Basic information

2003/2161(INI) INI - Own-initiative procedure	Procedure completed
Entrepreneurship, innovation policy and the small and medium enterprises SMEs. Green Paper and Charter **Subject** 3.45.02 Small and medium-sized enterprises (SME), craft industries 3.45.06 Entrepreneurship, liberal professions 3.50.04 Innovation	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, External Trade, Research, Energy	LANGEN Werner (PPE-DE)	20/03/2003

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	GUY-QUINT Catherine (PSE)	11/09/2003
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
JURI Legal Affairs and Internal Market		
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
RETT Regional Policy, Transport and Tourism	The committee decided not to give an opinion.	
CULT Culture, Youth, Education, Media and Sport	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Employment, Social Policy, Health and Consumer Affairs	2512	2003-06-02
Competitiveness (Internal Market, Industry, Research and Space)	2505	2003-05-13

European Commission	Commission DG	Commissioner
	Internal Market, Industry, Entrepreneurship and SMEs	

Key events

Date	Event	Reference	Summary
21/01/2003	Non-legislative basic document published	COM(2003)0027	Summary
13/05/2003	Resolution/conclusions adopted by Council		
02/06/2003	Debate in Council		
04/09/2003	Committee referral announced in Parliament		
07/10/2003	Vote in committee		
07/10/2003	Committee report tabled for plenary	A5-0347/2003	
22/10/2003	Debate in Parliament		
23/10/2003	Decision by Parliament	T5-0463/2003	Summary
23/10/2003	End of procedure in Parliament		

Technical information

Procedure reference	2003/2161(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/5/19982

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0347/2003	07/10/2003	
Text adopted by Parliament, single reading		T5-0463/2003 OJ C 082 01.04.2004, p. 0323-0620 E	23/10/2003	Summary

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	COM(2003)0021	21/01/2003	Summary

Document attached to the procedure	COM(2003)0026	21/01/2003	
Non-legislative basic document	COM(2003)0027	21/01/2003	Summary
Document attached to the procedure	SEC(2003)0057	21/01/2003	
Document attached to the procedure	SEC(2003)0058	21/01/2003	
Document attached to the procedure	SEC(2003)0060	21/01/2003	
Document attached to the procedure	COM(2003)0112	11/03/2003	Summary
Follow-up document	SEC(2004)0149	11/02/2004	
Follow-up document	SEC(2004)0187	12/02/2004	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofR	Committee of the Regions: opinion	CDR0082/2003 OJ C 256 24.10.2003, p. 0043-0046	02/07/2003	
EESC	Economic and Social Committee: opinion, report	CES1173/2003 OJ C 010 14.01.2004, p. 0058-0069	24/09/2003	
EESC	Economic and Social Committee: opinion, report	CES1175/2003 OJ C 010 14.01.2004, p. 0078-0085	24/09/2003	

Entrepreneurship, innovation policy and the small and medium enterprises SMEs. Green Paper and Charter

2003/2161(INI) - 21/01/2003 - Non-legislative basic document

PURPOSE : to launch a debate on the future of entrepreneurship in Europe. CONTENT : the Green Paper presented by the Commission aims to stimulate debate amongst the widest possible audience of stakeholders. It asks specific questions on the way forward, as a first step towards a solid and coherent approach to the needs of entrepreneurs. Entrepreneurship is multi-dimensional and although it can occur in different contexts, economic or other, and in all types of organisations, this Green Paper focuses on entrepreneurship within a business context. Removing the barriers to entry, growth, transfer or exit of firms are a prerequisite to encouraging entrepreneurship, but it is not enough according to the Commission. Entrepreneurship is first and foremost a mindset: there is a need to motivate people to choose an entrepreneurial career path and they must be equipped with the necessary skills and means to succeed. Therefore, the Green Paper looks at measures that are relevant at the levels of individuals to start a business, of entrepreneurs to grow their firms, and of society at large to actively support entrepreneurial initiative and risk-taking. The Green Paper suggests adopting a co-ordinated approach to entrepreneurship policy. There is a need to involve all the relevant policy-makers at all levels, European and national. Only by mobilising all that have a role to play, we can provide a coherent and comprehensive response to the needs of entrepreneurs. Three pillars for action towards an entrepreneurial society are put forward in this Green paper. - Bringing down barriers to business development and growth; - Balancing the risks and rewards of entrepreneurship; - A society that values entrepreneurship. 1) Bringing down barriers to business development and growth : current work to improve the functioning of the Internal Market and to reduce red tape, must continue to bring down barriers for doing business and the 'think small first' principle should be promoted. Also efforts must be intensified to improve access to finance and skilled workers. Entrepreneurs need to be supported in developing the skills required to adapt their business to changing conditions. Sharing experience and working together, in clusters or networks, can help entrepreneurs to find inspiration and advice, access technology and knowledge, or identify partners.

