlands sees the added value of the EU in the sharing and dissemination of best practices with regard to stimulating growth in High Growth Potential SMEs. Data for business transfers remains an issue. The Netherlands welcomes a new European study on business transfers. The EU could assist in disseminating information on what other countries do with respect to business transfers, and spread best practices in this manner.

The Netherlands considers it important that any actions to stimulate entrepreneurship at European level occur within the context of the Small Business Act, which is the long-term strategy to stimulate entrepreneurship and SMEs.

The consultation seems to centre on policies and initiatives that are already included in the Small Business Act, such as improving the framework for entrepreneurship activities, reducing administrative burdens and improving access to finance. Netherlands suggests that the focus of this Action Plan is placed on the issues and actions that are complementary, and not included in the Small Business Act. It should be made clear what the exact problem is that the measures in the Action Plan are designed to address, and what the impact of the proposed measures will be.
Entrepreneurship 2020 Action Plan

Comments from the European Training Foundation (ETF)

Turin, 28 September 2012

A more entrepreneurial Europe makes for an important trading partner for EU partner regions to the south and east. ETF welcomes the Action Plan which provides important policy signals particularly in relation to education and training for ETF’s 31 partner countries which face significant challenges in terms of growth and jobs. Note that our comments below are a) very much concentrated around the human capital dimensions of the Action Plan and b) are defined by how we see the Action Plan prompting reforms and improvements in our partner countries. In some cases, we see the Action Plan having a wider geographical potential – as a tool for leveraging policy response particularly in those countries supported by EU development aid.

Thank you for the opportunity to comment on the Action Plan.

Entrepreneurial learning

- Effective entrepreneurship policy requires a collective policy response based on partnership and cooperation. The proposed network for ‘enterprising communities’, bringing together government, business, education and research, provides an excellent solution for more effective support for small businesses. ‘Enterprising communities’ should ensure ‘policy equilibrium’: that entrepreneurial learning specifically features in education, employment, enterprise and economic development strategies (national, regional and local levels, as appropriate). A reductionist model (where entrepreneurial learning is addressed singularly or by a limited number of policy areas) risks undermining the potential and scale that strategic entrepreneurial learning can bring in terms of numbers of businesses, productivity and employment.

- Ensuring better interfaces between training/mentoring and access to finance will be important help plug a policy hole which is not particularly well addressed in developed, transition and emerging economies.

- All levels of education need to work together to create a seamless entrepreneurship promotion line required to develop an entrepreneurial culture. A particular issue here is the entrepreneurship ‘mindset’ or key competence. This requires significant and concerted attention if the rhetoric of an entrepreneurial Europe is to become a reality. Efforts are needed to build a joined-up entrepreneurial learning eco-system where the entrepreneurship key competence is embedded at each level of formal education and sequenced to the next creating a domino effect. Given the newness of the key competence concept and the requirements for its lifelong application, policymakers and practitioners (teachers, university lecturers, curriculum specialists, careers guidance experts) need to co-work developments, road-testing new curricula and pedagogies, assessment tools, as well as sharing good and ‘next’ practice.
• An entrepreneurial learning ‘hub’ would provide an important support framework for EU policymakers and practitioners as they grapple with the demands and uncertainties of a fresh and evolving policy area. The ‘hub’ should have an international knowledge-sharing function to ensure that achievements on lifelong entrepreneurial learning inside the European Union are shared particularly with transition, emerging and developing economies. The value of the ‘hub’ would be significantly enhanced if its knowledge and tools were made available to countries benefitting from the EU’s development aid programme.

• Ensuring that all young people have at least one entrepreneurial experience before leaving secondary school will require a significant engagement of local businesses into curriculum planning and assessment. Support services providing brokerage-type assistance would be necessary (busy teachers and schools are unlikely to have the time to deal with this alone). Other options could include a) enterprise simulation (e.g. mini-companies), b) bringing the business to the school (local business men and women providing presentations on their enterprises in schools), and c) role-modelling initiatives (gender-sensitive videos of inspiring young entrepreneurs telling their enterprise story).

• Criteria for vocational schools and universities should be developed to support institutional and staff development strategies for delivering on an entrepreneurial learning agenda. This could be reinforced with a peer review mechanism which would have a double objective a) creating European networks of institutions (vocational and tertiary, while primary and secondary schools could be added) for sharing experience and good practice and b) contributing to institutional improvements and quality enhancement on entrepreneurial learning through structured peer assessments.

• Small businesses rarely have the capacity to accommodate apprentices or trainees. Support framework conditions to specifically assist small businesses with apprentices or trainees could be considered. More specifically, existing education and training services could be upgraded to provide the support services (e.g. trainee assessment, support/training of mentor already employed in the business, apprenticeship advisory services for small businesses). Further, incentives for small businesses to systematically engage in apprenticeship schemes could be considered e.g. more favourable tax arrangements for SME apprenticeship providers.

**Women’s entrepreneurship**

• More creative and engaging ways to develop understanding by, and engagement of, women into entrepreneurship careers must start early. The entrepreneurial ‘mindset’ requirements of women and girls and their contribution to an entrepreneurship society deserve special attention by primary, secondary and further and higher education. Business, community and civic support organisations also have a role. Secondly, examples of training services customised for women entrepreneurs should be researched and made available. More innovative approaches to women’s entrepreneurship training which specifically address access...
issues could also be considered (e.g. web-based training). Again, the interdependence of training and access to finance needed to managed better.

- **EU member states and pre-accession countries could voluntarily engage in benchmarking exercises based on commonly defined and agreed indicators.** Borrowing on the ETF entrepreneurship policy metrics, indicators should ideally be development oriented (tracking how policy and practice is developed and shared) as well as impact driven (measuring how effective policies are).

- **EU support for mentoring services for women should not be confined to start-up or early-phase enterprises.** Women-owned enterprises which are well established, particularly those with growth potential, need mentoring support from seasoned and gender-sensitive business peers. The economic crisis is also having an impact on the sustainability of women’s businesses. Mentor support would help here. Secondly, mentors need guidelines/introductory training which could involve technology allowing for remote mentoring services both at national level and across borders. Thirdly, mentor networks could be extended and quality of mentoring services could be improved with a European award for women’s entrepreneurship mentor.

**Business transfer**

- As with EU member states, some ETF partner countries (e.g. Turkey) are seeing significant numbers of family business transfers and where younger family members are either unwilling or unable to take on the parents’ business. **Education, careers guidance and business services need to co-work solutions which can maintain/sustain businesses at risk of closure.** These support services need to work well in advance (3-5 years) identifying young people from families where owner-retirement is an issue and determine options for ownership-assumption career guidance, entrepreneurial learning, mentoring and advisory support.

**Migrant entrepreneurs**

- **Experience of migrant entrepreneurs within the European Union could be drawn on for supporting back-home budding entrepreneurs in EU partner regions e.g. Southern Mediterranean.** This would support EU external relations policies with objectives of stemming illegal emigration, promoting economic development, social inclusion and wider socio-political stability.
Google contribution to the public consultation on the Entrepreneurship 2020 Action Plan

INTRODUCTION:

Google welcomes the opportunity to respond to this questionnaire and recognises the work of the European Commission to greater foster entrepreneurship and stimulate jobs and growth in Europe. We strongly believe that the elements addressed in this consultation, such as the development of support for digital entrepreneurship and the completion of the digital single market, are essential to achieving the goals of the Europe 2020 strategy.

At Google we work with entrepreneurs every day. Google began as a startup in a garage and remains a startup at heart. We believe that, with the right support, new ideas can grow into world-changing businesses and organizations. We are committed to supporting entrepreneurship by helping build a vibrant ecosystem for startups and enabling the next generation of entrepreneurs to be successful.

In the face of a global economic crisis, job creation and growth rates are major concerns. The global economy is experiencing a malaise unlike any in recent decades, and recovery depends on unleashing innovation across all sectors of the economy. The good news is that increasingly anyone can be an innovator -- computers and the Internet are empowering more and more individuals and their communities, creating economic growth and jobs from unexpected sources.

The Internet has been an enduring bright spot of growth. In part this is because it is the most powerful infrastructure ever known for the creation, exchange, and implementation of ideas. It empowers the individual, and it empowers individuals who wish to work together. Entrepreneurs can reach a global community quickly, without experiencing significant barriers to entry.

By facilitating access to information and collaboration at this previously unimaginable scale, the Internet enables small ideas to become world changing ones. These qualities have made the Internet a wellspring of innovation and renewal that has a significant impact across the entire economy, accounting for over 21% of GDP growth and contributing to over 4% of national GDPs in the G-20 economies.
SUPPORTING ENTREPRENEURSHIP IN THE EU:

Google has invested significantly in supporting entrepreneurs in the EU. We believe that a wide variety of programs and partnerships can help support the ecosystem, so we take every effort to consider the impact our initiatives will have on entrepreneurs, their businesses and their communities. Below are our most recent entrepreneurship initiatives in Europe, outlined here to provide an overview of our efforts and the anticipated added value to the ecosystem. They range from physical investments, to startup competitions, to programs and partnerships with stakeholders in the community. We aim to make investments in a variety of initiatives in order to fuel different parts of the ecosystem.

**Getting Business Online**
Starting in 2010, Google, along with partners across Europe, launched the Getting Business Online initiative to provide training, tools and resources to businesses across the EU. To date this initiative has enabled more than 250,000 businesses to go online for the first time. Bringing together business associations, the financial sector, the postal sector and the telecommunications network to provide support to entrepreneurs, the programme now comprises over fifteen European partners.

**Global: Google for Entrepreneurs**
In September 2012 Google launched Google for Entrepreneurs (google.com/entrepreneurs), the umbrella for our several dozen programs and partnerships around the world that support startups and entrepreneurs. Our focus is threefold: partnerships with strong organizations that serve entrepreneurs in local communities, Google-led programs to bring our teams and our tools directly to entrepreneurs and placing relevant Google tools in the hands of startups as they are getting off the ground and ready to scale. We also hosted our first annual Google for Entrepreneurs Week, which brought together more than 3,000 entrepreneurs and Google employees around the world. During one week, Google employees in 28 cities across 13 countries hosted an event in their communities to bring their passion and expertise to local entrepreneurs.

**UK: Campus London**
In March 2011 Google opened a 7-story coworking space in East London. In addition to hosting working space for tech startups, Campus hosts mentoring programmes, speaker series and networking events. For example, it features a weekly mentor program launched in July that will focus on Android, G+, YouTube and Gmail, and we hosted Startup Caravan with ~20 French startups to connect with London Entrepreneurs. There are more than 200 events scheduled over the next few months. We've had over 300 visitors, 90+ resident startups, and we have 200+ community events scheduled. Our goal is to “fill this town with startups” by investing in physical space for the entrepreneurial community to call home, and filling it with powerful resources for them to start and grow.

