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Entrepreneurship 2020 action plan — Reigniting the entrepreneurial spirit in Europe

European Parliament resolution of 21 November 2013 on the Entrepreneurship 2020 action plan — Reigniting the entrepreneurial spirit in Europe (2013/2532(RSP))

(2016/C 436/03)

The European Parliament,

- having regard to the question to the Commission on the Entrepreneurship 2020 action plan Reigniting the entrepreneurial spirit in Europe (O-000110/2013 B7-0520/2013),
- having regard to Rules 115(5) and 110(2) of its Rules of Procedure,

I. The entrepreneurial spirit and entrepreneurial education and training

- 1. Expects that all the measures proposed to promote entrepreneurship at national and European level will concern all types of enterprise, such as the liberal professions, cooperatives, craft enterprises and social enterprises;
- 2. Points out that business and entrepreneurial aptitudes and skills are key competences for lifelong learning and that, in response to low economic growth and high unemployment, more decisive short-term and medium-term measures are needed to promote and enable entrepreneurship, especially among young people;
- 3. Acknowledges that Member States are responsible for business, entrepreneurial and social education and training and that training schemes are often more targeted and cost-effective if structured at local and national level; believes that EU initiatives could and should complement Member States' actions in this field in a useful way, in particular through cooperation and the exchange of best practices;
- 4. Stresses the need to give incentives to employers who offer low-skilled or unskilled people (including Roma) training and opportunities to acquire practical experience directly at the workplace;
- 5. Is concerned about the decline in the number of EU citizens contemplating self-employment, in the current climate of economic uncertainty; considers that the EU and the Member States should step up their coordinated efforts to improve entrepreneurial culture in Europe and to explore the possibility of adopting specific measures and targets to make entrepreneurship attractive again, including for skilled employees with professional experience and particularly in sectors which are of strategic importance for the Union; believes, for example, that a strong link should be established between such initiatives and the Commission's activities in the field of industrial policy; believes that such measures should include actions to facilitate business creation;
- 6. Takes note of the Commission's proposed measures and initiatives on entrepreneurial education and training, and calls on the Member States to implement them without delay, in accordance with the principle of subsidiarity; highlights in this regards the EU's 'New skills for new jobs' initiative; welcomes the call on Member States to include entrepreneurial education and training as key competences in national programmes;
- 7. Believes that, in order to give new potential entrepreneurs the skills to run a business in a way that enhances its positive contribution to society whilst minimising negative impacts on people and the environment, initiatives should be taken to include strong sustainability and social responsibility criteria in entrepreneurial education;

