Opinion of the European Economic and Social Committee on ‘Entrepreneurship mindsets and the Lisbon Agenda’

(2008/C 44/20)

On 16 February 2007 the European Economic and Social Committee, under Rule 29(2) of its Rules of Procedure, decided to draw up an opinion on Entrepreneurship mindsets and the Lisbon Agenda.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 2 October 2007. The rapporteur was Ms Sharma and the co-rapporteur was Mr Olsson.

At its 439th plenary session, held on 24 and 25 October 2007 (meeting of 25 October 2007), the European Economic and Social Committee adopted the following opinion by 109 votes to three with five abstentions.

1. Conclusions and Recommendations

1.1 Entrepreneurship in its broadest sense, which can stimulate and encourage innovative and creative mindsets, should be highlighted in the Lisbon Agenda as one of the key tools to generate more growth and better jobs as well as to achieve social cohesion and combat social exclusion.

In our global society, it is crucial that the entrepreneurial mindset is both nurtured and developed at macro, meso and micro level, providing a holistic approach while respecting the specific character of each level.

1.2 Education and training across all ages and abilities must stimulate the creativity and potential of all individuals. The EESC supports transfer of good practice and highlights the examples of the Norwegian Government Strategy (1), and Junior Achievement Young Enterprise (JA-YE) for entrepreneurship in education and training as valuable models which could inspire other countries.

1.3 Public and private actors should be mobilised to develop the entrepreneurial mindset in its broadest sense: within communities, organisations and individuals.

1.4 The European Commission should develop a framework for reviewing progress and disseminating best practice, as well as promoting the value of the entrepreneurial mindset to EU citizens in the context of the Lisbon Agenda. Exchange of best practice is important and progress could be monitored through annual ‘stock-taking’ conferences.

1.5 The social partners should consider the benefits of fostering an entrepreneurial mindset as one of the factors which may lead to more and better jobs. They should intensify their efforts and strengthen social dialogue to find common ground for holistic action.

1.6 The social economy and non-governmental organisations’ role in developing the entrepreneurial mindset for societal purposes and social innovations must be promoted. The specific role of these enterprises should be recognised at European level in the new Employment guidelines for 2008-10.

1.7 The EESC supports the DG Employment, Social Affairs and Equal Opportunities initiative to launch an ‘Inclusive Entrepreneurship Strategy’ and intends to participate in it actively.

1.8 Positive role models and activities within the Media and the image they convey of business, entrepreneurs as well as of educational strategies that promote creativity and innovation are crucial to shape a Europe with an entrepreneurial mindset. To shape a Europe with an entrepreneurial mindset it is crucial that the media also publicises examples of activities that create a positive image of schools and/or educational strategies that promote the development of creativity and the foundations of innovative behaviour, as well as a positive image of businesses and entrepreneurs operating in this spirit.

1.9 Entrepreneurial mindsets must be mainstreamed into as many EU policies and programs as possible if it is to have an impact on the Lisbon goals.

1.10 The EESC would encourage Commissioner Figel and Commissioner Verheugen in a joint venture of DG Education and Culture and DG Enterprise and Industry to promote the benefits and value of the entrepreneurial mindset skills and attitudes in the context of the Lisbon Agenda by making 2009 as the ‘Year of Creativity, Innovation, and the Entrepreneurial Mindset’.

2. **Introduction**

2.1 This own initiative opinion will focus on the need to foster an entrepreneurial mindset in its broadest sense as one of the key factors for social and economic development and thereby on how human capital and creativity can contribute to the Lisbon goals.

2.2 The European Commission has defined entrepreneurship as follows:

Entrepreneurship refers to an individual's ability to turn ideas into action. It includes creativity, innovation and risk taking, as well as the ability to plan and manage projects in order to achieve objectives. This supports everyone in day to day life at home and in society, employees in being aware of the context of their work and being able to seize opportunities, and is a foundation for more specific skills and knowledge needed by entrepreneurs establishing social or commercial activity (1).

2.3 According to the Lisbon Agenda it is the aim of the EU 'to become the most competitive and dynamic knowledge-based economy in the world', most importantly 'capable of sustainable economic growth with more and better jobs and greater social cohesion' (2).

2.4 Despite huge efforts to achieve the Lisbon objectives, much more requires to be done. The promotion and application of entrepreneurial mindsets at societal, community, organisational and individual level plays one of the central roles of driving forward European growth and competitiveness, together with its social and environmental sustainability.