**Germany: Gründer-Garage**
In August 2012 Google launched Gründer-Garage in conjunction with the Entrepreneurship Foundation and crowdfunding platform IndieGoGo. The initiative is an innovative start-up competition for people with an entrepreneurial spirit. We are not looking for finished and polished business models, but for good ideas for possible businesses from all sectors of society (art, economics, social issues). Candidates will go through a new online-training program for
entrepreneurs called Entrepreneurship Campus, and the candidates will seek their own capital through crowdfunding. At the end of the competition, prizes of a total of 150,000€ will be distributed. Throughout the course of this competition, entrepreneurs will create many creative business models that will succeed in the market and showcase the power of innovation in Germany.

Bulgaria: Eleven
In July 2012 Google launched a partnership with Eleven, an accelerator in Bulgaria committed to supporting entrepreneurs across Eastern Europe and funded by the European Investment Fund. Starting in August, Google employees will contribute to mentoring Eleven startups and will be going to Bulgaria from all around the world to host tech talks and workshops that we hope will help many hardworking startups get to the next level by providing much needed mentorship and networking.

France: Startup Café
In October 2011 Google launched Startup Café, an effort designed to help French entrepreneurs build innovative startups. This platform organizes and makes knowledge, tools and networks accessible and useful to all entrepreneurs. It also provides access to educational video content from several business schools designed for entrepreneurs, tools to help start a business and, with the help of the Agency for the Creation of Entrepreneurs, a map of public organizations that can help entrepreneurs.

France: Le Camping
In October 2011 Google launched a partnership with Le Camping, a mentorship program created by the association Silicon Sentier, bringing together promising French startups. Silicon Sentier is at the heart of the local, national, and international high-tech ecosystem. Google provided grant money for winning teams, as well as speakers and mentors, to invest in French tech startups ecosystem and we are exploring expansion of our partnership for 2012. Google has been working in partnership with Le Camping over the past year to provide hands-on training and mentorship to the 12 companies in each class. Out of the 24 teams from first two seasons, 40 percent of the startups have raised funds, 60 percent have paying clients and all of the startups belong to a strong and reliable community.

Global: Startup Weekend
In November 2011 Google launched a two year global partnership with Startup Weekend, a nonprofit working to support real entrepreneurship in local communities. Startup Weekend hosts 54-hour weekend events that bring together entrepreneurs from diverse backgrounds to form teams that meet on Friday night and launch products by Sunday night. The footprint of this partnership is truly global. The Startup Weekend team has a footprint across 70+ countries in 200+ cities, with more than 50% of these events happening outside the US. Since the launch of our global partnership, Startup Weekend has held events in 46 European cities.

Global: Women 2.0
In September 2012 Google launched a partnership agreement with Women 2.0, a media company that offers content and events to aspiring and current female tech entrepreneurs. The partnership is a one year pilot to expand to expand Women 2.0’s signature event, Founder Fridays, to new cities and use Google technology while doing so. These and other events will be held in cities around the world.
THE JOBS AND GROWTH POTENTIAL OF DIGITAL ENTREPRENEURSHIP:

At Google, we work with millions of advertisers every day. We have seen the benefits an online presence can bring to business first hand, as many entrepreneurs that we work with go on to grow, employ and sell more with an online presence. McKinsey research has shown that businesses with an intensive web presence grow twice as fast, export twice as much and employ twice as many people as those with a low-to-no web presence. SMEs are widely acknowledged as the engine of European economic growth. It is becoming increasing clear that the Internet accelerates this growth.

Starting in 2010, the Boston Consulting Group undertook to quantify the impact of the Internet in the EU. In the course of their research, they found that this impact was largely driven by small and medium sized businesses selling online. Their most recent study in this series, "The $4.2 Trillion Dollar Opportunity" highlights that the EU’s Internet economy was worth 3.8% in 2010, compared to 4.7% in the United States and 7.3% in South Korea. This is despite the fact that on a national level, the EU is home to some of the leading Internet enabled nations such as the UK, the Nordic countries and the Netherlands. But the outlook is positive. By harnessing the potential of the digital economy, the Boston Consulting Group estimates that Europe's Internet economy will outpace those of the US, India and Japan by 2016, growing to 5.7%. The full set of these studies can be found at http://www.valueoftheweb.com/.

The Internet has allowed for SMEs to circumvent traditional barriers to business. Crowdfunding - raising money by leveraging a user's online social stream - has emerged as a pioneering and innovative means for entrepreneurs to raise capital. Led by platforms like Kickstarter and IndieGoGo, the emergence of crowdfunding platforms is accelerating around the world. The industry website crowdsourcing.org estimates that there are currently 453 active crowdfunding platforms globally that have raised up to $1.5 billion in project and business financing. New initiatives such as AngelMe are incorporating crowdfunding, venture capital and support for entrepreneurs across Europe. With the growth of social networks and other online platforms, crowdfunding is a promising model that would allow more Europeans to invest in new companies simply by using the Internet to connect with entrepreneurs.

Equally, cloud based services are critical for small businesses because they make powerful IT that once was the exclusive realm of larger firms available to everyone. Inside small businesses, cloud-computing technologies are driving productivity and creating employment. Cloud based services are more economical, faster to use and easier to install than traditional hardware. The increased efficiency afforded to businesses that take advantage of the Internet has actually created more jobs than it has eliminated. A 2011 study estimated that 300,000 to 1,000,000 new jobs could be created by simulating the economic impact of cloud computing and adoption could lead to 0.1-0.4% GDP

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1 Matthieu Pélissié du Rausas et al., Internet Matters: The Net's Sweeping impact on Growth, Jobs, and Prosperity (McKinsey Global Institute, 2011).
2 Liam Collins, Yannis Pierakis, The Venture Crowd, Crowdfunding Equity Investment Into Business (Nesta, 2012)
3 Ann Mettler, Anthony D. Williams, Wired for Growth and Innovation. How Digital Technologies are Reshaping Small and Medium-Sized Businesses (The Lisbon Council, 2012)
growth in the EU as a result of productivity enhancements.4

A recent Italian study correlated use of the web with job creation and found that on average, 10% growth in use of the Internet is followed each year by a 1.47% increase in the employment rate of 15-24 year olds.5 In France, the Internet has created 700,000 new jobs in the past 15 years.6 The Internet is equally offering flexible labour conditions to all workers, which brings particular value to working parents, part-time workers and the self-employed. Many stay-at-home mothers are using the web to create new business opportunities, setting up their businesses from home. In the Netherlands, where more women than average leave full-time employment to have their children, it was found that 42% of Internet entrepreneurs were women, compared to 28% typically.7

POLICY PRIORITIES:

1. Bringing more business online

The Internet is not merely the reserve of Internet startups and global tech firms. Traditional business has much to gain from leveraging the benefits of having an online presence in some capacity. For example, an estimated 75% of economic value created by the Internet arises from traditional companies using web-based technologies to lower the costs of running their business.8 In spite of this, too few initiatives exist to help entrepreneurs and small business owners get online so that they can take advantage of increased efficiency, reduced costs and expanded connectivity to their market. Many entrepreneurs are not yet aware of the benefits that an online presence can bring their business. In Ireland, for example, 57% of SMEs without a website have never considered having one. In France 22% of SMEs have a website, compared to 62% in the UK.9 Policies focused on raising awareness of the role that the Internet can play in the development of SMEs and programmes to facilitate this should be central to an entrepreneurship strategy.

2. Seeding new networks and revamping existing networks

According to the Global Entrepreneurship Monitor, of the 400 million entrepreneurs located in 54 countries in 2011, 163 million early-stage entrepreneurs are women. For stay-at-home mothers, the Internet is affording many the flexibility to network, build and grow their business. 165 million early-stage entrepreneurs are young entrepreneurs (age 18 to 25), amongst them highly skilled young people often returning to established family businesses. With their experience in digital marketing and use of online tools, many are reigniting these SMEs and driving exports and productivity. Equally, platforms such as Etsy and Pinterest are bringing new visibility to the craft and creative

5 Marco Simoni, Sergio de Ferra, Crescita digitale, (Italia Futura, 2012)
7 Marty Smits, Silvia Sonneveld, Sjoerd Arlman, Vivek Makhija, Interned, Hoe het internet de Nederlandse economie verandert, (The Boston Consulting Group, 2011)
9 Pagesjaunes – H2O, Perception d'Internet dans la communication des TPE/PME, (novembre 2009)
sector, with Etsy alone helping people sell 2,900,000 products a month. Ensuring that all types of entrepreneurs in Europe can take advantage of digital opportunities is essential to unlocking the full growth potential. Policies that provide additional training and mentorship to women, the creative sector, family businesses and mid-late stage entrepreneurs who may not have the skills of “digital natives” is essential to an entrepreneurship strategy.

3. Creating a culture of entrepreneurship

The success of entrepreneurial ventures depends on more than money and ideas -- it also depends on social and cultural infrastructure. Encompassed in this infrastructure are many elements – individuals, organizations or institutions – outside of the individual entrepreneur that are conducive to, or inhibitive of, the choice to become an entrepreneur, and the probabilities of success following launch. Policies to stimulate entrepreneurship should include:
- ensuring that entrepreneurs have access to fast, reliable broadband at affordable prices.
- addressing equity crowdfunding in the EU and establishing a framework for its full implementation, drawing on the experience of JOBS Act recently passed in the US.
- ensuring that students are being adequately trained for the jobs of tomorrow by encouraging and implementing accessible STEM education and training.

[10 http://mashable.com/2012/07/10/etsy-business-infographic/]
Position Paper
EU Entrepreneurship Action Plan 2020

With contributions from
Mrs. Helle Bunkenborg, Technical University of Denmark (DTU)
Mr. Steef Blok, Eindhoven University of Technology (TU/e)
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To whom it may concern:

The EuroTech Universities Alliance brings together four European top-class universities committed to finding technological solutions to the grand challenges facing society. We very much welcome the envisioned Entrepreneurship2020 Action Plan by the EU Commission as well as the initiative of the DG Industry and Enterprise to reach out to stakeholders in a consultation process, since we are committed to encourage entrepreneurship as a central device of transforming research into a greater benefit for society.

Start-up ideas arise from discoveries
Technology-based and growth-orientated start-ups are particularly important for the goals of this action plan, as they help to tackle societal challenges and enable our economies to stay innovative. Outstanding universities of technology, like the EuroTech Universities Alliance members TUM, DTU, TU/e and EPFL, offer great opportunities to promote innovation and to foster the development of technology-based and growth-oriented businesses. As a natural source of high-tech spin-offs we have initiated extensive entrepreneurship activities at our universities to help scientists transform their knowledge and technologies into companies becoming Europe’s growth engines of tomorrow.

