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ENTERPRISE DIRECTORATE-GENERAL: THE BULLETIN OF ENTERPRISE POLICY

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EURO

The new Commission is presented
on the centre pages



Monitoring of the BEST action plan

Letters from readers



EUROPEAN COMMISSION

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THE BEST ACTION PLAN, launched on 16 July 1999, is the key instrument for promoting entrepreneurship and competitiveness.

In conjunction with Member States' experts, coordinators and representatives the Commission has already introduced the instruments necessary for making this important measure a great success.

The new Enterprise Directorate will act to promote, support and improve the business environment in order to ensure increased competitiveness and sustainable growth.

The purpose is, in the course of time, to form a full picture of the development of businesses, the solutions to problems of all kinds and to improve living conditions through progress.

Euro-info is a concise information bulletin for SMEs and the craft sector.

It is sent to those who put in a written request. Euro-info is published 10 times a year.

The information contained in this bulletin can be reproduced, provided the source is mentioned. This publication, which is purposely written in a journalistic style, does not reproduce legal texts faithfully. Those texts should be referred to directly. The content of the current Euro-info is purely informative. **Responsible for editing: Ranieri Bombassei - Director Enterprise Directorate-General, with the contribution of Gian Piero Paganini.**

Euro-info and other information with regard to Enterprise Directorate-General is available on Internet via the EUROPA server:
<http://europa.eu.int/comm/dg23/index.htm>

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THIS MONTH'S COVER STORY

1 MONITORING OF THE BEST ACTION PLAN

INFORMATION

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Following the last update of the action plan on promoting entrepreneurship and competitiveness, known by the name of BEST action plan (see *Euro Info* No 118 of April/May 1999), implementation is now well under way. It was launched on 16 July 1999 with the first meeting of the Experts Group responsible for monitoring BEST, which comprises one representative from each Member State. The Experts Group will be responsible for setting up and monitoring the implementation process, since much of the action plan requires national action. The next item for discussion is how to gauge the progress achieved in enterprise policy in relation to the BEST action plan.

The BEST action plan will be a key instrument for implementing enterprise policy in the years to come. The new Enterprise Directorate-General will work with the relevant authorities in the Member States to ensure that special attention is paid to the needs and concerns of enterprises in all policy areas. Within the Enterprise DG specific individuals have been given responsibility for each Member State and they will be the regular contact points for the national coordinators, providing information and assistance and thus acquiring a full picture of the developments of enterprise policy in each Member State.

This autumn, the Commission plans to hold a series of top-level bilateral meetings with each Member State in order to examine how each country intends to implement the measures falling under its responsibility and how it intends to coordinate the process. The meetings will also serve to examine and clarify any question that may arise on the subject of the implementation process.

2 A NEW BROCHURE ON THE 'ACTION PLAN ON PROMOTING ENTREPRENEURSHIP AND COMPETITIVENESS'

This brochure, which sets out the action plan in an easy-to-read format, aims to increase awareness of the broad range of measures to be implemented in years to come in order to stimulate entrepreneurship and promote competitiveness across Europe. It can be downloaded from the Commission Internet site on the following address:

http://europa.eu.int/comm/dg23/gen_policy/gen_policy.html

or ordered from the Enterprise DG, by fax (32-2) 29-59784 or by e-mail from (Norma.McGovern@cec.eu.int).

THE CRAFT SECTOR

3 SIXTH MEETING OF THE MILAN FOLLOW-UP GROUP

INFORMATION

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The Milan Follow-up Group held its sixth meeting on 24 September. The Group examined 6 of the 10 pilot projects funded as a result of the call for proposals launched in 1996 by the European Commission, entitled 'Support for transnational cooperation between craft firms and micro-enterprises'. Each of the six projects was presented by the person responsible for the project and followed by a discussion.