2.5 In February 2005, the Commission (3) proposed a new start for the Lisbon Strategy focusing the European Union's efforts on two principal tasks: delivering stronger, lasting growth and providing more and better jobs. Among other actions the Strategy stresses the importance of promoting a more entrepreneurial culture and of creating a supportive environment for SMEs including through entrepreneurship education and training at the appropriate level of education. Communication and media as well as the creative industry in general should also play an important role in promoting entrepreneurship and in encouraging people to decide for an entrepreneurial career in particular women and young people (4).

The entrepreneurial mindset is about important basic skills and attitudes that can be stimulated through lifelong learning to support all three elements of the Lisbon strategy:

1) To develop Europe and its regions to become a more attractive investment and employment market.

2) Prioritise knowledge and innovation.

3) Create more and improved employment opportunities.

2.6 This opinion follows upon a large number of important EESC opinions that have focused on different aspects on entrepreneurship, particularly 'Fostering Entrepreneurial Mindsets through education and Learning' (5) and most recently the opinions on Business potential, especially of SMEs to underpin the Lisbon strategy and Entrepreneurship and on Employability (6). Additionally, the Committee has elaborated several opinions on the Lisbon strategy and the value of innovation and creativity, key criterion of the entrepreneurial mindset, are highlighted as an essential competence to fulfill the Lisbon goals. The latest opinions also point out the same (7).

2.8 This opinion will expand on the previous ones by focusing on the added value to society of an innovative, creative and entrepreneurial mindset and how this can be promoted by different actors. It is essential that these skills and attitudes are stimulated from an early age to release the potentials of all individuals, and be continued through the life long learning process that begins at primary school while always respecting the general development of the personality of very young pupils.

2.9 The opinion should also be seen in the context and focus of the Programme of the present President of the Committee: 'Entrepreneurship with a human face', where entrepreneurship is seen as the progress of the society as much as of the economy and innovation rather than simply seeking profit. In this context the EESC President envisages that the Committee will organise a conference scheduled for 2008 and entitled 'Entrepreneurship with a Human Face'.


(2) See the EESC Opinion on 'Business potential, especially of SMEs (Lisbon Strategy)', (own initiative opinion), INT/324, rapporteur Ms Faes, and 'Employability and entrepreneurship — The role of civil society, the social partners and regional and local bodies from a gender perspective', (exploratory opinion), SOC/273, rapporteur Mr Pariza Castaños.

(3) See the EESC opinions on:
— 'Business potential, especially of SMEs (Lisbon Strategy)' (own initiative opinion), INT/324, rapporteur Ms Faes
— 'Investment in Knowledge and Innovation (Lisbon Strategy)' (own-initiative opinion), INT/325, rapporteur Mr Wolf
— 'Employment of priority categories (Lisbon Strategy)' (own initiative opinion) SOC/251, rapporteur Mr Greif
— 'The definition of an energy policy for Europe (Lisbon strategy)' (own-initiative opinion) TEN/263, rapporteur Ms Sirkeinen.

(4) See the EESC opinions on:
3. General remarks

3.1 The EESC takes note of the definition of Entrepreneurship as referenced by the European Commission and wants to underline on one hand its broad approach and on the other the need to mobilise public and private actors for it to become a reality if the Lisbon goals are to be achieved.

3.2 Entrepreneurship must be looked at from a broader perspective than the traditional viewpoint of individuals creating and developing businesses for economic purposes and profit.

3.3 Inventiveness, creativity and innovation at group, enterprise or society level does not come down to the simple sum of the entrepreneurship mindset of the individuals they consist of. Therefore the levels of development of entrepreneurship should be differentiated.

3.4 Social and other driving forces behind entrepreneurship must be fully recognised. The entrepreneurial mindset is a societal phenomenon ‘enacted on all scenes of human life’. Thus it is an all-embracing cultural concept about social processes and actions driven by human beings for individual, societal and economic purposes. Looking at entrepreneurship in this way will foster human and social capital, which is of utmost importance for an innovative society and economic competitiveness, together with greater integration of disparate groups.

3.5 Education must support this perspective by stimulating an entrepreneurial mindset and more of an entrepreneurial culture.