EU measures can create a supportive framework for growth
University-based support in business creation is most successful when it acts in a favorable and supportive framework. Thus we see great potential in the dialogue with the EU Commission about future policy measures

- promoting the entrepreneurial culture, in particular through exposures, role models and mentors
- enhancing the flexibilization of regulation concerning transfer opportunities between regular employment and entrepreneurial activities
- adjusting evaluation criteria for scientific grants to include acknowledgement of scientist’s involvement in start-up activities
- increasing training possibilities for students in entrepreneurship and intrapreneurship throughout their education
- promoting early internationalization of start-ups by encouraging exchange of entrepreneurs within Europe
- promoting cooperation of start-up companies with industry, especially with SMEs
- helping to tap entrepreneurial potential of women, e.g. through networking amongst female investors and entrepreneurs
• strengthening possibilities of financing promising innovation projects at universities that are close to becoming new high-tech start-up companies through e.g. so-called proof-of-concept or gap funding
• easing access to early stage investments from public and private investors for high-tech start-up companies. In this regard we want to support greater involvement of eg. the European Investment Fund and other instruments that can function as an anchor investor for early-stage venture funds and help to attract further investments from public and private partners
• ensuring protection of intellectual property rights by universities for early stage findings and enhancing the process from proof of principle to proof of concept
• creating a single digital market, since we see the lack thereof as one of the main disadvantages of EU start-ups against US competitors
• fostering joint activities of the Commission's DG Research & Innovation and DG Industry & Enterprise to reap the great potentials that lie in an effective collaboration between business and science for entrepreneurship.

EuroTech Universities Alliance Representation Office in Brussels
The EuroTech Universities Alliance (www.eurotech-universities.org) is a strategic partnership of four of Europe's leading technical universities: Ecole Polytechnique Fédérale de Lausanne, Technical University of Denmark, Eindhoven University of Technology and Technische Universität München. Together, the EuroTech Universities are strongly committed to finding technical solutions to address grand societal challenges.

The Alliance's unique profile is provided by its member universities' proven capabilities to combine research excellence, technological know-how and an entrepreneurial culture, including strong collaborative arrangements with leading technology intensive companies, SMEs and research organizations. These capabilities are fully applied in offering education and training of the highest academic quality and relevance. This integrated approach provides a concrete demonstration of the "knowledge triangle" in action.

The EuroTech Universities are pro-active in pursuing the key aims and objectives of the European Research Area and articulate an increasingly strong and clear voice within the changing research, innovation and higher education landscape in Europe and beyond. The EuroTech Universities Brussels office officially opens in October 2012.

For further information on this initiative and other connected requests, please contact

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EUROCITIES’ response to the consultation on the Entrepreneurship 2020 Action Plan

Helping cities foster entrepreneurship

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Registered organisation 12493392840-79

EUROCITIES is the political platform for major European cities towards the EU institutions. We network the local governments of over 130 of Europe’s largest cities and 40 partner cities that between them govern some 130 million citizens across 35 countries.

www.eurocities.eu

September 2012
GENERAL COMMENTS - SUPPORTING ENTREPRENEURSHIP AND SMES: WHY CITIES MATTER

City governments provide locally tailored services to support business creation and growth

Cities are the engines of growth in Europe. They will also be the engines of recovery. Entrepreneurship flourishes in cities, where the majority of SMEs are created and grow. City authorities, in partnership with local organisations, are well placed to define the most appropriate strategies to create a favourable environment for the development of entrepreneurship and creation of new jobs.

Cities offer not only the business opportunities but also the combination of services, support and infrastructure that entrepreneurs need:

- Business education and training is organised, developed and delivered in cities.
- City governments know the local circumstances and specificities of the local economy (sectors, opportunities, strengths, weaknesses, and needs, e.g. for skills and premises).
- City authorities are in regular contact with local stakeholders involved in job creation. These include universities, local employment agencies, chambers of crafts and commerce and professional organisations.
- City governments control critical levers for business development, such as planning control, environmental and health regulation, transport services and infrastructure and, in many cases, vocational education and training.

City governments develop policies and programmes tailored to the specific needs of local entrepreneurs and small businesses, for example:

- providing financial incentives for business development, including in deprived areas. Cities in some member states can, for example, help small businesses with initial investment (seed money) that will help stimulate their growth, with the long term aim of encouraging private sector investment
- developing and managing business incubators and ‘next step’ premises
- encouraging local networking, for example between businesses, supply chains, service providers and property owners
- developing synergies between local companies, universities and research, linking knowledge flow and transfer
- launching and supporting clusters offering a wide range of business support services to local companies
- helping local small businesses maximise access to both public and private procurement opportunities, for example through dedicated online tools.

In the current difficult economic climate it is even more challenging for entrepreneurs and small businesses to find investment sources. The kind of support that cities can provide as facilitators becomes even more important if we are to continue to support job and wealth creation. Entrepreneurship and a thriving small and medium sized enterprise sector are crucial in this regard.

September 2012 | EUROCITIES response to the consultation on the Entrepreneurship 2020 Action Plan
The Entrepreneurship 2020 Action Plan needs to have a strong territorial dimension

Entrepreneurship will be key to achieving both the Europe 2020 strategy goals and territorial cohesion. New businesses and small businesses contribute to fostering social and economic cohesion. These businesses stimulate economic activity, job creation and help integrate the unemployed or other disadvantaged groups into work.

The new EU territorial cohesion objective of the Lisbon Treaty calls for EU institutions to partner with local authorities and their stakeholders to deliver appropriate solutions and support the Union’s development. It is therefore important that the future Entrepreneurship 2020 Action Plan reaches cities and has a strong territorial dimension.

**COMMENTS ON SPECIFIC POINTS FROM THE CONSULTATION**

We support all the initiatives proposed in the consultation. Below are further comments on the proposed initiatives.

**Framework Conditions**

In addition to the points raised in the consultation document we suggest that the future Entrepreneurship 2020 Action Plan should:

- support the dissemination and implementation of innovative best practices supporting entrepreneurship at local level
- support business networks and clusters development. Cities develop effective clustering policies by bringing together human resources, financial support, infrastructure development and partnership promotion. They can take a strategic role in cluster support and can facilitate collaboration across the public, private and research sectors. Whilst the EU does provide valuable guidance on clusters, there is undoubtedly potential to support cities in facilitating cluster development. A first step would be improved coordination between the policies and initiatives in support of clusters, for example, linking the European Clusters Observatory, Pro Inno Europe and Europe Innova.

**Supporting new entrepreneurs**

Targeted business support services, as mentioned in the consultation document, are particularly important. We would also suggest strengthening support for small businesses in gaining ICT capacity to help their business to grow (e.g. training to upgrade websites to allow e-commerce, getting the most of the social media).
Improving access to finance

Financial instruments developed at EU level, including European venture capital fund, are welcome and should be easily accessible for SMEs, i.e.:

- they should be easy to use for enterprises and administrative procedures should be reduced as much as possible; procedures for use of the financial instruments should be the same in all member states;
- information has to reach local entrepreneurs. National contact points or helpdesks should be set up to provide information and assistance to SMEs willing to use the financial instruments;
- they should easily be combined with other European funds, in particular the structural funds.

Entrepreneurial education and training for youth

Actions aiming to improve entrepreneurship education and business competences and skills for both future and new entrepreneurs are essential. These should be implemented and available at all educational levels and during professional career development.

Untapped entrepreneurial potential of women

Adequate facilities for child/dependant care and tailored support for women willing to launch their businesses, as mentioned in the consultation document, are important measures.

We need in particular to support organisations specialised in promoting female entrepreneurship. These organisations, which already exist in some cities, help address specific issues faced by women entrepreneurs in the start up and development of their activities, through individual training, support and advice. These types of initiatives are proven to be successful and should be encouraged and supported by European funding programmes.

EUROCITIES is hosting a seminar ‘Cities supporting female entrepreneurship’ on 4 October 2012 in Riga. Conclusions and recommendations from the seminar will be forwarded to the European Commission.

Seniors - second careers and business experience

People aged 50 and over are less likely to start their own business than younger people, but their businesses have much better ‘survival’ rates.1

European funding should support programmes specifically tailored to the older age group. Cities, as they gather key stakeholders on a defined geographical area, are the ideal partners to coordinate activities such as information provision, advisory services, mentoring, training, workshops and match-making events.

1 OECD Policy Brief on Senior Entrepreneurship, 2011: www.oecd.org
Specific support for migrant, minority or other specific groups of potential entrepreneurs

Tailored support for migrant, minority or other specific groups of potential entrepreneurs is very important and should be developed. This is particularly necessary in large cities, which are meeting places for different cultures and are becoming increasingly diverse. This cultural diversity sustains and promotes creativity, innovation and competitiveness.

Ethnic entrepreneurs often set up businesses in run down areas, thus contributing to urban regeneration and to the integration of migrants into employment.

Cities have a key role to play, for example by facilitating cooperation between local stakeholders (including ethnic business associations, trade bodies, professional training organisations) and by increasing their intercultural awareness and competences. Programmes aiming to foster ethnic entrepreneurship at local level should be supported by European funding.

OTHER SUGGESTIONS

Improve coordination between European funds to help support entrepreneurship as part of local integrated development

Entrepreneurship is part of integrated local development. It is important in the future that different European funds can be combined for projects that create a favourable environment for entrepreneurs to start businesses and for existing small businesses to flourish. This is particularly relevant for structural funds. Cities should be able to access a greater proportion of European social fund (ESF) money to combine with European regional development fund (ERDF) money through multi-fund programmes.

Funding from the ESF can be channelled towards training people, SMEs and third sector organisations operating in deprived city areas, whereas the ERDF is used for the physical renewal of run-down buildings and their transformation into community and training centres, incubators and other facilities. At the moment, funding integrated urban development by combining ESF and ERDF is often very difficult, if not impossible at project level.

Support the internationalisation of new and small businesses

Small businesses need information and support to target markets outside their countries and the EU. The Entrepreneurship 2020 Action Plan could improve that through:

- strengthening the Europe Enterprise network. The network, with its one-stop-shops for small businesses at local level, provides very useful information on various EU programmes and initiatives. It plays an important role to facilitate the expansion of SMEs in the single market and beyond. Enterprise Europe needs appropriate resources to facilitate access for small businesses to markets.
- making sure the websites of national points of single contact for entrepreneurs and existing businesses are available in various languages, and therefore accessible to all potential entrepreneurs
- further developing the Erasmus for young entrepreneurs scheme.
Promote research and development

Many entrepreneurs and small businesses, including new ones, have new ideas but lack financial means to turn them into reality. Support actions from European policies and programmes should therefore include:

- strengthening cooperation amongst SMEs and research centres
- supporting research and technological development undertaken by small businesses
- developing the overall research and development capacity of cities and regions.

Develop indicators and gather evidence on entrepreneurship

Figures and data on entrepreneurship are available at city level but there is no comparable data available at European level (for example on survival rates of newly created businesses). Data must be collected at the local level but should be consolidated at European level to ensure comparability and learning outcomes. This could be done through the annual SME performance review, and also through the urban audit.
Topic
3 Major Impediments to Small Business Success on the Web

By

Preface
This paper represents a similar presentation made by Partha Bhattacharya at the 37th International Small Business Congress, Sandton Convention Center, Johannesburg from 15-18 September 2012.