The objective of the call was to help micro-enterprises and craft enterprises overcome the obstacles to international trade and to form lasting partner-

ships beneficial to their subsequent growth. Transnational cooperation should provide businesses with better knowledge of foreign markets, help them to develop their distribution structures, reduce language barriers and improve their management skills.

The Group drew the following conclusions:

- A transnational cooperation project is a good instrument for encouraging small and craft enterprises to enlarge their markets and learn about new management, production and marketing methods, etc. However, these activities have to be properly targeted to meet the sector's specific needs.
- Participants (trade organisations and individual entrepreneurs) in the projects were generally happy to have been able, through the projects, to establish international contacts and improve their knowledge of legislation, foreign markets, etc. In some cases, this led to the development of new relations between businesses, an increase in turnover and growth.
- Innovation was a crucial factor for success.
- Some projects contributed to job creation (full or part time) in their region.
- Some local authorities are interested in the project results and want them to be disseminated so that they can help in future policy-making.
- Financing by the European Commission was crucial for the project's success. However, the amounts were often too low for longer-term activities to be started. Other sources of funding should be found, given the profitability of this type of transnational cooperation.

THE SOCIAL ECONOMY

4 AN EXAMPLE OF ENTREPRENEURSHIP

INFORMATION



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1) Cooperatives display entrepreneurship and create new activities

In recent years, Italian social cooperatives have often been in the limelight. At a seminar in Arezzo in September 1999, a consortium of social cooperatives presented a local initiative to create employment in the social and educational services sector concerning small children. The originality of this initiative lies both in its specifically entrepreneurial nature and in its quality. In response to needs poorly satisfied, if at all, the organisations are proposing a wide range of services covering hours suited to parents' needs. At the same time, they ensure that staff have received proper training and the premises and teaching material are of high quality. In short, these are good practices which deserve to be more widely publicised.

5 THE SOCIAL ECONOMY CONSIDERS ITS FUTURE

INFORMATION



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The annual discussion meeting of the Crédit Coopératif in Paris took place on 23 September 1999 and debated the subject of the prospects for cooperative, mutual society and association structures in relation to the completion of the single market in Europe.



More than 300 people took part in two round tables proposed by the organisers — 'Social economy, competition and identity loss' and 'The social economy and its specific features faced with the challenge of excellence'. The debates focused on the question of the compatibility of the essential objective of competitiveness with the continuation of the original specific nature of entrepreneurship represented by the social economy.

Participants were able to conclude from the debates that, although cooperative enterprises and mutual societies wanted to maintain and develop their socioeconomic weight everywhere in Europe, they should not simply act as testing grounds for initiatives, no matter how well-known or locally based they were. Such enterprises should also follow development strategies which respected their identities. This involved in particular transnational cooperation and groupings. To this end, the development at national level of representative structures and social economy agencies appeared an interesting possibility, with which some Member States were already experimenting.

COMMERCE

6 AN E-COMMERCE PROJECT

INFORMATION



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On 27 September 1999, the Representation Office in Brussels of the German Land of Hesse submitted a project financed by the Enterprise DG concerning electronic commerce.

The project, entitled 'E-gateway': an initiative for electronic commerce for SMEs' provides ways of increasing services in business practices.

E-gateway offers an understandable database with free registration and free access and a detailed guide on e-commerce with information on new developments, the opportunity for exchanging experiences with other companies and a series of new best practices for e-commerce initiatives.

A full report on this project will be presented by the Commission in due course in order to provide an outline of the facilities offered by e-gateway and thus familiarise more people with the potential of e-commerce for SMEs.

NEWS

7 SME-FORUM IN HELSINKI (16 AND 17 SEPTEMBER 1999) ON RAPID GROWTH AND COMPETITIVENESS THROUGH TECHNOLOGY

INFORMATION



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This two-day concerted action forum brought together 334 participants to discuss the use and impact of information technology and other new technologies on SMEs and their competitiveness, with a special focus on the role of public and private support services in assisting the process. The Forum, which took place in Helsinki in Finland on 16 and 17 September 1999, provided an opportunity for the Member States to exchange new ideas and best practice. It was organised by the Finnish Ministry of Trade and Industry and the Enterprise DG of the European Commission.

