Innovation in the economy and the entreprises, electronic trade, Go Digital initiative for SMEs

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As part of the EU's drive to become the world's most dynamic and competitive knowledge-based economy by 2010, the European Commission launched in March 2001 the Action Plan "Helping SMEs to Go Digital". The overall objective was to assist SMEs in going digital through co-ordinated networking activities and to help SMEs introduce e-commerce into their business strategies. Three main action lines were prioritised with eleven specific actions to help SMEs to Go Digital. The eleven Go Digital Actions include: 1. Benchmarking of national and regional strategies in support of e-business. 2. Measuring the take-up of ICT and e-business. 3. Improving access to information and collect feedback for policy making purposes in the area of electronic commerce legislation. 4. Electronic business interoperability. 5. Promoting awareness for going digital. 6. Electronic commerce take-up. 7.Provision of a loan guarantee facility for SMEs. 8. Promoting the use of structural funds. 9. Supporting industry-led initiatives for new ICT curricula. 10. Creating an ICT skill monitoring group with Member States. 11. Launching a SMEs trainee programme. This Commission Staff Working Paper is a first assessment of the Go Digital Action Plan, outlining results to date and considering both the advantages and the disadvantages of the scheme. The Commission will prepare a Communication along similar lines which will be presented to the Industry Council in May 2003. Results to date look promising. The statistical picture indicates that digital take up amongst SMEs had increased considerably since the Go Digital Action Plan was first launched. The data shows that for 1999 and 2001, Internet access has generally increased. Micro-enterprises, in particular, appear to be catching up rapidly with larger SMEs. The percentage of enterprises with less than ten employees having Internet access increased from 40% to 70% in this period, whereas the percentage for enterprises with between 50 and 249 employees increased from 85% to 92%. Indeed, as the Paper notes the overall increase does not fully reflect the very good progress made in some countries during the period. For example, in Greece there has been an increase from 24% to 78% between 1999 and 2001. In terms of the single most important reason for not using the Internet, the analysis concludes, inter alia, that: - The most important factor impeding SMEs of all sizes to Go Digital are their conviction that e-commerce is not applicable to their type of products or services and the lack of perceived commercial benefits. - ICT skills gaps seem to be more important for small enterprises than for micro-enterprises. - National differences in consumer protection legislation apparently hurts only small enterprises rather than micro-enterprises and medium-sized enterprises. This is possibly because micro-enterprises do less cross-border transactions than their larger counter-parts. As part of the eEurope 2002 Action Plan, the Go Digital initiative will expire by the end of 2002. However, there is broad consensus that further efforts need to be undertaken to promote the take-up of ICT and e-business by SMEs. The EU, after all, still lags behind the United States on the usage and adoption of e-business practices. The Barcelona Council identified e-business as a key priority of the eEurope 2005Action Plan. The Commission's services will therefore explore the need for further actions in support of SMEs in this field and prepare for actions to implement the agreed policy objectives.