Presentation Video
This presentation video can be seen at http://hubskills.com/ISBC.
The Opportunity & the Dark Side

The web, as we know, is full of opportunities. It is a place where millions of people across the globe gather for various purposes – emailing, searching for information, reading news or keeping up to speed with global scenarios, indulging in e-retail, and of course socializing.

Because of its limitless-ness and its ability to connect people from across continents in seconds, the web presents a unique scope, variety and opportunities in every aspect of human interaction – including business and commercial transaction.

After all, where there are people, there will be businesses to meet their needs.

The web is a huge marketplace, a giant arena where people come for their various needs. These words are very important - SOLVING THE NEEDS OF PEOPLE.

Any business that wants to succeed must solve people’s needs. If it does, then that is the first step towards establishing a successful venture in the virtual world.

This means that you no longer need to open a business at New York’s Times Square, to make money.

There is a better choice – selling objects, services and ideas to people anywhere on the planet from the comfort of your home by just using your computer. And yes, it is possible and more so without mind-numbing investment and at the cost of your dreams getting run over.

All you need to do is solve the needs of the people all over the globe.

But, is there a guarantee that a business will succeed on the web? Not really. Many small businesses fail within a year of starting, despite the best efforts by entrepreneurs.

3 Major Impediments

So why does that happen? Why is it that a start-up business finds it difficult to succeed on the web?

There are many opinions on this.

But I am going to talk about 3 MAJOR IMPEDIMENTS that I feel are crucial for web business success.
Let us discuss them one by one.

**Conceptual impediment**

Conceptual impediment is perhaps the most crucial roadblock on the path of success.

This may happen due to many reasons. Usually, the 3 main reasons are:

- **Wrong Business Idea**
- **Faulty Implementation**
- **Poor Targeting**

Let me take some examples to understand the conceptual impediment.

If you want to sell snow jackets to the people in the desert, your business is not likely to succeed.

Pretty obvious, isn’t it? It’s a wrong business idea…but people do make such obvious mistakes.

Similarly, if the Internet penetration is low at a place, it will not be wise to offer e-learning courses there.

Faulty implementation can happen for many reasons. In many cases it happens when you do not do what you should to boost your business.

Suppose your main product is to sell breakfast recipes. Will it be a good idea to talk about other food preparation in your website?

I guess not...because the visitors who come to the other pages are not the customers of breakfast recipes.

After all, your business is not to show your knowledge on other food preparations, but to solve the breakfast needs of the visitors to your site.

Let’s take some more examples.
You may be a good teacher, but few people know you on the web. So instead of starting your own course from scratch you may do better selling an already established course, and supplement it by writing a blog with tips.

The point is NO ONE WOULD KNOW YOUR BUSINESS BETTER THAN YOU.

Yet many small businesses, or even the big businesses, often FAIL to identify what their business is about? What is it that they want their business to achieve!

In short, the real issue is: What is your business plan?

On the web, there are many ways to earn money....but the basic thing is what business plan you are going to pursue.

A business plan requires you to write down everything you want to do and achieve. And this becomes your commitment and guidance for the road ahead.

Many experts say unless you are able to write down a business plan, your business is not ready to start.

According to a survey, a business plan doubles the chances for success. This means people with a business plan are clear in their mind about the path to follow.

The findings of the survey clearly show that those with a business plan are twice as more successful to get a loan and capital to start business as those without a plan.

**Technological Impediment**

Moving on to Technological Impediment...this is where I help the small startups with coaching and giving tips in my website, HubSkills.Com.

So what is this technological impediment I’m talking about?

According to a TV ad by GE, technology has 2 ends.

One - where it is built.

And second - where it works.
For your business, you have to know how you can use technology to work on the web.

There are mainly 2 major issues for technological impediment:

SHOWCASING Or Presenting Your Product/Service On The Web
DELIVERING Your Product/Service To Customers

If you plan to showcase your product in a website, you need to have a clear idea about 2 issues:

DESIGN of your website
CONTENTs in your website

Design of your website will in turn depend on 3 major factors:

STRUCTURE of the website
USABILITY of the website
LEAD GENERATION

For web contents also, 3 important issues must be considered:

TYPE of content – text, image, video, etc.
FOCUS and relevance of content
CONTINUITY of providing relevant contents

In this tree, if any of the branches is not strong and supportive, your business will be the sufferer.

What is interesting is that even if your business concept is okay, it can still suffer because of poor presentation or showcasing. And that will be an example of faulty implementation.

Delivering your product is related to customer satisfaction. There are 3 major ways to go about:

Delivering FROM your website
Delivering FROM other websites, and
FROM both your & other websites

When you are starting small, or if you are selling an affiliate item, you may want to sell the product from other big websites like Amazon, eBay, ClickBank, Barnes & Nobles......and so on.
For example, if you are selling an eBook, make slightly different versions of it and sell simultaneously from Amazon, ClickBank, Fiverr, and your website.

In most of these big websites the listing fee is either free or low, and it is easy to become a member and start selling right away.

There are many advantages if you sell in big websites.

These sites get millions of visitors, and this alone is a major incentive to sell your product there.

If you are selling from your website, you have to consider 3 major issues:

     PAYMENT ACCEPTANCE
     ORDER FULFILLMENT
     REFUND POLICY

Out of the 3, order fulfillment is very important.

Refund policy is a major decider for people to make a buy. And it is dicey too. But it is needed.

If there is less attractive or no refund policy, expect less or no buyer, no matter how good your item is or how well your website is.

Technological impediment is mainly about controlling costs. So you have to make a fine balance between what you WANT and what you NEED.

**Marketing Impediment**

This is a no-brainer. All your efforts mean nothing unless you MAKE SALES.

And sales happen when you are able to reach the target buyers with the RIGHT PRODUCT at the RIGHT TIME and at the RIGHT PLACE.

If any of these 3 is not satisfied, the sales may not happen.

The 4 main web marketing methods are:

    EMAIL MARKETING
    SOCIAL MEDIA MARKETING
If you want to do marketing yourself, you may find that email marketing and social media marketing have easy learning curves; they cost less and can be implemented quickly.

However, to make an impact you have to give good amount of time for them, especially if you are starting from scratch.

Can you devote lots of time? Depends...but I guess for most small businesses time is a premium commodity.

So marketing is a big hurdle for most small businesses.

The best way to start marketing is to start small, and reach out to prospects close to you.

Some of these low-cost advertisements can be classified ads in local newspapers, stickers on cars, seminars, promo campaigns in malls, and of course meeting people in person.

Marketing varies from place to place, but some of these methods are almost universal. They work in perhaps any city in the world.

I will now end my presentation but before that let me show you 2 examples of web startup success.

[[Video starts and continues for 3 minutes]]

This presentation video can be seen at http://hubskills.com/ISBC.
Recommendations for the Entrepreneurship 2020 Act

This document is intended to demonstrate that it is of prime importance to foster, through high emphasis in the Entrepreneurship 2020 Act, the creation and the continuous support of Junior Enterprises, federated in JADE network, within European universities.

1. Background

In March 2012, DG Enterprise published a research on the effects of entrepreneurship education in higher education. This research is very important since in Europe, very few studies have been done in that field until today. It sheds light on the impressive impact of entrepreneurship education on entrepreneurship key competences, intentions towards entrepreneurship, employability of students and society and economy as a whole.

However, the conclusions of the research fail to insist on one of its major outcomes: the much higher impact that Junior Enterprises have on the key areas considered, in comparison with entrepreneurship curricula taught at universities. Only two lines are included about it in the policy recommendations: “Learning by doing should be an important part of the training. JADE alumni score better in many aspects. This supports the importance of including practical training in the education programmes (p.18)”. In addition, Junior Enterprises are not explicitly mentioned.

Further in the research, it is mentioned that “The demand for entrepreneurial learning has been and is still steadily increasing. However, there are a number of obstacles hindering the implementation of entrepreneurship education. For one, there is a shortage of human resources and funding for this type of education; therefore it is not possible to meet this demand fully. Action-oriented teaching is labour-intensive and costly, and requires specific training. (p.23)”

Not only entrepreneurship curricula have a lower impact than Junior Enterprises, but they also cost substantial money and human resources, that universities seem to find difficult to obtain.

Junior Enterprises, on the other hand, are not only more efficient but also do not require funds or additional human resources: although Junior Enterprises often receive an agreed financial support of a couple hundred euros from the university at their beginnings, they generate turnover and therefore become financially independent. Although Junior Entrepreneurs often benefit from voluntary support of some of their teachers to guide them and support them, the university does not need to find additional human resources to train the students in order to support their entrepreneurial venture.

The reason for that is that for forty-five years, JADE network has developed a highly structured and high-quality knowledge transfer system, where trainings and practical implementation of learning are at the root of everything. This knowledge system has been fed by benchmarking campaigns in fifteen different countries and has been supported, advised and fine-tuned by highly recognized companies and organizations such as Microsoft, Google, IBM, BNP Paribas, ING, PwC, KPMG, Alten, Altran, Oracle, Baker & McKenzie, Bayer, Mercedes Benz Technology, Ernst & Young, Podio, Viadeo, Oseo, Volkswagen Consulting, T-Mobile, Accenture, Avis, Vistaprint, TiE, HUB, EIIIL, EUROCHAMBRES.
To explain the lower results of entrepreneurship curricula, one could invoke the lack of practical experience and therefore deduce that the best solution to implement is to include more practical experience in entrepreneurship curricula at university. However, the March 2012 European Commission research specifies that “most of the entrepreneurship programmes in the higher education institutions are less than ten years old.” (p.19).

Having observed that JADE’s training system has received thousands of inputs over the course of forty-five years and has been constantly improved through within-network benchmarking and external advice from some the most recognized organisations in the world, one can easily understand that the difference in results is not only the product of lack of practical experience within the curriculum, but also of lack of experience of the curriculum itself. This is why we consider valid to analyse organizations such as JADE, which is recognized by the 2006 Oslo agenda as a best practice for bridging the gap between university and business.

2. Recommendations

In the current draft version of the Entrepreneurship 2020 Act, no emphasis is put on the importance of entrepreneurial hands-on experience in higher education. It is only mentioned that pupils should have an entrepreneurial experience before leaving secondary school:

“4. Action Pillar 2 – Young people – the entrepreneurs of the future

[...]

Ensure for all young people to have gone at least once through an “entrepreneurial experience” before they leave secondary school. An entrepreneurial experience is a practical, hands-on experience like running a minicompany, being responsible for an innovative or entrepreneurial project for a company, for a social project or for the local community through which young people can learn the relevant skills (responsibility, creativity, risk assessment and management, project management, negotiation, teamwork, staff management etc.).”

So far, the Entrepreneurship 2020 Act is failing to insist on the importance for students to have an entrepreneurial experience in higher education, where they can emulate more directly and realistically what they will do once on the labour market since they have gained more skills since primary/secondary school and are already getting specific knowledge about their future job.