3.6 The social partners should intensify their efforts to find common ground for holistic actions to promote creativity, innovation and an entrepreneurial mindset that will lead to more and better jobs. To inform about and strengthen social dialogue should be natural part of their involvement.

3.7 The European Commission has highlighted the essential knowledge, skills and attitudes related to the competence of an entrepreneurial mindset (1).

1) ‘Necessary knowledge includes available opportunities for personal, professional and/or business activities, including “bigger picture” issues that provide the context in which people live and work, such as a broad understanding of the workings of the economy, and the opportunities and challenges facing an employer or organisation. Individuals should also be aware of the ethical position of enterprises, and how they can be a force for good for example through fair trade or through social enterprise.’

2) ‘Skills relate to proactive project management (involving skills such as planning, organising, managing, leadership and delegation, analysing, communicating, de-briefing and evaluating and recording), and the ability to work both as an individual and collaboratively in teams. The judgement to identify one’s strengths and weaknesses, and to assess and take risks as and when warranted is essential.’

3) ‘An entrepreneurial attitude is characterised by initiative, pro-activity, independence and innovation in personal and social life, as much as at work. It also includes motivation and determination to meet objectives, whether it concerns personal goals or aims held in common with others, and/or at work.’

3.8 The EESC would add the individual’s knowledge and understanding of the value of corporate social responsibility and entrepreneurial activities – not always for profit purposes displayed by business as a means to support community capacity building, integration of vulnerable groups into the labour market and other societal objectives. However it is essential to create the appropriate conditions and skills for these groups to develop their entrepreneurial mindset.

3.9 An innovative and creative mindset is needed for the purposes of creating more and better jobs, achieving social cohesion, combating social exclusion to meet the challenges of globalisation, an ageing population, protection of the environment and stimulation of knowledge. It is therefore highly relevant to the Lisbon agenda.

3.10 Studies conclude that statistically there is a significant connection between entrepreneurship and economic growth and that it leads to a dynamic employment market with lower unemployment (2). Entrepreneurship is also particularly important for minority groups outside of the labour market.

3.11 However in order to realise this positive correlation it is important that entrepreneurship is stimulated and channelled into a sustainable process of wealth and job creation.


(2) See:
— The Global Entrepreneurship Monitor (GEM) 2004
— Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on Implementing the Community Lisbon Programme: Fostering entrepreneurial mindsets through education and learning, COM(2006) 33
4. Specific remarks

4.1 Entrepreneurial mindset in education

4.1.1 The EESC reiterates its support for the key points for fostering entrepreneurship that was defined during 2006:

1) Early start, with the basis for entrepreneurial training and education.

2) Supplementary entrepreneurial programmes within the national curriculum from primary school to higher education.

3) Positive and effective cooperation between schools/universities, businesses and governmental bodies.

4) Involvement of teachers benefits their personal development.

5) The drawing up of educational programmes for entrepreneurship should involve both employers and employees.

6) Strong involvement and presence of civil society in the learning process.

7) The importance of female entrepreneurs must be taken into account in schools with the aim of fostering a positive balance between women and men.

8) Entrepreneurship must be fostered equally amongst disabled persons and other disadvantaged groups.

Greater knowledge transfer between educational establishments, including higher and further education, to share information and streamline programmes aimed at university students.

4.1.2 The overarching responsibility for entrepreneurship in education rests with the educational institutions.

4.1.3 Entrepreneurship training in education can be summarised as:

— Primary Schools — help students to have more faith in themselves, through making and accepting responsibility, exploring their creativity through trial and error and learning about the resources of their local community.

— Lower Secondary School — students develop core skills such as decision making, ability to work in a team, problem solving and establishing networks.

— Upper Secondary School — learning through doing and applying practice and theory whilst incorporating resources, finances, environment, ethics and working-life relationships can be developed by establishing youth enterprises.

— Higher education — developing products, identifying business opportunities, customer and market relationships, creativity and innovation are all part of business planning and establishing and running a company.

4.1.4 The EESC also wants to highlight some conclusions from different studies, which conclude that education in entrepreneurship:

— contributes to a more entrepreneurial culture;

— is a strategy to develop young people's entrepreneurial qualities, competence and attitudes towards entrepreneurship;

— can develop young people's creativity, ability to work as a team, sense of responsibility and self confidence.

(1) See:
— leads students to more frequently become entrepreneurs (15).