Fostering networks could be particularly effective in support of certain sectors or groups of entrepreneurs, such as ethnic minority businesses; 2) Balancing the risks and rewards of entrepreneurship : risk-taking should be rewarded, rather than punished. Social security and tax provisions must be re-assessed in the light of their effects on entrepreneurs' willingness to take the risk to start a business or grow. Taking over an existing firm should be encouraged and the potential of 'intrapreneurship' could be further explored. To reduce the negative effects of bankruptcy, appropriate measures such as earlier discharge of debts, the retention of certain assets or lifting certain restrictions on bankrupts should be considered. 3) A society that values entrepreneurship : although many people express a preference for being an entrepreneur, many lack theconfidence and skills to turn their ambitions into action. Young people should be exposed to entrepreneurship and be supported, along with their trainers, in developing entrepreneurship skills. Campaigns could provide role models and success stories to showcase entrepreneurs and highlight the benefits that they bring to society. These should particularly address those that can play a key role in supporting prospective entrepreneurs, such as schools, universities, investors, local communities, regions, business organisations, advisers and the media.

Entrepreneurship, innovation policy and the small and medium enterprises SMEs. Green Paper and Charter

2003/2161(INI) - 23/10/2003 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the own-initiative report drafted by Werner LANGE (EPP-ED, Germany) on entrepreneurship in Europe. Parliament welcomed the Commission's Green Paper as an effective starting point for a wide-ranging debate on the policy of the EU and the Member States on fostering entrepreneurship, but criticised the fact that the Green Paper does not pay sufficient attention to the recommendations of the European Charter for Small Enterprises. It also deplored the fact that the Green Paper deals almost exclusively with start-ups and high growth enterprises, to the detriment of enterprises in traditional sectors of activity and cottage industries and family enterprises. Very small businesses and the craft trades, which account for more than 90% of European enterprises, are a source of both jobs and innovation and therefore make an active contribution to meeting the Lisbon objectives. Entrepreneurs of this kind deserve special attention from the Commission, given their importance to the stability of the socio-economic fabric and employment and the considerable risks they are obliged to take to set up and remain in business. Parliament commended the Commission for the length and thoroughness of its public consultation and hoped it would maintain this open and consultative approach during the drafting of the action plan, in order to benefit from the valuable input of the SME community and other stakeholders. Parliament called on the Council and the Member States to take whatever initiatives are necessary finally to put an end to old-fashioned attitudes which insist on attributing guilt to entrepreneurial activity and demonising business profit. The action plan should prescribe concrete actions to be completed within a binding time-frame, clearly identify the policy levels at which responsibility for them is to lie and describe measures to monitor its implementation. Parliament felt that the Member States must make a much greater effort in their areas of responsibility (education policy, rules and regulations, cost and time involved in establishing new businesses, provision of risk capital and start-up finance, innovation and technology transfer and tax relief, in particular making provision for risks through the establishment of reserves) in order to give greater encouragement to entrepreneurship. Furthermore, reduction of the administrative burden on small businesses, better rules and regulations and easier access to funding and information, particularly as regards access to third country markets, and greater dissemination of such information, are of considerable significance in creating a more favourable overall climate. Parliament also felt that there was considerable potential in the EU's internal market programme for promoting the establishment of new businesses. In the European internal market for those starting up new businesses in the services sector, it is possible to remove a whole range of obstacles that still exist, thereby facilitating cross-border company start-ups. Finally, Parliament asked the Commission and public authorities at all levels to implement measures to open up public contracts to SMEs. Such contracts account for 16% of the EU's GDP, yet frequently remain inaccessible to smaller businesses, due to cultural, administrative and financial barriers.