It also omits to urge governments to turn themselves to existing organisations, such as JADE, that have been proven successful in producing highly skilled, competent graduates ready for the demands of the labour markets and consider them as an addition or alternative for stimulating this entrepreneurial mindset. That would potentially save considerable time and money spent on creating hands-on experience programmes, training new human resources and ensuring continuous supervision of the educational programmes and reallocating the resources where needed.

JADE is urging the European Commission to include, in point “4. Action Pillar 2” of the Entrepreneurship 2020 Act, specifications about how entrepreneurial experiences in higher education are important and how governments could satisfy this need for entrepreneurial experiences by supporting the Junior Enterprise model to guarantee all initiatives to be quickly implementable, high-quality and cost and human resource-efficient.
Annex: main outcomes of the March 2012 European Commission research on effect and impact of entrepreneurship education in higher education.

Caption:

[NEG] Negative factor (for which the lowest numbers are the best results)

1. Junior Enterprises are the best way to gain entrepreneurial attitudes, skills and knowledge

Note: the average age for the control group was 34, entrepreneurship curriculum alumni was 32 and JADE alumni was 28. It can be expected that the skills and knowledge of JADE alumni will be even higher when they reach the age of 32 and then 34. However there is no statistical evidence of this assumption.

<table>
<thead>
<tr>
<th>Impact on entrepreneurial attitudes</th>
<th>Control</th>
<th>Entr. curriculum</th>
<th>JADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk propensity</td>
<td>3.4</td>
<td>3.7</td>
<td>3.8</td>
</tr>
<tr>
<td>Need for achievement</td>
<td>4</td>
<td>4.1</td>
<td>4.4</td>
</tr>
<tr>
<td>Self-efficacy</td>
<td>4.2</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td>Structural behaviour</td>
<td>4.2</td>
<td>4.2</td>
<td>4.1</td>
</tr>
<tr>
<td>Consider themselves slightly or very entrepreneurial</td>
<td>78%</td>
<td>91%</td>
<td>97%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impact on entrepreneurial skills</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Creativity</td>
<td>3.95</td>
<td>4.1</td>
<td>4.05</td>
</tr>
<tr>
<td>Analysing</td>
<td>4.05</td>
<td>4.1</td>
<td>4.15</td>
</tr>
<tr>
<td>Motivating</td>
<td>3.7</td>
<td>3.9</td>
<td>3.95</td>
</tr>
<tr>
<td>Networking</td>
<td>3.6</td>
<td>3.8</td>
<td>3.9</td>
</tr>
<tr>
<td>Adaptability</td>
<td>3.95</td>
<td>4.05</td>
<td>4.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impact on entrepreneurial knowledge</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge of entrepreneurship</td>
<td>3.5</td>
<td>3.9</td>
<td>3.95</td>
</tr>
</tbody>
</table>
2. Junior Enterprises are the best way to generate more association and voluntary work

<table>
<thead>
<tr>
<th>Impact on volunteer and association work</th>
<th>Control</th>
<th>Entr. curriculum</th>
<th>JADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>I want to contribute to organisational activities when I am a member of a club</td>
<td>41%</td>
<td>48%</td>
<td>74%</td>
</tr>
<tr>
<td>Voluntary work experiences</td>
<td>38%</td>
<td>39%</td>
<td>53%</td>
</tr>
<tr>
<td>Non-commercial project initiatives</td>
<td>38%</td>
<td>49%</td>
<td>58%</td>
</tr>
</tbody>
</table>

3. Junior Enterprises are the best way to generate entrepreneurs

<table>
<thead>
<tr>
<th>Impact on intentions towards entrepreneurship</th>
<th>Control</th>
<th>Entr. curriculum</th>
<th>JADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preference for self-employment</td>
<td>42%</td>
<td>55%</td>
<td>57%</td>
</tr>
<tr>
<td>[NEG] Self-employment by avoidance of paid employment (push factors)</td>
<td>15,50%</td>
<td>11%</td>
<td>5,50%</td>
</tr>
<tr>
<td>Self-employment to realize a business opportunity (pull factors)</td>
<td>61%</td>
<td>68%</td>
<td>68%</td>
</tr>
<tr>
<td>Thinking about starting a business in the next ten years</td>
<td>24%</td>
<td>39%</td>
<td>57%</td>
</tr>
<tr>
<td>(Very) likely to start a business in the next ten years</td>
<td>10%</td>
<td>16%</td>
<td>25%</td>
</tr>
<tr>
<td>Very likely, likely or possible to start a business in the next ten years</td>
<td>41%</td>
<td>55%</td>
<td>65%</td>
</tr>
<tr>
<td>Intentions towards entrepreneurship</td>
<td>2.8</td>
<td>3.4</td>
<td>3.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impact on self-employment and business creation</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Currently self-employed</td>
<td>10%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Entrepreneurs</td>
<td>3%</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Date of starting first business</td>
<td>2.8y after graduation</td>
<td>0.7y before graduation</td>
<td>0.7y before graduation</td>
</tr>
</tbody>
</table>

| Impact on growth of created companies | |
|--------------------------------------|---|---|---|
| Annual turnover growth               | 86%| 104%| 167%|
Impact on job creation of created companies

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>EE curricula</th>
<th>JADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number of full-time jobs created</td>
<td>4.0</td>
<td>4.2</td>
<td>5.4</td>
</tr>
<tr>
<td>Annual employee growth</td>
<td>52%</td>
<td>62%</td>
<td>72%</td>
</tr>
</tbody>
</table>

Impact on innovation of created companies

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>EE curricula</th>
<th>JADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction of new or improved processes (level of innovation)</td>
<td>51%</td>
<td>65%</td>
<td>40%</td>
</tr>
<tr>
<td>Introduction of new or improved goods or services (level of innovation)</td>
<td>58%</td>
<td>68%</td>
<td>44%</td>
</tr>
<tr>
<td>Introduction of new or improved forms of organisation, business structures or practices</td>
<td>51%</td>
<td>65%</td>
<td>56%</td>
</tr>
</tbody>
</table>

Note: JADE became aware a number of years ago that innovation was its main weakness. Therefore it has implemented several initiatives at local, national and European level, such as innovation labels and innovation labs with different private partners such as Microsoft and Google, which are intended to bridge this gap in the coming years.

4. Junior Enterprises are the best way to make students more and better employable

Impact on employment

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>EE curricula</th>
<th>JADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>First period of employment directly after graduation</td>
<td>59%</td>
<td>66%</td>
<td>78%</td>
</tr>
<tr>
<td>[NEG] One period of unemployment</td>
<td>22%</td>
<td>19%</td>
<td>11%</td>
</tr>
<tr>
<td>[NEG] More than one period of unemployment</td>
<td>8%</td>
<td>6%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Impact of quality of job obtained

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>EE curricula</th>
<th>JADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Able to display creativity and new ideas in current job</td>
<td>93%</td>
<td>96%</td>
<td>97%</td>
</tr>
<tr>
<td>[NEG] Income below national average</td>
<td>22%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>Income above national average</td>
<td>55%</td>
<td>58%</td>
<td>65%</td>
</tr>
<tr>
<td>Income two times or more above national average</td>
<td>17%</td>
<td>18%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Impact on mobility of jobs obtained

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>EE curricula</th>
<th>JADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have worked abroad for 2 years or less</td>
<td>18%</td>
<td>23%</td>
<td>40%</td>
</tr>
<tr>
<td>I have worked abroad for more than 2 years</td>
<td>16%</td>
<td>11%</td>
<td>14%</td>
</tr>
</tbody>
</table>
1. Entrepreneurs – the European job creation engine within Europe 2020

Europe needs more entrepreneurs.

More companies mean more jobs and more growth. They also mean a more competitive business environment which will better prepare European companies to sustain international competition and reap the opportunities offered both inside and outside the internal market.

New companies represent the most important source to the job market: excluding the jobs created by new firms, net employment growth rate would be negative.¹

Successfully transferred companies also represent a very important source to the job market: a successful transfer conserves, on average, five jobs, whereas a start-up generates on average two jobs.²

Countries with a more entrepreneurial culture stand to reap the benefits of a deeper and wider job market. In this respect Europe lags behind the United States in terms of entrepreneurship³: in Europe 45% of citizens prefer to be self-employed, in the USA it is 55%⁴

This comparison is relevant because it pitches Europe with an economy with similar levels of size, wealth and development. The comparison serves as a poignant reminder that greater levels of entrepreneurship could be expected and attained in the EU.

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¹ The fraction of employment accounted for by US private sector business start-ups over the 1980-2005 period is about 3% per year. This measure is interpretable as the employment-weighed business start-up rate for the US. Whilst this is a small fraction of the overall employment, all of this employment from start-ups reflects new jobs. As such 3% is large compared to the average annual net employment growth in the US private sector for the same period (about 1.8%). This pattern implies that, excluding the jobs from new firms, the US net employment growth rate is negative on average. Source: Kauffman Foundation "Business Dynamics Statistics Briefing: Jobs created from business start-ups in the United States" http://www.kauffman.org/uploadedFiles/BDS_Jobs_Created_011209b.pdf

² Final report of the expert group on the transfer of small and medium-sized enterprises, May 2002

³ Source: EU Commission Flash EB No 192. Entrepreneurship survey in the 25 Member States, US, Iceland and Norway

⁴ The difference with China is even more telling: 71% of the Chinese would rather have their own business. Source: same as previous footnote
Crucially, since 2000, only one country of the EU15 presents a positive trend in its levels of entrepreneurship. In the rest the trend is either stable or, in most cases, negative. Fostering and promoting entrepreneurs, entrepreneurship and an entrepreneurial culture are thus a must for European and national policy-makers to increase the ability of Europe to create jobs and prosperity.

Promoting growth and competitiveness and modernising public administration to improve the business environment are priorities of Europe2020 and have been at the centre of the Commission Communications "A Small Business Act for Europe" of 2008 and "Review of the Small Business Act for Europe" of 2011. These two communications address the main issues affecting European SMEs and family businesses throughout their complete life cycle and even though they include some of the outstanding bottlenecks of entrepreneurship they do not specifically address how to increase Europe's levels of entrepreneurship, company birth, and business continuity.

Therefore, a European Entrepreneurship Action Plan is needed to address areas where the entrepreneurial potential of citizens can be unleashed and where key bottlenecks can be overcome and obstacles to entrepreneurial activities removed.

The European Entrepreneurship Action Plan targets all types of businesses, including social businesses since in most cases all types of entrepreneurs, notwithstanding the concept and objectives of their businesses can benefit from the same support mechanisms and stimulation measures.

In keeping with the Small Business Act (SBA) principles which aim at supporting businesses throughout their life cycle and constitute its policy framework, the European Entrepreneurship Action Plan focuses on two areas:

(A) Improve the Framework conditions for entrepreneurs’ business activities and for preserving, maintaining, and transmitting existing entrepreneurial capital. This is crucial since it is easier to preserve an already existing enterprise than to start and grow a new one (50% of all newly founded companies in Europe close in the first 5 years after their foundation). For existing companies, the regulatory framework that exists in Europe needs to promote the long term survival and sustainable growth of companies; meaning supportive conditions for business

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1. Finland, where the preference for entrepreneurship raised from 27% in 2000 to 41% in 2009. Despite this Finland is still below the EU average (45%) in 2009.
transfers, and family businesses to transfer ownership from one generation to the next without weakening the company.