- 8. Regards the 'Network of SME Envoys' as a potential core forum for exchanging proven practice and assessing progress on implementation;
- 9. Supports the ambition that lies behind the planned introduction of the Youth Guarantee and the willingness to allocate sufficient funding to it as an important measure to help Member States in their efforts to mitigate the effects of massive youth unemployment, particularly in countries harshly affected by the crisis; underscores the importance of the planned measures to promote entrepreneurship and entrepreneurial education and training, as they are aimed at creating sustainable employment and entail virtually no windfall effects; calls on the Commission and Member States to assess further measures, such as tax relief, to encourage SMEs to employ young people;
- 10. Calls on the Commission to strengthen its back-up, advisory and assistance measures for businesses, especially smaller ones, through intermediary organisations, and to set up programmes to facilitate guidance and assistance by older entrepreneurs who have the motivation to act as mentors or tutors for young entrepreneurs who are about to launch startups or take over crisis-stricken companies, by providing know-how and experience;
- 11. Calls on the Commission to promote the establishment of clusters, i.e. of business networks and associations which help to develop competitive advantage, benefit from the common management of human resources and bring about increased competitiveness;
- 12. Points out that small and medium-sized enterprises that adopt information and communication technologies (ICT) grow at a two to three times faster rate; calls, therefore, on the Commission to facilitate measures which enable entrepreneurs to exploit all the opportunities offered by the digital single market;
- 13. Calls on the Commission and Member States to further develop the Erasmus for Young Entrepreneurs programme and to create more national contact points where these are still required; suggests that greater reliance be placed on the existing structures of the Enterprise Europe Network; considers that a target should be set of 10 000 exchanges per year, with a minimum rate of 10 % annual growth until this target is reached;
- 14. Sees great potential in the further expansion of the Leonardo exchange programme for trainees and stresses the need for so-called 'intermediary organisations' that support SMEs in organisational aspects (e.g. searching for suitable partners abroad, finding premises, etc.); emphasises the entrepreneurial potential of dual training (apprenticeships) for graduates;
- 15. Proposes that Member States should be able to apply for additional funding from the European Globalisation Adjustment Fund and the European Social Fund as long as this is used to finance short-term measures such as support and advice for business start-ups and transfers and not to justify the further relocation of enterprises;
- 16. Proposes closer coordination of existing and future tools for the promotion of entrepreneurship with a view to generating incentives and synergies at national, regional and local levels;
- 17. Expects the next Commission, within the framework of its responsibilities, to make the promotion of entrepreneurship and entrepreneurial education and training a key theme and to launch a European partnership within which Member States will be judged by the progress they make on the basis, inter alia, of the following criteria:
- (a) the inclusion of entrepreneurship education in national school curricula, in particular practice-oriented elements such as school company projects and mandatory internships before the end of secondary education;
- (b) the level of support from Structural Fund resources for entrepreneurial education and training;
- (c) the number of participants in entrepreneurial modules within Youth Guarantee schemes or in mobility programmes for new entrepreneurs, particularly young people;
- (d) the number of people wishing to start up a business after having taken part in these initiatives;

EN

Thursday 21 November 2013

- 18. Encourages Member States to adopt, as a matter of urgency, national, regional and local strategies for the inclusion of entrepreneurial education and training in curricula (for primary, secondary, vocational, university and adult education); expects these strategies to cover all types of enterprise as well as the social and environmental impacts of entrepreneurship; underscores the importance of the practice-oriented and interactive aspects of social, business and entrepreneurial education and training;
- 19. Considers that Vocational Education and Training (VET) can provide the skills, knowledge and competences needed in the labour market, especially for the unemployed, as well as individualised job-search advice; calls on the Commission and the Member States to strengthen the provision of VET across Europe in order to enhance the transparency, recognition and quality of competences and qualifications, thus making the mobility of learners and workers easier;
- 20. Stresses that knowledge about the functioning of markets, the economy and financial systems is essential for running a business well, and should therefore also be included in national basic education systems as well as in EU training programmes; calls on the Commission and the Member States to make financial education an immediate part of their training programmes;
- 21. Underlines the importance of apprenticeships for young people in economic sectors with a bright perspective, as a valuable step in the transition from education to professional life;
- 22. Welcomes the Knowledge and Innovation Community (KIC) concept which, with its focus on entrepreneurship through integration of the knowledge-triangle components of research, higher education and innovation, is an important driver of innovation with respect to major societal challenges and thus an important instrument for creating growth and jobs in Europe; stresses, therefore, that all KICs should have entrepreneurship embedded in their structure and in their approach to research, innovation and training; emphasises that KICs should integrate and share best practices regarding the use of innovative education and training concepts and technologies; recommends furthermore that a longer-term assessment be carried out into the creation of a KIC dedicated to further developing such innovative education and training concepts with a particular focus on entrepreneurial education;

II. The environment and framework conditions for entrepreneurship

- 23. Asks the Commission and the EIB Group to step up their efforts in the field of information in order to make SMEs more aware of funding possibilities, in collaboration with SME associations;
- 24. Emphasises that the creation of flexible financing alternatives is of crucial relevance to business start-ups; stresses that the distinction for tax purposes between equity and debt must be removed and that a tax allowance for investment must be introduced; stresses that since bank loans are one of the main forms of financing for SMEs, it is important to secure the supply of credit and, moreover, to seek to strengthen equity financing through a better environment for private equity and venture capital, including support for SME funds and crowd investment without expensive prospectus costs; calls for the introduction of a tax allowance for private equity investment;
- 25. Reiterates that administrative burdens are still considered to be one of the main obstacles to the start-up or continued existence of a company; insists that the reduction of unnecessary administrative burdens remains very high on the political agenda and expects the next Commission to produce specific proposals for policies and measures up to 2020 in the context of the Small Business Act priorities, which may include concrete, quantitative targets (e.g. 25 % reduction in the administrative burden through EU regulations by 2020);

