



THE PRIME MINISTER

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"Promoting Small Business Development and Entrepreneurship"

At the Lisbon Summit in March 2000, we set ourselves a target for the year 2010 to transform the European economy into the most competitive and knowledge-based economy in the world, capable of sustainable growth with more and better jobs and greater social cohesion. Subsequently, at Feira, in June 2000, the European Council endorsed a Charter for Small Enterprises. In doing so, it emphasized the important role which small firms and entrepreneurs play in generating growth and employment.

The Charter for Small Enterprises is a key element of the European Commission's Enterprise Policy and an important tool for Member States. At both the Commission and Member State level, it has helped to embed a "think small first" approach into the Enterprise Policy.

The creation of new business ventures, the sustainability and the upgrading of the performance of existing firms are at the very heart of the initiative. But the business world is heterogeneous. There are a wide variety of businesses and they should all benefit from Europe, including the very small firms.

The significant contribution of new entrepreneurs and small businesses to competition, employment and growth is widely recognized. So, to make Lisbon happen, the utmost attention should be given to ensuring their access to knowledge, capital and technology and removing obstacles to entrepreneurship. Our governments recognize the importance of a well-supported entrepreneurial mentality for economic growth, social cohesion, employment and regional development. We should ensure that this recognition is translated into action. This means promoting access to capital and knowledge, reducing barriers to entry and continuity (succession), reforming bankruptcy legislation, reducing the administrative burden, fostering business networks between small and bigger firms, upgrading the quality of skills in ICT, electronic commerce and management, enhancing the qualitative parameters of jobs in small firms (i.e. good working conditions, supporting social structures, job security), as well as stimulating entrepreneurship in the educational system.

In some regions, the problems of small firms are transformed into problems of social cohesion and equitable European development. Solving these problems, through networking, reduced costs for accessing and using information infrastructure, mobility and the diffusion of technologies, special efforts to enhance skills in small firms, access to professional consulting services, could generate jobs, revitalize local firms and economies in less developed or remote regions and, therefore contribute to the reduction in the dispersion of employment and the distribution of income among regions.

Practice also shows that new entrepreneurs and small businesses are in a less favourable position because of lack of access to critical resources and capabilities, market failures and asymmetries.

The Barcelona European Council should invite the Member States and the Commission to further intensify their work to improve the business environment and to implement the European Charter for Small Enterprises. Building upon this Charter, the Commission can be encouraged in its intention to prepare a Green paper on entrepreneurship.

A Conference of European Ministers responsible for Small Firms and Entrepreneurship will be held during the Greek Presidency in the run up to the Spring Council. If successful, this conference will be held regularly. This would place those issues directly related to the development and creation of small businesses at the top of the Spring Council's agenda.



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