Recognition that the legal, fiscal, and administrative environment that matters for entrepreneurs, is the environment that arises out of the combined effect of legislation and regulation at the corporate and private level. An understanding of this combined effect should be the starting point for impact assessments of policies, whether current or future.

(B) Support would-be and new entrepreneurs in creating new businesses: potential and actual founders of new enterprises must be supported to give them the best chance to create and grow their SMEs, especially during the start-up phase and the most difficult and crucial first five years. New founders are central to bringing innovative ideas, products and services into business and keep European enterprises at the cutting edge and thus contribute to achieving the growth and employment objectives of Europe2020. The Innovation Union flagship initiative has for example made key legislative proposals on removing innovation bottlenecks to introduce a unified patent, create a single market for venture capital funds, and use the power of the public procurement to drive innovation. The Innovation Union is also about financing innovation. Horizon 2020 will include increased support for testing, piloting, and demonstrations of new technologies, funding to strengthen our support for venture capital and loans for innovative companies, and new support tailored to the needs of innovative SMEs.

(C) Support potential successors to continue in business: Family successors and non-family successors represent a massive pool of often untapped potential in Europe’s existing SMEs and family businesses. Potential future successors have already been exposed to the business environment, and they often possess a detailed insight into the operations of their families’ enterprises. If given the right tools, and working in the right environment, successors (including non-family members) have the potential to be the “stewards” of their company. In addition, successors also represent a massive potential to start their own ventures with the financial backing of their relatives.

*Tomorrow’s Company defines stewardship as “The active and responsible management of entrusted resources now and in the longer term, so as to hand them on in better condition” Institute for Family Business, “Family Business Stewardship” June 2011.
2. Action Pillar 1 - Improve the Framework Conditions for Entrepreneurs' Activities

2.1 Facilitating start-ups

The rationale for action
As the SBA makes clear in its first principle, it is essential that the business environment reward, rather than obstruct, entrepreneurship. Incorporating and licensing an enterprise are the first procedures that a future entrepreneur faces when he/she embarks on his/her venture. Making the start easy encourages the would-be entrepreneurs to take the first step. Based on a Commission initiative, the Member States have reduced since 2008 the time and average cost to set up a limited liability company from 12 days and EUR 485 to 6 days and EUR 397. Our target is to bring these figures down still further, to 3 working days and EUR 100 - like nine Member States have already done. The Commission has committed to reducing red tape further by shortening the time to obtain licenses and permits needed to start operations as well as to reduce their overall number.

What can the EU and national policy makers do?
• Continue urging Member States to accelerate and simplify start-up procedures
• Monitoring closely the progress by MS in the pursuit of the relevant AGS priorities, particularly where relevant Country Specific Recommendations have been issued
• Start systematic actions to reduce the time to obtain licences to maximally 30 days or abolish them
• Urge Member States to introduce "turnkey solutions for entrepreneurs" by merging founding and licensing procedures where the technical and legal circumstances allow it. (Placeholder for contribution from DG MARKT: reference to second generation Points of Single Contact to create a unified approach to simplified start-up procedures)

2.2 Transfers of business

The rationale for action
Every year hundreds of thousands of businesses are transferred in Europe, because the owners retire or move on to other activities. It is estimated that every year some 150,000 companies with 600,000 jobs may be lost due to the difficulties of doing so, which is a loss Europe cannot afford. Furthermore, the acquisition of an on-going business by a third party can be an attractive alternative for a would-be entrepreneur as well as the takeover of the on-going business by the well-educated and motivated next generation. Research shows
that ownership and particularly management transfers that are delayed too long are associated with poorer post transfer business performance (for example: delayed transfers put strategic renewal at great risk). In addition, business transfers represent one of the defining features of family enterprises in Europe, and they can potentially pose many obstacles to business continuity.

What can the EU and national policy makers do?

- Improve provisions (legal, administrative, taxation) for transfers of business, e.g., avoiding disproportionate tax burden on business transfers adds to the 2012 AGS priority to ensure growth friendly taxation.
- Monitoring closely the progress by MS in the pursuit of the relevant AGS priority, particularly where relevant Country Specific Recommendations have been issued.
- Improve information and advice services about how to successfully transfer businesses.
- Develop/expand/publicise/make more efficient platforms and marketplaces for successful transfers of existing businesses.
- Raise awareness among potential sellers and buyers.
- Raise awareness among business owners to start early preparation for succession (for example: Success through Succession).
- Eurostat should have accurate data on the types of business transfers in Europe, and Member States company registers should show it more clearly.
- Aim to have a better implementation by the members states of already existing recommendations.
- Promote education concerning the different types of business transfers and the exchange of best practices.

2.3 Efficient bankruptcy procedures and offering second chance to honest bankrupts

The rationale for action

Business failure is like the creation of businesses a part of the dynamics of markets." Creative destruction" of uncompetitive enterprises allows for freeing up of their resources and redeploying them to new, viable enterprises. Evidence shows that honest bankrupts (i.e., due to late payments, and other objective reasons, without fraud), are by far the majority (96% of bankruptcy cases). They are nevertheless treated by most bankruptcy laws in Member States as if they were fraudulent, so that in most cases they have to go through long, tedious bankruptcy procedures before they can get a discharge or even cannot get one during their lifetime. Furthermore, even after a discharge, former bankrupts are stigmatised and have difficulties raising financing for a new enterprise. Yet
research shows that 'second starters' are actually more successful and survive longer than the average new start-up business. They also grow faster and employ more workers. Lengthy and cumbersome bankruptcy procedures add to banks' exposure to non-performing loans and thus to reduced new lending volumes. Clearly, as a consequence of existing bankruptcy laws and business practices, a potential source of growth is being wasted.

**What can the EU and national policy makers do?**

- Monitoring closely the progress by MS in the pursuit of the relevant AGS priorities, particularly where relevant Country Specific Recommendations have been issued
- Offer support services to businesses for early restructuring, advice to prevent bankruptcies and/or introduce bankruptcy protection for SMEs to give them a chance to restructure and re-launch: preserving existing jobs and enterprises is in general cheaper than creating new ones.
- Produce a Directive or invite MS to develop/implement faster and more affordable procedures for winding up business and for discharge from bankruptcy [targets: 1 year to wind down a failed company and 3 years to discharge of honest bankrupts],
- Special financing (a certain amount of loan guarantees and equity from the EU CoSME programme) and programmes for mentoring, training, business networking etc. for second starters to not only give support to them but to demonstrate the change of attitudes towards them through actions,
- Awareness raising in the business community to remove the social stigma of failure.

**2.4 Reduction of administrative burden and smart regulation – strengthening of existing efforts**

**The rationale for action**

One of the most often quoted problems quoted by SMEs is the administrative burden, i.e., the effort and expenses needed to deal with administration. Given the on average low number of workers employed (92% of SMEs have 10 or less employees) any working time spent away from working on their core business represents a disproportional burden on SMEs. Furthermore, existing tax and social contributions regulations represent a heavy burden on new enterprises: in addition to the legally and operationally required equity and working capital, tax and social contribution payments result in payments that are often independent of the new enterprises' turnover and/or profitability, seriously impede their liquidity and hinder them to grow or even take off ("Let new enterprises earn the cash before you ask them to pay.")

**What can the EU and national policy makers do?**
• MS and EP should adopt relevant COM proposals aiming to further reduce administrative burden on EU-level
• MS should set/pursue national reduction targets rigorously and ensure transparency in regard to their progress.
• Continue the work on cutting red tape (Stoiber Group); e.g., introduce a moratorium on SME-relevant regulations, apply the rule "one in one out" (i.e., for every new regulation one old has to be abolished) or introduce a one-stop-shop for taxation and financial reporting purposes.
• Fully implement the SME Test as part of the integrated impact assessment mechanism and the "Think Small First" principle in all legislative and administrative action.
• Introduce a grace period of 2 or 3 years on social contributions for new enterprises or social contribution payments in proportion to the new enterprises' profitability (as long as they remain below a certain threshold of profitability and/or turnover).
• Increase turnover thresholds for VAT exemption for SMEs or introduce a VAT payment grace period for SMEs below a certain turnover threshold if they regularly do not receive payments immediately after issuing their invoices.
• Support Member States' administrations to become more business-friendly by for instance (1) establishing programmes whereby members of the administration spend time in SMEs to get to better know their problems, (2) create mechanisms to exchange good practices specifically in the area of smart regulation with successful MS administrations (e.g., UK, DK), (3) establish benchmarks / limits for procedural complexity and time limits for the implementation of EU / MS entrepreneur support programmes, notably building on the experience of the services Directive and the Points of Single Contact.
• Reinforce the SOLVIT - a problem solving network in which EU Member States work together - to offer increased assistance for enterprises to solve problems caused by the misapplication of Internal Market law by public authorities.

2.5 Supporting - New Entrepreneurs (from start-up to 5 years of business experience)
Proposal SG: dividing line to section 2.6. should be the age (3 yrs) of the enterprise

The rationale for action
About 50% of new businesses fail during their first five (or 3?) years, the so-called 'valley of death' of business development. To achieve increased the
economic growth rates targeted by Europe2020 it is vital to increase the resilience and competitiveness of these firms. Existing programmes in Europe and the US prove that advice and mentoring by experienced entrepreneurs improves resilience, increases internationalisation, leads to greater growth and more newly founded enterprises.

Likewise, making it easy for new businesses to find information and advice to help them comply with administrative formalities, find sources of finance and address other business challenges have similar effects.

What can the EU and national policy makers do?

- Urge MS/regions/local business support organisations to take up and where possible to expand the 'one-stop-shop' and the 'relationship manager' approach to integrated business support services, whether for start-ups or for going concerns.
- Introduce and expand mentoring and advice schemes, for start-ups and new entrepreneurs, particularly using the expertise of senior entrepreneurs. This could include troubleshooting and referrals to professional services (accountants, notaries, lawyers, financial advisors etc.).
- Reinforce and extend 'incubators' for new businesses.
- Reinforce the Enterprise Europe Network to offer increased assistance for new enterprises seeking new markets.
- Set up a network of enterprising communities (new generation of 'Clusters 2.0') that integrate the 4 main players in a region: business, education, research and the public sector. Tailor-make assistance and advice for 'micro-multi-nationals', SMEs working collaboratively on a small scale across distance and markets.
- Tailor-made European "acceleration programmes" for new enterprises with high growth potential comprising of training, access to finance, support to internationalisation etc. that would speed up learning, knowledge building and networking across Europe.