- 26. Welcomes the measures proposed by the Commission under this 'action pillar' and notes the relevant points made by Parliament in its resolutions of 23 October 2012 on Small and Medium Size Enterprises (SMEs): competitiveness and business opportunities (1) and of 5 February 2013 on improving access to finance for SMEs (2);
- 27. Welcomes the Commission's renewed calls on Member States to reduce the costs and time needed to start a company; points out the limited progress achieved since the Small Business Act and urges Member States to increase their efforts in this regard;
- 28. Emphasises that the different variety of business models, such as family businesses, cooperative enterprises and others, should be taken into account when creating a business-friendly environment through appropriate business support services:
- 29. Points out that EU support measures for SMEs remain unbalanced and that many Member States still do not take into consideration the specific characteristics of small businesses when designing legislation;
- 30. Emphasises that access to finance remains one of the main obstacles to the development of SMEs; calls on the Commission to assess fully whether financing instruments aimed at SMEs such as the PROGRESS microfinance tool actually make it easier for SMEs to access finance, especially in view of the fact that financial institutions in some Member States set excessively strict conditions for lending to SMEs;
- 31. Welcomes the Commission's efforts to help Member States improve their fiscal and administrative arrangements for business transfers; sees a need to improve the taxation approach to innovative forms of financing, such as group financing, venture capital financing or business angel financing; invites Member States to increase their support for business transfers through financial instruments at national level by means of loan guarantees, as well as other forms of financing such as group financing or business angel financing, and welcomes the Commission's emphasis on crowdfunding platforms; believes that business transfers should also be facilitated through appropriate training initiatives on management skills, such as in cases where businesses are transferred to employees;
- 32. Notes that complicated VAT rules have long been one of the main obstacles that prevent entrepreneurs from using the potential of the single market; urges the Commission to submit the planned proposals to align rules and cut the costs of VAT compliance in a single declaration as soon as possible, so as to enable their adoption during the current legislative term:
- 33. Sees the proposed measures to reduce the administrative burden (which may include an unnecessary or disproportionate burden through regulation) and bureaucratic burden as complementary to the principles of the Small Business Act; regrets that the action plan does not mention certain important initiatives, e.g. measures to apply the SME test at national level, the future role of the High-Level Group on the Reduction of Administrative Burdens, or the establishment of a yearly scoreboard on regulatory burdens in the EU and Member States; calls on the Commission, under the leadership of its SME Envoy, to set out a timely roadmap for the review and revision of the 'Top 10' most burdensome EU measures in order to reduce unnecessary or excessive burdens; affirms that, in any event, such a reduction must not erode core social and environmental standards;
- 34. Calls on Member States to grant start-ups a period of grace for social security contributions and for all 'on account' taxes so that companies only pay taxes on profits actually made in the first years; insists that the system must be completely transparent so that it cannot be abused;
- 35. Underlines the importance of knowledge transfer between knowledge centres, such as research institutes and centres of excellence, and SMEs for their success; stresses the need for a clear definition of the process of transferring knowledge into practice and its benefits for successful entrepreneurial clusters;

⁽¹⁾ Texts adopted, P7_TA(2012)0387.

⁽²⁾ Texts adopted, P7 TA(2013)0036.

