

GO FOR GROWTH



# ONE INTEGRATED POLICY FOR ENTREPRENEURSHIP AND INDUSTRY

‘Entrepreneurship and industry are the engine of growth’

## ENTREPRENEURSHIP AND INDUSTRY ARE THE ENGINE OF GROWTH

Companies are a key engine of growth, wealth and job creation. Achieving social and environmental goals largely depends on their success. However, Europe must improve its record in this field. The average percentage share of the EU population aged 18-64 involved in a start-up in 2007-2008 was 5.1% compared with 10.2% in the US or 10% in South Korea.

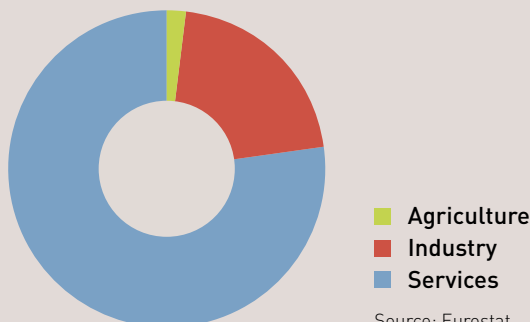
Encouraging entrepreneurship requires simplifying Europe's regulatory framework and ensuring that new legislation avoids imposing unnecessary administrative, financial and legal constraints that hamper Europe's entrepreneurial potential. The Small Business Act must be rapidly and effectively implemented across Europe and the "think small first" principle fully anchored at all stages of the policy-making process and all levels of government.

The European Private Company statute should be adopted swiftly by the Council as it would considerably facilitate cross-border operations of small and medium-sized enterprises. Systematic integration of entrepreneurship education into school and university curricula would contribute to stimulating a more entrepreneurial mindset in Europe.

## THE EU NEEDS AN INTEGRATED INDUSTRIAL POLICY

Even if 70% of EU jobs are in service activities, industry plays a strategic role in fostering economic growth. Manufacturing provides a fifth of EU GDP and provides three quarters of EU exports. Over 80% of EU private sector research and development expenditures are provided by industry. Manufacturing firms are also key clients of many services activities. Many of the services jobs in the EU would be lost without a strong industrial base. Developing an integrated EU industrial policy is a key priority of EU entrepreneurship policy.

Chart 14 Contribution to EU27 GDP in 2008



Implementing an integrated EU industrial policy does not mean picking winners or subsidising uncompetitive firms or sectors. The conclusions of the EU Council meeting in May 2009 on the need for an integrated EU industrial policy acknowledges that allowing European companies to make their full contribution requires:

- favourable, stable and predictable framework conditions promoting excellence, innovation and sustainability, conditions in which businesses can operate and invest;
- that all policy measures at national and European level must respect better-regulation and internal-market principles and reflect an integrated approach for dealing with the competitiveness, energy and environmental issues;
- that compliance with new requirements should not cause excessive costs to businesses in all policy areas. Otherwise, such costs could lead to “production leakage”;
- that the volume, effectiveness and the efficiency of public investment in research and development (R&D) and in innovation should be increased;
- the launch of sectoral initiatives for implementing the above horizontal principles.

The EU institutions must fully implement the policy guidelines defined by the Competitiveness Council.



## KEY POLICY RECOMMENDATIONS

→ **SIMPLIFY** EUROPE'S REGULATORY FRAMEWORK TO ENCOURAGE ENTREPRENEURSHIP.

→ **IMPLEMENT** THE SMALL BUSINESS ACT RAPIDLY AND EFFECTIVELY.

→ **INTEGRATE** ENTREPRENEURSHIP EDUCATION INTO SCHOOL AND UNIVERSITY CURRICULA.

→ **ENSURE** THAT POLICY MEASURES RESPECT BETTER-REGULATION AND INTERNAL-MARKET PRINCIPLES.

→ **IMPLEMENT** AN INTEGRATED EU INDUSTRIAL POLICY BASED ON STABLE FRAMEWORK CONDITIONS, AND BETTER REGULATION.