2.5a Improve Access to Finance

Rationale for action

As one of the key priorities of the AGS 2012 for growth friendly taxation, urgent action is needed to better the design of taxes. For example, corporate income tax systems in Member States lead to a 'debt bias' in the financing of investment. The welfare costs related to this debt bias might not be negligible. More importantly, excessive debt levels increase the probability of default and the recent financial crisis has proved that the costs of adjustment can be
substantial. The debt bias leads to business financial decisions in favour of increased leverage being driven by tax incentives and not based on economic grounds. These distortions increase risk and volatility in the economy and can accentuate negative economic outcomes in cases where such risks materialise.

[Reference Markt paper 'Access to Credit']

Or: [leave this area for Single Market Act II – to be discussed]

What can the EU and national policy makers do?

- Introduce an Allowance for Corporate Equity (ACE) to level the playing field between debt and equity in both corporate and owner taxation.

2.6 Support for Success – tools and programmes for entrepreneurs

The rationale for action

Improving the legal and administrative environment for small business has to be complemented by dedicated information, professional services and technical advice support: small businesses do not have the resources to look for the newest support programmes or technologies that could boost their business thus "pushing" support to them is much more necessary than for big corporations. This holds especially true for the unprecedented business opportunities that the Information technology revolution and the Internet are opening up to entrepreneurs. IT and the Internet are the single most important sources of growth for national economies around the world. European SMEs grow two to three times faster when they embrace digital technologies. Therefore, special efforts should be dedicated to creating the legal and infrastructural conditions for a European Single Digital Market. European entrepreneurs should be equipped with the knowledge, skills, hardware and software needed to capture the opportunities brought about by this Market, especially to be able to function exclusively or predominantly as web-entrepreneurs if they choose this mode of operation.

What can the EU and national policy makers do?

- Reinforce the Enterprise Europe Network to offer increased assistance for new enterprises seeking new markets within and beyond the EU
- Create a single EU portal for SME finance merging information on funding sources from COSME, H2020, ERDF and others.

7 COM (2011) 815 final “Growth-Friendly Tax Policies in Member States and Better Tax Coordination in the EU” ANNEX IV
• Support the introduction of electronic and IT-based business processes in small businesses through dedicated programmes
• Support through dedicated programmes the "greening" of small businesses
• Develop a common vision and strategy on Digital Entrepreneurship to offer European entrepreneurs and established SMEs new business opportunities and a leading place in the modern digital economy.
• Accelerate the implementation of the Digital Single Market to unleash its full potential for SMEs and tackle technical barriers to entry
• Fuel Digital Entrepreneurship through knowledge building on potential new business opportunities, mentoring and advice schemes and improving the visibility of European success stories.
• Support entrepreneurs in their access to the Single Market as well as to markets beyond the EU, for instance by providing information, networking opportunities, help in IP protection.

3. Building an entrepreneurial culture as a precondition for more new enterprises

Improving the framework conditions for entrepreneurial activities is a necessary condition to preserve and support existing enterprises but not sufficient to create new ones. People do not create an enterprise just because the framework conditions are favourable. Starting one’s own company is always more difficult than remaining employed. Enterprises are created and transferred because their founders and descendants consider the entrepreneurial career as a feasible and attractive career option. To boost the number of new start-ups Europe thus needs build its citizens entrepreneurial
• Attitudes/mindsets
• Knowledge
• Skills/capabilities.

In addition, a strengthening of technical / professional skills is needed to give entrepreneurs a sound base for the core operations of their businesses.

Actions of Entrepreneurship policy should foster on groups of population that represent sizeable pools of untapped entrepreneurial potential: young people, young successors within existing businesses, women, and seniors. In this context, creating awareness among the general population and among the target groups about the advantages of an entrepreneurial career as well as creating a more positive perception of entrepreneurs and entrepreneurship will play an important role. To bring about a change in perception of entrepreneurship, to recognize the achievements of successful entrepreneurs and promote them as
role models, prizes and other actions with high impact potential should be organised at European and/or national level.

4. Action Pillar 2 – Young people – the entrepreneurs of the future

The rationale for action
Available evidence shows that education for entrepreneurship makes a difference: young people who go through entrepreneurial programmes and activities:
(1) display more entrepreneurial attitudes and intentions,
(2) get a job earlier after finishing their studies,
(3) can innovate more even as employees in a firm, and
(4) start more companies: on average the percentage of alumni who become entrepreneurs 3-5 years after leaving schools increases significantly from 3%-5% for students who did not participate in any entrepreneurship education to 15%-20% for alumni of entrepreneurship education programmes.
(5) start companies earlier: a recent study produced on behalf of the Commission looking at university students who participated in entrepreneurship courses at 9 universities in Europe found out that they had founded their businesses 0.7 years before graduation while those without an education in entrepreneurship had founded their enterprises 2.8 years after graduation.

Tackling unemployment and the social consequences of the crisis is a priority of the 2012 AGS and reducing high unemployment among young people is object of Commission action teams in the eight MS hit hardest by the problem. In line with the subsidiarity principle, the area of entrepreneurship education is the responsibility of the Member States while the European Commission's role is to support and coordinate at European level, e.g., by fostering peer learning, exchange of good practices.

What can the EU and national policy makers do?
• Ensure that the key competence "entrepreneurship" is embedded in national (or regional) curricula for primary and secondary level education in all Member States.
• Boost entrepreneurial training for students and other young people in education with help of ESF and ERDF resources in line with national "job plans"
• Monitoring closely the progress by MS in the pursuit of the relevant AGS priorities, particularly where relevant Country Specific Recommendations have been issued

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10 As a supplementary competence of the Union in accordance with Article 2, par. 5 TFEU.
• Ensure for all young people to have gone at least once through an "entrepreneurial experience" before they leave secondary school. An entrepreneurial experience is a **practical, hands-on** experience like running a mini-company, being responsible for an innovative or entrepreneurial project for a company, for a social project or for the local community through which young people can learn the relevant skills (responsibility, creativity, risk assessment and management, project management, negotiation, teamwork, staff management etc.).

• Create a European Centre, Platform or Hub for Entrepreneurial Learning: a centre of expertise for entrepreneurial learning, promoting entrepreneurship throughout Europe by close cooperation with the Member States (monitoring performance, defining learning outcomes, disseminating proven methods and materials, launching and managing strategic pilot projects etc.).

• Special efforts need to be made to better the relationship between universities and business. Family business owners and entrepreneurs need to be directly engaged in the learning process, since they bring practical expertise, passion, commitment and hands-on know-how into the classroom. Family business owners or entrepreneurs can exemplify how crucial personal initiative is to the development of the EU economy and what corporate social sustainability means practically: doing business to generate shared value for society at large.

• Coordinated action by MS and the Commission, is needed to utilise and promote the knowledge of thousands entrepreneurs to teach students, primarily in higher-education, of the benefits of starting a business, but also running it for the long-term.

5. Action Pillar 3. Family Business Successors

**The rationale for action**

Entrepreneurship must also be promoted in existing businesses, who are the natural incubators of new entrepreneurs. Entrepreneurship is something that can be taught and there is no better school than your own family if they own a business. Indeed, 85% of all business start-ups are started with family money.

Therefore, actions should be taken to encourage family business successors, either to continue with the business of their parents, or to start their own venture.
What can the EU and national policy makers do?

- Raise awareness among policy makers that entrepreneurship is not exclusive to new business ventures, but in fact necessary throughout the life cycle of any business entity. Importantly, entrepreneurship education should promote entrepreneurial behaviour (including innovation) in existing businesses.
- Family Business specific issues such as succession, responsible ownership, and governance should be included in Entrepreneurship curricula to better prepare future entrepreneurs to run their businesses responsibly.
- Tax systems in Europe must be simple, and reward entrepreneurs and family businesses that run and grow their companies for the long term. In particular a business property relief when transferring the company to the next generation.
- MS and the EU ensure that they possess robust data on family businesses.

6. Action Pillar 4 – Women – the largest untapped pool of entrepreneurial potential in Europe

The rationale for action

Women entrepreneurs constitute only 34.4% of the self-employed in the EU, only 20% in industry and 30% among start-ups but 52% of the total European population. They thus represent the most underused source of entrepreneurial potential in Europe. For instance, if the UK matched US levels of female entrepreneurship there would be 900,000 more businesses in the UK because, if the UK had the same level of female entrepreneurship as the US, its number of women-owned businesses would double. The enterprise gap between the UK and USA is largely accounted for by the difference in rates of female entrepreneurship since those of male entrepreneurship are comparable. Women face a number of difficulties in establishing and running their businesses which are more significant than for men, mainly in the areas of access to finance and networking, and difficulties in reconciling business and family obligations.

What can the EU and national policy makers do?

- Expand/continue the existing Female Entrepreneurship Ambassadors and Mentors for Women Entrepreneurs networks. The Ambassadors Network proved that promotion through role models works (creation of 210 new businesses in a sample of 10 countries). Similar national schemes are notably successful, like in the UK and Sweden. The Ambassadors model could usefully be expanded to greater coverage.
- Business education/training tailored to the needs of women entrepreneurs.
- Fostering female investors; investment readiness training for women entrepreneurs and successors.
• Create/foster networking among women entrepreneurs.

7. Action Pillar 6 – Seniors – keep business knowledge active

The rationale for action
Between 1990 and 2010 the share of citizens aged above 50 increased in Europe from 32.1% to 36.5%. They bring valuable know-how and experience to the table that makes it easier to start and run a company than for an inexperienced founder.

What can the EU and national policy makers do?
• Inspired by the model of 'SCORE' ('Service Corps of Retired Executives', USA), and by the Dutch model ‘PUM’ (Netherlands Senior Experts) (establish networks of volunteer advisors and mentors – themselves with business experience – who can offer basic information for would-be senior entrepreneurs.
• Business education/training tailored to the needs of senior entrepreneurs.
• Dedicated access to finance for senior entrepreneurs.
• Create/foster networking among senior entrepreneurs with interest in transferring know-how to the would-be or new entrepreneurs
• Match senior entrepreneurs with inexperienced young entrepreneurs to create teams with mixed / broader skill sets and foster mutual learning.
• (Placeholder for RTD contribution to come: example of a grant scheme for unemployed seniors.)

Further to these three core groups, targeted activities for migrants could further address untapped potential for entrepreneurship.

Pour mémoire – Conceptual issues:
• Positioning of the paper with respect to the upcoming Internal Market and Industrial Policy communications
• Positioning with respect to the Social Business Initiative and the Innovation Union
• Annexes to flesh out in more detail key issues – For which areas should annexes be produced?

Monitoring
The 2012 Annual Growth Survey of which it shall become an integral review element.

On the Behalf of the Federation of Finnish Enterprises (FFE), please find the following reactions to the consultation on Entrepreneurship Action Plan:

Opening remarks

The Commission’s consultation is organized in a structure, which easily affects the answers of any stakeholders. The Commission puts forward questions on the effectiveness of actions in certain selected policy areas, which may be included in the Action Plan.