- 36. Supports the Commission's stated aims of giving a second chance to honest bankrupts and reducing the regulatory burden on entrepreneurs;
- 37. Emphasises the importance of the liberal professions in terms of entrepreneurship in Europe; welcomes the Commission's declared intention to set up a working group to assess the specific needs of the liberal professions; asks the Commission to take account of the conclusions of this working group when conducting impact assessments for legislative proposals, as well as for monitoring the measures related to the Small Business Act; suggests that this work could lead to the creation of a European charter for the liberal professions;
- 38. Emphasises the importance of developing innovation skills in general and support for employee-driven innovation in both new and existing companies; stresses also that the most entrepreneurially successful companies are often spin-offs from existing companies where employees have the opportunity to develop their ideas within secure and resourceful frameworks; stresses furthermore that many entrepreneurs have skilled or unskilled backgrounds, so entrepreneurial efforts should not be aimed only at academics; points out that vocational and practical training also play an important role in efforts to promote entrepreneurship and innovation;
- 39. Emphasises the importance of developing positive incentives to encourage employees to start up their own part-time businesses:
- 40. Calls for use of the flexibility provisions under the multiannual financial framework (MFF) for the Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) and particularly for its financial instruments; insists that the MFF should continue to provide for microfinancing programmes such as the European Progress Microfinance Facility and the JASMINE (Joint Action to Support Microfinance Institutions) initiative;
- 41. Emphasises that the creation of flexible financing alternatives is of crucial relevance to business start-ups and SMEs in order to facilitate their access to finance; recognises that different contributions of debt, equity and hybrid capital can be appropriate for different business models, and invites Member States to remove the distinction for tax purposes between equity and debt and to consider introducing tax allowances for investment in the real economy to stimulate sustainable growth and create jobs; calls on the Commission to assess the benefits of the securitisation of micro-loans;
- 42. Encourages the Member States to encourage the division of public procurement contracts into lots in order to facilitate participation by SMEs in public tenders, for instance by including the 'apply or explain' principle in their national procurement law;
- 43. Regrets that stringent requirements still apply in some Member States for business start-ups; calls on the Commission to ensure that Member States shorten to one month the time taken to grant the licences and other permits required to start a business;
- 44. Emphasises the importance of special start-up services for recent graduates who have taken special entrepreneurship courses during their training;
- 45. Calls on the Member States to establish one-stop shops where all business support services would be combined, including in the area of access to funding from various sources, advice on business start-ups, and information on business opportunities within and outside the EU;
- 46. Calls on the Member States to adopt a balanced approach in their national laws on discharge times and debt settlement so that honest bankrupts receive a 'second chance' and risks for creditors are minimised;

III. Entrepreneurs as role models, and reaching specific target groups

47. Supports the establishment of a Europe-wide 'EU Entrepreneurship Day' to highlight — and, most importantly, draw media attention to — entrepreneurial success stories; considers that a particular focus should be placed on examples of entrepreneurs able to create economic added value while respecting EU sustainability and social responsibility core principles; hopes that schools and educational establishments will participate in the event, through meetings with entrepreneurs and visits to enterprises;

- 48. Emphasises that women represent a major pool of entrepreneurial potential, and calls on the Commission to produce reliable data so that existing legislation can be more accurately evaluated and any obstacles in the way of female entrepreneurs can be more effectively removed;
- 49. Highlights the potential of cooperatives and social enterprises as a tool for generating employment, and particularly youth employment, owing to the role they play in sustainable local development, not just in economic terms but also in social and employment terms;
- 50. Stresses the key role of ICT in entrepreneurship, and calls on the Commission and the Member States to develop and promote programmes to build ICT skills, particularly for young people and women;
- 51. Considers that special attention also needs to be paid to other groups that are under-represented in the entrepreneurial world, such as the young, the elderly, the disabled and immigrants;
- 52. Believes that the demographic challenges require a broader strategy that combines job creation with meeting new and emerging needs on the European labour market; believes in this respect that further progress must be made in improving the mobility of EU workers, including researchers and other professionals, with a view to achieving a Europe without barriers within the EU internal market;
- 53. Emphasises that the lack of recognition of foreign educational and vocational qualifications constitutes a major obstacle to migrants seeking to set up a business; calls, therefore, for agreement on the directive on the recognition of professional qualifications to be reached without delay;

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54. Instructs its President to forward this resolution to the Council and the Commission.