4.1.5 The EESC regrets that the Youth in Action programme (19) makes no reference to entrepreneurship. Entrepreneurial mindsets and entrepreneurship will play a key role in developing and improving career opportunities for the youth of tomorrow. It is therefore imperative that its value is mainstreamed into as many EU policies and programmes as possible.

4.2 Society’s case for entrepreneurial mindsets

4.2.1 A broad approach to entrepreneurship makes it possible to develop the creativity of all people, including the most underprivileged. The creativity and potential in everyone therefore has to be recognised and promoted. An entrepreneurial mindset can be seen as a force for individual empowerment, generating collective purpose and social change. Europe must fully take advantage of the creativity of workers and citizens to encourage a culture that will make Europe both social and competitive. Citizens’ participation in society will be enhanced by the spirit of entrepreneurship.

4.2.2 If programmes are to be effective it is essential that all stakeholders are involved in the process of entrepreneurship education. A successful example where civil society actors have worked together to achieve the objectives of enterprise education is the Norwegian Strategy. In the example attached (15) the Norwegian Government, both Education and Enterprise Ministries, worked very closely with JA-YE (16) as well as the social partners from local to national level, utilising the combined skills and commitment of employers, trade unions, public administration and also parents.

4.2.3 An entrepreneurial mindset within the public sector with the intention of delivering more user-friendly and effective services must be encouraged. But this cannot be achieved by introducing market philosophies and mechanisms alone. These have to be offset by the public sector goal of pursuing the general interests of citizens and possibilities for workers to increase the quality of work by releasing their entrepreneurial spirit in new forms of organisations.

4.2.4 DG Employment has suggested a strategy for ‘Inclusive Entrepreneurship’ (20), which takes up the broad approach and will follow up the particular strand of inclusive entrepreneurship and social enterprise of the Equal programme within the new structural funds 2007-2013. The EESC supports this initiative and intends to participate in it actively but underlines that it must be supported by a permanent structure within DG Employment endowed with appropriate financial resources.

4.2.5 The EESC wishes to pick up on its suggestion made in its earlier opinion (17) with the promotion of the European Year of Entrepreneurship for 2009. However, as the EESC now understands 2009 is to be set aside for the Year of Innovation and Creativity by DG Education, it would therefore suggest and encourage the Commission in a joint venture of DG Education and DG Enterprise to also promote the benefits and value of the entrepreneurial mindset skills and attitudes in the context of the Lisbon Agenda by making 2009 as the ‘Year of Creativity, Innovation, and the Entrepreneurial Mindset’.

4.3 Business case for the entrepreneurial mindset

4.3.1 According to the European Commission (19) encouraging new business is a central factor in creating employment opportunities and improving competitiveness and growth throughout Europe.

4.3.2 Entrepreneurial qualities such as creativity, ability to work in a team and self-confidence are important in an employment market where job changes are common, where business is frequently undergoing organisational changes and where there is rapid technology development. Employers are always looking for flexible, innovative, decisive and adaptable workers (20).

4.3.3 Female entrepreneurs in business and those considering self-employment face particular barriers — economic, practical, social and cultural as a result of long term unfounded discrimination. Through equal participation in education and community programmes to encourage entrepreneurial activity these barriers can be reduced, leading to not only more woman owned businesses but additional to gender equality in the workplace.

(15) See:
(17) See Appendix 1, document from Junior Achievement Young Enterprise (JA-YE) Norway.
4.3.4 Entrepreneurs are motivated by a wide range of ambitions, such as financial gain, independence, or job satisfaction. Whatever their motivation, it is essential that potential and existing entrepreneurs recognize the social responsibilities that are integral to business ownership (23).

4.3.5 New migrants, critical to any economy, provide a workforce and entrepreneurial base for economic activity. These individuals are entrepreneurial (by virtue of migration) but are also most likely to work in the informal sector. The challenge is to integrate these individuals into the workplace through economic integration and recognition of their entrepreneurial activities. This subsequently leads to greater acceptance of diverse communities and more effective integration.

4.4 Entrepreneurial mindsets in the context of Employee representation

4.4.1 Modern working patterns encourage engagement in the economy and allow people to switch between employment and self-employment. Entrepreneurship should be viewed therefore as a long or short term option, encouraging more people to consider business owner-management as a positive option. Bureaucratic procedures should be minimised to allow this flexibility, however the authorities must ensure that facilitating interchange between these various work statuses is not abused. It is important that employees and the unemployed, are not cajoled or compelled into self-employment or that less scrupulous employers are not allowed to relinquish their responsibilities to employees.

