



EUROPEAN COMMISSION

PRESS RELEASE

Brussels, 9 January 2013

Unleashing Europe's entrepreneurial potential to bring back growth

To return to growth and higher levels of employment, Europe needs more entrepreneurs. With 4 million new jobs created every year, new companies, especially small and medium sized enterprises (SMEs), create the most new jobs in Europe. Therefore, European Commission Vice President Antonio Tajani presented today an action plan to support entrepreneurs and revolutionise entrepreneurial culture in Europe. The plan stresses the key role of education and training to nurture new generations of entrepreneurs, and includes specific measures to help budding entrepreneurs among young people, women, seniors, migrants, and the unemployed. The high level of EU unemployment leaves untapped human resources, especially amongst women and young people. The plan also tackles obstacles to entrepreneurship such as ambitious measures to facilitate start-ups and new businesses, make transfers of business ownership more successful, improve access to finance, and give honest entrepreneurs a second chance after bankruptcy.

European Commission Vice President Antonio Tajani, responsible for entrepreneurship and industry, said: *"To make it very clear: more entrepreneurs mean more jobs, more innovation and more competitiveness. Becoming an entrepreneur and making a vision come true takes a lot of personal risk and effort. Entrepreneurs are the heroes of our time. Entrepreneurship is also the most powerful driver of economic growth in economic history. Therefore, we want to make entrepreneurship an attractive and accessible prospect for European citizen. This is the key message of our action plan. If we can unleash Europe's entrepreneurial potential, we can bring back growth to Europe."*

[MEMO/13/7](#) Eurobarometer Entrepreneurship 2012: Over the past three years the share of EU citizen who want to be their own boss has fallen from 45% to 37%. This drop is caused by less promising business prospects due to the current crisis.

[MEMO/13/5](#) Entrepreneurship as a main driver for economic growth

[Entrepreneurship 2020 Action Plan](#)

Entrepreneurial education triggers increase of new companies

Between 15% and 20% of students who participate in a mini-company programme in secondary school will later start their own company, a figure that is about three to five times of that of the general population. Higher education in entrepreneurship can boost high-tech and high growth companies by supporting business ecosystems, partnerships and industrial alliances.

The plan also covers six key areas where action is needed to create an **environment in which entrepreneurs can flourish and grow**:

- **Access to finance** - besides strengthening its existing financial instruments, the Commission also proposes to create a European market for microfinance and to simplify tax structures to allow SMEs to raise funds via direct private investments (such as mini-bonds, crowd funding, and angel investments).
- **Support during the crucial phases of the business lifecycle**: As about 50% of companies fail in their first five years, Member States should devote greater resources to help new businesses to get through this critical period, such as management training, R&D coaching, and networking with peers, potential suppliers and clients.
- **Unleash new business opportunities of the digital age**: SMEs grow two to three times faster when they embrace ICT. Reinforced support for web-based start-ups and skills improvement can help both web entrepreneurs as well as more traditional businesses.
- **Easier transfers of business ownership**: Every year approximately 450,000 firms with 2 million employees are transferred to new owners across Europe leading to the loss of an estimated 150,000 companies with 600,000 jobs. The Commission proposes to expand the markets for enterprises and remove barriers to cross-border business transfers.
- **Second chances for honest entrepreneurs after bankruptcy**: By far the majority (96%) of bankruptcies are due to a string of late payments or other practical problems. Yet 'second starters' are more successful. Therefore, the Commission has just proposed to shift focus away from liquidation and to helping businesses overcome financial difficulties ([IP/12/1354](#)).
- **Administrative simplification**: The Commission will continue to vigorously pursue the reduction of regulatory burden.

The Commission also intends to promote entrepreneurship in **specific segments of the population**:

- **Women's entrepreneurial potential** - the fact that women only account for 34.4% of the self-employed in Europe suggests that they need [more encouragement](#) and support to become entrepreneurs.
- **Senior citizens** - retired business people have precious know-how that should be transferred to future generations to make it easier for them to start companies.
- As **migrant** populations often face difficulties in the labour market, self-employment is a precious opportunity for their economic empowerment and social inclusion.
- Business development support for **unemployed** should include training, business advice and mentorship.

The Commission will now closely work with Member States, business organisations and relevant stakeholders to implement the action plan in the perspective to lead Europe out of the crisis, including a roadmap with specific targets and dates to deliver tangible results.

37% of Europeans would like to be their own boss

Almost 4 out of 10 Europeans would like to be their own boss if they could. If this potential could be tapped, millions of new businesses could be added to the almost 21 million small and medium-sized enterprises (SMEs) in the EU. Various obstacles prevent Europeans from opting for self-employment, in particular fear of bankruptcy and risk of irregular income. The Flash Eurobarometer "Entrepreneurship in the EU and beyond" ([FL354](#)), presented today by European Commission Vice President Antonio Tajani, also highlights that in 2009 more Europeans (45%) wanted to be self-employed. This is a drop of 20% within three years, which reflects the current economic situation with its less promising business prospects.

Yet there are still millions who consider becoming their own boss, driven by the prospects of personal independence, better income and freedom to choose the place and time of work.

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