Entrepreneurship, innovation policy and the small and medium enterprises SMEs. Green Paper and Charter

2003/2161(INI) - 21/01/2003 - Document attached to the procedure

In order to prepare the ground for the Green Paper on entrepreneurship in Europe launched the same day, the Commission adopted a package of documents outlining EU policy towards small and medium-sized enterprises: - Thinking Small in an Enlarging Europe; - Report on the Implementation of the European Charter for Small Enterprises; - Report on the implementation of the European Charter for Small Enterprises in the candidate countries to accession to the EU; - Creating an entrepreneurial Europe: The activities of the European Union for small and medium-sized enterprises (SMEs); - The SME Envoy: an active interface between the Commission and the SME Community. This ‘SME package’ provided a snapshot of recent progress in small business policy across Europe and pointed to possible future policy actions. A key finding was that EU Member States and candidate countries needed to focus on small and medium-sized enterprises (SMEs) more often in their policy and law-making: consultation of small businesses was still too low in both these areas. Europe therefore urgently needed to give small businesses the opportunity to voice their views. However, the documents also stressed that substantial progress had been made in key areas such as education for entrepreneurship, exchange of good practices and simplification of administrative procedures, both in candidate countries, which were facing the challenge of building an entrepreneurial culture, and in Member States. To help develop a more stable and creative enterprise sector in candidate countries, the financial sector was encouraged to take a closer look at SME lending as a source of opportunities, rather than just risks. The Commission had recently taken several initiatives to support SMEs. In this context, the recently appointed SME Envoy had a crucial role in ensuring a more coordinated approach on SME issues. At Community level, the Structural Funds were to spend some EUR 16 billion on SME-targeted projects in the period 2000-2006. SMEs were also an important target for the Sixth Framework Programme for RTD. For 2002-2006, nearly EUR 2.2 billion had been allocated to support SMEs’ research and innovation efforts.

Entrepreneurship, innovation policy and the small and medium enterprises SMEs. Green Paper and Charter

2003/2161(INI) - 11/03/2003 - Document attached to the procedure

PURPOSE : to strengthen EU innovation policy (update the Union's approach in the context of the Lisbon strategy). CONTENT : Innovation is a cornerstone of the "Lisbon strategy" launched by the European Council in March 2000, and emphasised by subsequent European Councils, in particular at Barcelona in 2002. The present Communication on innovation policy, together with the Communication on industrial policy in an enlarged Europe and the Green Paper on entrepreneurship, form a coherent framework for the development of an enterprise policy that fosters competitiveness of companies and contributes to the growth of Europe's economy. It also constitutes a timely contribution to the Spring European Council to be held on 20-21 March 2003. The object of the Communication is firstly to describe the diverse routes to innovation and analyse the consequences for the design of innovation policy and for the different means by which innovation policy is put into action, so that they are not hampered by a view of innovation which is too restrictive. This analysis is complemented by examination of the current challenges that are, to different degrees, specific to the EU, recognising that structures, problems and opportunities relating to innovation are not necessarily the same in all the world's major economic areas. Factors considered include the persistently inadequate performance of the Union, the implications of enlargement, demographic trends, and the large size of the public sector in EU economies. While innovation policy takes place mostly at the national and regional levels, the Member States and the Commission need to intensify their cooperation for the strengthening of innovation in the EU, including coordination and assessment mechanisms for mutual learning, as well as for taking stock of progress achieved. The Communication makes concrete proposals on how to turn European diversity into a strength. The Communication also suggests several new directions for EU innovation policy development and, in particular, interaction with other policy areas. Innovation policy must often be implemented via other policies, and the Communication suggests, inter alia, better coordination and a pro-active follow-up by the Commission and Member States. The conclusion provides a summary of the main measures proposed to be executed by the Member States, the Commission and in cooperation between both.