

Dear Entrepreneurs, Dear representatives from the business organizations, Dear colleagues policymakers and member of administrations,

First and foremost I would like to thank you all for making this important event possible and for allowing me to speak today as the new Commissioner for Entrepreneurship and SMEs.

“Setting up an organization by taking risks in the hope of profits and results that we know will bring something new to the world”. This sentence could be either the definition of entrepreneurship or a short summary of the European Union construction.

Indeed, coming from a family of entrepreneurs, I have recently been amused about how life of entrepreneurs can be similar to the European history. Like every success story, it all started with a great idea of a few that decided to put their qualities together and realize something greater. You entrepreneurs call them “founders” I call them “founding members”.

Quickly followed by others, “founders” put their time, their energy and often their money together to take an initiative. And in less time than for you to realize, others have already joined the project with new ambitions and invested themselves more than anyone ever did before. I know entrepreneurs like to call them “shareholders” but at the European Commission we usually call them “member states”. And in every successful organization, it works because we all respect each other, and thanks to the fact that all benefit fairly from their work in line with their ambition.

With such a history made out of our great initiatives and our taste for risks, Europe is and has to be an even more welcoming area for entrepreneurship. Supporting small and medium size enterprises, that is our challenge!

In our modern world where economic factors such as unemployment and balance of trade tend to be considered as the main factors in bilateral relations or to judge how healthy a society is, entrepreneurship and SMEs are more important than ever.

And because I am mainly talking to entrepreneurs today, I won't have to go too long on how entrepreneurship is beneficial and how SMEs are the backbone of our economy. Like in most economies around the globe, more than 99% of European companies are SMEs, around the globe SMEs generate more than half of economic outputs. However, with less ability profit of economies of scale and a smaller access to finance and foreign markets, SMEs also need a closer attention.

Then, how to create an even more friendly environment for entrepreneurship and SMEs in Europe ? How do we protect our companies and so our economy? Looking at our economic factors and the recent elections' results there are at least three points we have to focus on: skills and spirit of entrepreneurship; innovation of products and services; internationalization of our companies.

- Firstly we need to make accessible to our citizens skills that are essential when taking initiatives at the local, European or global level, but also to spread a spirit of entrepreneurship across the Union.
- Secondly, we have to make sure that our companies will benefit from the next generation of products entering the global market. More importantly, we need to assure that our companies will be able to create and innovate enough to be the source of those innovations.
- And last but not least, we need a greater internationalization to make our innovations, products and traditions accessible to the rest of the world that envy them. Prepare our companies to compete not only on our European market, but on the global level, competing with Chinese, American and Latin American companies.

This isn't an easy task! While making sure European SMEs and entrepreneurs can play a leading role in the world, we also need to respect values that made Europe what it is right now: democracy, human rights and environmental awareness. Those values matter to our citizens and unite them under our colors, but are also one of the reasons why the European Union is a model in today's world.

Developing entrepreneurship spirit and skills across the Union

As I said earlier, accessibility to entrepreneurship skills and the development of a culture of entrepreneurship across the Europe Union are the foundations of the roads to our success. "The function of entrepreneurs is to reform or revolutionize the pattern of production" and I could not agree more with Mister Joseph A. Schumpeter, our companies do not only need to invent but to learn how "introduce technical and organizational novelties", in other terms take advantage of our modernity. Consequently education to entrepreneurship became a priority into European strategy in recent years, we must see it and aim for even better.

We identify at least three points :

- 1- Our absence of total consensus on "distinctive elements of entrepreneurship education" at the European level, as highlighted by a 2016 Eurydice report, reduce our ability to promote and develop entrepreneurial competences across the European Union.
- 2- Our lack of cross-border cooperation between entrepreneurship eco-systems and infrastructures of support reduce our ability to diffuse good practices and new method of learning, as well as reducing our ability to agree on main entrepreneurial competences.
- 3- Education systems and universities across the EU generally lack of education modules specialized into entrepreneurship while room is available. This is however one of the main point to create generations of entrepreneurs in Europe.

Initiatives and solutions are however possible, efficient and for some of them already actives. It will be our mission to make those ideas possible together and to support already existing initiatives.