4.4.2 An important aspect of fostering an entrepreneurial mindset inside the enterprise is to stimulate innovative ways of organising work, good management and flexible working time arrangements in accordance with the needs of both enterprises and employees (24).

4.4.3 Therefore a culture of independence and responsibility must be developed at the workplace. Greater participation of employees in defining and enhancing the quality of work are prerequisites for such a culture of independence. In this context it should be noted that most business entrepreneurs were originally employees.

4.4.4 With a demographic shift towards an aging population in Europe, an environment which enables opportunities for transfer of skills, management capabilities and business ownership must be provided for Europe’s highly talented older generation (25).

4.4.5 Entrepreneurial mindsets and capacity building through the Social economy, NGOs and social enterprises

4.5.1 The specific role and characteristics of the social economy have been highlighted in other EESC opinions (26). Social economy enterprises are fundamental to entrepreneurial pluralism and economic diversity.

4.5.2 The role of entrepreneurship in the non-profit sector has been highlighted in recent research. It has been clearly shown that this sector is based on an entrepreneurial mindset. The entrepreneurial process is linked to group dynamics and social movements of different kinds (27).

4.5.3 Dedicated social/societal entrepreneurs act to find innovative solutions to problems related to major issues like environmental challenges, poverty, human rights, social exclusion, education and culture through organised activities offering new ideas for wide-scale change. Democracy and solidarity are values that underpin these initiatives.

4.5.4 Socially responsible entrepreneurship supports sustainable development, democracy and citizen participation, involvement of workers in enterprises, combating social exclusion and revitalising local communities. Additionally, they promote an entrepreneurship culture for women, young people, immigrants and ethnic minorities.

4.5.5 Social enterprises have a particular role in the social and professional integration of groups on the margins of the labour market. They often provide tailor-made paths of integration into the labour market for the most disadvantaged persons, a task which they, on the basis of their approach, are better suited to than other actors. As a result of their focus on empowerment of the individual through personal responsibility they have a good record on social integration.


(24) See the current EESC opinion on ‘Promoting sustainable productivity in the European workplace’ (own-initiative opinion), rapporteur Ms Kurki (SOC/266).


(26) See the EESC opinions of:
— 27.10.2004 on Ability of SMEs and social economy enterprises to adapt to changes imposed by economic growth (exploratory opinion), rapporteur Ms Fusco
— 1.4.2004 on Economic diversification in the accession countries — role of SMEs and social economy enterprises, rapporteur Ms Fusco, co-rapporteur Mr Glorieux.

4.5.6 The notion of social enterprise continues to spread in Europe. The specific role of these enterprises should be recognised at European level in the new Employment guidelines for 2008-10.

4.6 Role of the media

4.6.1 The media have an important role to play in promoting the image of small business and micro-enterprises, of specialised trades, services and traditional and craft activities and their role in society. Additionally it should highlight best practices and the effects of an entrepreneurial mindset on growth and jobs.

4.6.2 Greater emphasis on diverse nature of businesses and entrepreneurship, and the use of positive role models, particularly from those in under represented fields, women, ethnicity, disability and migrants, needs to be highlighted further in a wide varieties of media.

The media should pass on role models and activities that convey a positive image of schools and educational strategies promoting creativity and the prerequisites of innovation.

4.6.3 More recently in some Member States, television programmes have raised awareness of entrepreneurship and the value of new ideas. Two examples from the UK are Dragons Den, where entrepreneurs and inventors pitch their ideas to a team of funders on The Apprentice where a leading business personality searches for his ‘apprentice’ (BBC). Both programmes have raised students’ interest in starting their own businesses as well as demonstrating how an idea is turned into an enterprise.

4.6.4 Promotion and profile of events such as those listed below, would also raise awareness of the benefits of entrepreneurship and its impact on society:

— Entrepreneurship in Education European Summit, organised by JA-YE Europe 5-7 September 2006

— Conference on ‘Entrepreneurship Education in Europe: Fostering Entrepreneurial Mindsets through Education and Learning’ — an initiative of the European Commission jointly organised with the Norwegian government, Oslo, 26-27 October 2006

— European Enterprise Awards (new Annual Competition launched by the Commission, which recognises and rewards initiatives to support entrepreneurship).


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