

Enterprise policy: multiannual programme MAP 2001-2005

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The Commission has presented its annual report on the implementation of the European Charter for Small Enterprises.

At Feira, the European Council endorsed a Charter for Small Enterprises, a statement both of the reasons why it gave central importance to small business and of its commitment to act in their support. The Charter has become a pillar of the European Commission's enterprise policy and a cornerstone of the policy of the Member States. Think small first sums up the essence of the EU's enterprise policy, and the Charter is in the mainstream of that approach.

The Annual Implementation Report on the European Charter for Small Enterprises, which is based on a survey of work being carried out in the Member States and in the Commission in support of small business, shows that real progress has been made and that more is in the pipeline. It also shows that success in one or another Member State has often stimulated success in others.

The report shows that a number of broad trends can be identified:

- in a number of fields progress is being made, but it will be some time before results make themselves fully felt for instance in the area of education. Preparation for business has traditionally not played a major role in education, but it now features in one way or another in secondary schools in approximately two thirds of Member States. A similar picture is evident in respect of tertiary education;
- progress in some fields is quite dramatic. One such is the process of setting up a new firm. For sole proprietorships a business can be established in two days or less in eight Member States and for minimal costs. For private limited companies, a business can be established in under two weeks in ten Member States (in several of 6 them, in less than one week), while the costs are below EUR 500 in six Member States;
- there are signs of increasing political commitment. An example is the simplification of regulation, business impact assessment and alternatives to regulation. More than half of the Member States either routinely apply business impact assessments or are in the process of setting up systems to do so;
- while the majority of Member States have made real progress on issues like education for entrepreneurship, some Member States still apparently make no provision whatever to promote entrepreneurship through the education system;
- the problem of finance for start-ups and small enterprises has become more acute over the past six months, mainly due to the deteriorating economic situation but also because of the re-organisation of the banking sector. In addition, risk capital has become shyer. Even good proposals from small enterprises may not receive finance if they cannot offer guarantees or a higher share of equity;
- there are plenty of good examples of successful methods in need of further exploitation. Businesses that start in an incubator have a much higher success rate than others. 90 % of start-ups in incubators were still active three years later. Yet, if the number of business incubators is growing, their use across the EU is rather uneven;
- finally, the issue that is perhaps least satisfactorily addressed is that of how to ensure more effective representation of small enterprises' interests at EU and national level. There needs to be constant pressure for their interests to be taken into account. Better representation of their interests, however difficult it may be, is an urgent necessity in all policy fields.