- 1- **Developing methods of learning:** multilingual new online method of learning such as Open Method of Coordination, as well as Peer-to-Peer learning at the national level and at the local level, enhancing both available education and cooperation across Europe.
- 2- **Create a European Centers for Entrepreneurship:** based on existing projects such as Eurodesks and the South East-European Center for Entrepreneurial Learning, such European centers would coordinate initiatives to support entrepreneurship, promote education to entrepreneurs and monitor implementations of educative policies.
- 3- **Promote and support eco-systems and infrastructures for Entrepreneurship:** reducing risks of initiatives is one of the main factor to attract youth toward entrepreneurship. Infrastructures bringing together entrepreneurs with various skills while creating a protecting framework stimulate initiatives and potential of innovation. Providing a European support to more eco-systems is also an opportunity to make cross-border cooperation a criteria of support. Women in tech is great example of a movement creating a network of entrepreneurs and innovative women in the European Union.

Support innovations to play a leading role on the global market.

2019 is coming to an end and so is our "Horizon 2020" that have led our innovation strategy in recent years. Hence, as often when great projects come to their ends it is also time to work on an assessment on results and possible improvement. "Horizon Europe" will replace our "Horizon 2020" and will be an ambitious research programme, if not the most ambitious the European Union has ever made, this program will be launched between 2021 and 2027. With its mode of functioning the European Union is facing challenges, as well as competition at the international level. Consequently focusing on several topics and answer all challenges one by one is crucial to build an environment efficient and helping for SMEs in Europe.

Our SMEs are facing a lack of labour forces while in the same time unemployment rates in Member States are low. Indeed a lack of skilled and adapted labour forces on our market is in its beginning and SMEs will be the first companies to be victim of this situation. To answer this situation supporting SMEs engaged into education and learning will be an efficient solution. At the Member States level an adaptation of European labour force demand is however crucial. If education remain a competence of Member States, the European Union with its supporting competence on this matter could evaluate at the European level the demand and build a strategy to adapt European university programmes to current and future demands.

With a budget of 100 billions between 2021 and 2027 for the European Union let alone, our capacity to support innovations is largely under Chinese and United-States strategies such as China 2025 or leading American policies on technology. To protect our SMEs it is crucial to allocate an important part to our budget to SMEs. "Horizon 2020" is known to have allocated 20% of its budget to SMEs. In "Horizon Europe" a different logic as to be applied, to protect and help to one that need it the most.

Finally private investment, is one of the solution to increase the ability to our company to innovate and compete on the international market. Recent studies have predominantly shown

that access to finance is one of European SMEs greatest issue. To this issues, Member States taxation systems have to be adapted to promote investments. At the same time, micro-financing has to be adapted and secured to allowed our companies to profit from this system.

Facilitate internationalization and access to markets

While development exclusively on one market – even a market with the strongest demand in the world – exposes your business to fluctuations, internationalization protect companies by reducing exposure to negative variations of local markets. Consequently, more than increasing exports and creating growth on the European market, internationalization of European SMEs is also method and a factor to protect our companies. With more than 90% of growth planned to be created out of the European market in the following years, it is crucial to integrate our SMEs into the global values chains and in recent years trade agreements made with major partners have reduced several barriers.

Nevertheless, it is also in our duty to acknowledge improvement possibilities and propose solutions. And I believe several points are deserve our attention.

- 1- Great progresses have been made concerning trade of products, however current international tensions related to trade and remaining important barriers concerning trade in services let a part of our work to be done. Regulations on cross border e-commerce is an example. Sometimes forbidden from our last agreements, or briefly approached, this sector represent an important potentiality for our tech industry but also for our traditional industry to access to new clients especially on the Asian market.
- 2- Sensitivity of our SME to non-tariffs obstacles of trade is way more important than for the rest of our economy. Thus, those companies deserve a specific attention, particularly on topics such as information on foreign markets, intellectual property, administration procedures and customs.
- 3- With less economies of scale SMEs are facing reduced margins at a global level, consequently tariffs borders are downsizing largely profits and competitiveness of SMEs to a greater extent than large firms.

This issues, not exclusive to the European market, but inherent to SMEs at global deserve our attention and can be tackled with creative initiatives and our support. We identified at least three points to create a better environment for our SMEs exporting abroad.

- 1- Apply “Thinking Small First” to our trade negotiations.
- 2- Multiply EU SME Centers, and IPR helpdesks within foreign developing markets.
- 3- Promote cooperation between Member states trade promotion organizations and European initiatives.

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