We do not consider this a totally incorrect way of consulting stakeholders. However, we point out two problems related to the consulting technique or method: Firstly, a pre-selection will most probably lead most of the respondents to merely comment those initiatives that have been put forward in the questionnaire. Secondly, assessing the impacts or importance of very heterogeneous initiatives is extremely difficult. The results can only give an overall picture of what most respondents seem to regard as most important and what they consider least important.

Answering the questions

We wanted to give our member associations a possibility to share their views on the initiatives. We received a total of 11 answers from our regional and sector organizations. They cover only a part of our 115,000 member companies, but nevertheless we feel that the answers give adequate guidance when defining what initiatives should be considered most important. We attach the summary of all answers we received to this position paper.

The answers we have received show that there were nine initiatives, which were considered more important than the others. Our method of analyzing this was most simple: we tracked the initiatives that at least five respondents regarded as very impactful/important. We are not saying that this assessment is right or wrong, but it is the actual feedback we received. The TOP 9 list of the most important initiatives according to the answers received is:

- cutting red tape (2.1.1)
- one stop shop for taxation and financial reporting (2.1.3)
- speed up and simplification of licensing and other permit procedures (2.1.5)
- raising awareness of government administrations (2.1.8)
- reinforce loan guarantee and venture capital facilities (2.13.1)
- make tax environment more favourable to early stage financing (2.13.5)
We do not find it feasible to assess each one of the selected initiatives separately. However, we want to point out that eight out of those nine initiatives are actually issues of framework conditions. The only one that is not a part of the basic [legal or service] business infrastructure is promoting young people's entrepreneurial experience before leaving secondary school. This finding tells us that when the Action Plan is finalized, the most important area of activity has to be the framework conditions.

Areas that should be covered

As we just stated above, it is the overall framework conditions that should be prioritized in the Action Plan. Those conditions affect all entrepreneurs directly or indirectly. Thus, the Smart Regulation Agenda has to be an essential part of the Plan. It is through EU- and national legislation that the framework is built. The competitiveness of that framework is of utmost importance for SMEs.

We have already replied to the consultation on Smart regulation and stated that the consistency of the law-making process as a whole needs improvement. Too often good intentions become scattered and polarized later in the regulatory process. In other words, smart regulation agenda and improving the quality of the legislation do not materialize efficiently.

In our view, substantial improvement can only be achieved through some structural changes. Creating new jobs and encouraging growth demands a more competitive business environment for SMEs. Legal infrastructure is a crucial part of this environment. To properly implement good principles such as Think Small First and to make pragmatic use of smart regulation tools such as the SME Test, entrepreneurship has to be cemented in the organizational structure of all legislative EU- and national institutions.

There is an enormous potential in SMEs to create new jobs and growth. At the moment, there are clearly too many barriers in the labor market related legislation for SMEs who would like to hire new employees. What we suggest is that this highly important area should be covered in the Action Plan. The general objective should be to review and modernize the legal infrastructure to actively encourage SMEs to hire more people. We fully recognize how challenging area this is for the EU because of its limited capacity, but that cannot justify complete passiveness.

Another regime that should be covered as such is taxation. When it comes to entrepreneurship policy it is quite obvious that the objective should be to create a tax system, which encourages business start-ups and growth. This should be the political signal communicated to all EU-institutions and members states through the action plan.
Last but not least, public procurement has to be covered in the action plan. Public procurement represents almost 20% of the EU GDP, and it is a market of great untapped potential for SMEs. The on-going review of the public procurement directives does not make it unnecessary to include this policy area in the action plan. On the contrary, when the new legislative regime enters into force, good SME-friendly strategies and actions are needed to enforce the objectives of the review.

Federation of Finnish Enterprises

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1. Edustamani taho
Vastaajien määrä: 11

2. Cutting red tape (reducing the number of administrative procedures, simplifying them, and avoiding duplication of tasks)* (compulsory)
Vastaajien määrä: 11

3. Abolish legalization and other administrative formalities when using public documents cross-border within the EU* (compulsory)
Vastaajien määrä: 11
4. One stop shop and relationship managers in business support organisations for businesses that are starting out* (compulsory)
Vastaajien määrä: 11

5. One stop shop for taxation and financial reporting (including advice and guidance)* (compulsory)
Vastaajien määrä: 11

6. Speed up and simplification of licensing and other permit procedures* (compulsory)
Vastaajien määrä: 11
7. Tax and social contributions related to effective cash flow of business* (compulsory)

Vastaajien määrä: 11

8. Same social security protections available to entrepreneurs as to employees* (compulsory)

Vastaajien määrä: 11
9. Raising awareness of government administrations and their staff about entrepreneurial and SME challenges* (compulsory)
Vastaajien määrä: 11

10. Improve the quality and variety of business support advice for start-ups* (compulsory)
Vastaajien määrä: 11

11. If you have comments on any of the above measures, please tell us here: (optional)
Ei vastauksia.
12. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)

Vastaajien määrä: 1

Hankinnassa julkisen sektorin asema tulisi selkiinnyttää. Julkinen sektori ei pitäisi toimia sektoreilla missä on jo yksityisiä markkinoita.

Selkeämmin erotella myös EU-tasolla julkisen sektorin järjestämisvastuu ja tuotantovastuu toisistaan

13. Improve legal, administrative and tax provisions for business transfers* (compulsory)

Vastaajien määrä: 11

14. Improve information and advice provision for business transfers* (compulsory)

Vastaajien määrä: 11
15. Develop, publicise, and improve platforms and marketplaces for successful business transfers* (compulsory)
Vastaajien määrä: 11

16. If you have comments on any of the above measures, please tell us here: (optional)
Ei vastauksia.

17. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)
Ei vastauksia.

18. Develop and expand programmes to mentor, train, advise, and support second starters* (compulsory)
Vastaajien määrä: 11
19. Put in place faster and more affordable procedures for winding up businesses and discharging bankruptcies* (compulsory)
Vastaajien määrä: 11

20. Awareness raising in business and finance community to remove stigma of failure* (compulsory)
Vastaajien määrä: 11

21. Specific financial instruments available for second starters* (compulsory)
Vastaajien määrä: 11
22. If you have comments on any of the above measures, please tell us here: (optional)
Ei vastauksia.

23. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)
Ei vastauksia.

24. Increase and improve targeted business support services* (compulsory)
Vastaajien määrä: 11

25. Offer dedicated support for SMEs to benefit from digital entrepreneurship opportunities* (compulsory)
Vastaajien määrä: 11
26. Offer dedicated support for SMEs to ‘go green’* (compulsory)

Vastaajien määrä: 11

27. Improve implementation of the Digital Single Market* (compulsory)

Vastaajien määrä: 11

28. Offer tailor-made assistance and advice for ‘micro-multi-nationals’ collaborating across distance, borders and markets* (compulsory)

Vastaajien määrä: 11
29. Offer dedicated support for SMEs to benefit from European trainees (from vocational, technical to bachelor, master or doctoral level)
Vastaajien määrä: 11

30. Targeted training, finance, internationalisation support programmes for high growth potential SMEs* (compulsory)
Vastaajien määrä: 11
31. Offer support for new businesses to innovate* (compulsory)
Vastaajien määrä: 11

32. If you have comments on any of the above measures, please tell us here: (optional)
Ei vastauksia.

33. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)
Ei vastauksia.

34. Reinforce loan guarantee and venture capital facilities* (compulsory)
Vastaajien määrä: 11
35. Improve financial advisory capacity of Enterprise Europe Network (EEN)* (compulsory)
Vastaajien määrä: 11

36. Single multilingual online portal on EU finance for SMEs* (compulsory)
Vastaajien määrä: 11

37. Single national portals on national sources of SME finance* (compulsory)
Vastaajien määrä: 11
38. Make tax environment more favourable to early stage financing* (compulsory)

Vastaajien määrä: 11

- no opinion,
- not very impactful/important,
- moderately impactful/important,
- very impactful/important

39. If you have comments on any of the above measures, please tell us here: (optional)

Ei vastauksia.

40. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)

Ei vastauksia.

41. Create a European platform or hub for entrepreneurial learning to share best practice and develop common models for policy, implementation and measurement* (compulsory)

Vastaajien määrä: 11

- no opinion,
- not very impactful/important,
- moderately impactful/important,
- very impactful/important
42. Entrepreneurial behaviour, skills and mindsets to be embedded in national/regional curricula at all levels - primary, secondary, vocational, higher education and non-formal education and training, alongside integration of work-based teaching and learning in all disciplines and curricula* (compulsory)
Vastaajien määrä: 11

43. All young people to have one entrepreneurial experience before leaving secondary school (either as a formal part of the curricula or as an extra-curricular activity that is overseen by the school or a non-formal education body)* (compulsory)
Vastaajien määrä: 11
44. Develop a guiding framework to encourage and support the development of entrepreneurial education institutions (vocational and higher education)* (compulsory)
Vastaajien määrä: 11

45. Increase entrepreneurship education supported via EU education funding programmes* (compulsory)
Vastaajien määrä: 11

46. Increase entrepreneurial training in line with national job plans* (compulsory)
Vastaajien määrä: 11
47. If you have comments on any of the above measures, please tell us here: (optional)
Ei vastauksia.

48. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)
Ei vastauksia.

49. Continue/expand networks of women entrepreneurship ambassadors and mentors networks* (compulsory)
Vastaajien määrä: 11

50. Tailored entrepreneurial training for women* (compulsory)
Vastaajien määrä: 11
51. Create/foster female investors and networking among women entrepreneurs* (compulsory)
Vastaajien määrä: 11

52. Investment readiness training for women entrepreneurs* (compulsory)
Vastaajien määrä: 11

53. Same maternity rights for women entrepreneurs as for employees* (compulsory)
Vastaajien määrä: 11
54. Adequate child/dependent care facilities available* (compulsory)
Vastaajien määrä: 11

55. If you have comments on any of the above measures, please tell us here: (optional)
Ei vastauksia.

56. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)
Ei vastauksia.

57. Establish networks of volunteer seniors to counsel young inexperienced entrepreneurs* (compulsory)
Vastaajien määrä: 11
58. Tailored entrepreneurial training for seniors without previous business experience* (compulsory)
Vastaajien määrä: 11

59. Offer grants for unemployed seniors to become entrepreneurs* (compulsory)
Vastaajien määrä: 11

60. If you have comments on any of the above measures, please tell us here: (optional)
Ei vastauksia.
61. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)
Ei vastauksia.

62. Tailored support for other specific groups of potential entrepreneurs* (compulsory)
Vastaajien määrä: 11

![Bar chart showing opinions on tailored support for potential entrepreneurs](chart.png)

63. If you have comments on any of the above measures, please tell us here: (optional)
Ei vastauksia.

64. If there are other types of measures not mentioned above which you would consider moderately or very important/impactful, please briefly describe here: (optional)
Ei vastauksia.

65. If you have any further comments on aspects of encouraging greater entrepreneurship which are not elsewhere addressed in this consultation, please use this space: (optional)
Ei vastauksia.