The forum examined the role that public policy can play in lowering the threshold for new technology take-up on the part of SMEs. It is impossible beforehand to see which SMEs will succeed or become rapid growth firms. For this reason horizontal policy measures on developing the framework conditions are seen as a crucial and influential way to promote information and communication technology (ICT) usage. Several areas of the framework conditions were identified at this concerted action forum as those where public policy is important in encouraging the use of information technology, and other new technologies by SMEs. Specific areas considered were public administration, education and training and networking. A special emphasis was placed on the continuous development of support services to meet the needs of SMEs.

Discussions during the forum covered three subjects.



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and Social affairs

Administrative services for SMEs in the information technology era

SMEs are the largest group of companies within Europe. Their dealings with the administration are rather intensive and their need for a reduction in administrative burdens is growing in an era when global competition is also extending to administrative processes.

In the light of this development the explosive growth of information and communication technologies is putting pressure on the public administrations and on support organisations to increase their efforts to promote the efficient use of ICT. Projects from Denmark, Italy, France and Finland with the goal of achieving one single access point to administrative services are at a very promising stage. The Danish project has managed to **reduce the administrative work** for some of the participating SMEs **by 75 %**.

Support services to promote the competitiveness of SMEs by using new technology

Among the themes that were dealt with in this workshop were the respective roles of advice and consultancy, private sector partnership, training and information brokerage in the process of helping SMEs to use new technology.

There seems to be a role for public assistance in improving the interface between technology suppliers and SMEs as the latter lack a sufficient degree of technical literacy or competence. The role of mediators should not involve the direct provision of hardware or software products, but should seek to broker agreements between third party suppliers and SMEs. Many SMEs simply cannot afford to recruit trained IT staff such as IT systems administrators. Here there is a role for managed services, or skilled pools of IT professionals to meet the needs of SMEs on a shared time basis. Training delivered over the Internet will not replace traditional provision of training tools and should rather be viewed as complementary to these.

Support services for suppliers of new technology to assist the rapid growth of such companies

An interesting group of enterprises may be categorised as the suppliers of information technology and other new technologies. High-technology small firms play an important role in the performance of new industries. It is also among these companies that the rapid-growth companies may be identified.

It was pointed out that European programmes can be used to enhance researchers' linkages with specific industries, especially organisations which may require solutions to specific technical problems. Therefore, small firms accessing technology from specialist suppliers can increase their profitability and the quality of these products.

In an increasingly global marketplace, the role of business intelligence is growing in enhancing the competitiveness of small firms. Intermediary organisations therefore need to develop systems which can help firms access the various forms of business intelligence.

A full report on the Forum will be available in English, French and German in February 2000.

8 SLOVENIA NOW PARTICIPATING IN THE THIRD MULTIANNUAL PROGRAMME FOR SMES

INFORMATION



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The agreement between the European Union and the Republic of Slovenia concerning the participation of Slovenia in the Community programme to assist small and medium-sized enterprises entered into force on 1 October 1999.

Slovenia thus joined the eight other applicant countries already participating in the third multiannual programme. Bulgaria, the Czech Republic, Estonia, Hungary, Poland and Slovakia joined on 1 December 1998, followed one month later by Romania.

Slovenia's participation in the programme had been delayed because the Europe Agreement with it did not come into force until February this year. However, this country, which until 1991 was part of the former Yugoslavia, belongs to the first wave of countries applying for accession, mainly because of the strength of its democracy and its economy. SMEs in Slovenia account for 97.6 % of the total number of enterprises.



The opening-up of Community programmes is playing a key role in the pre-accession period. It is providing the applicant countries with the opportunity to familiarise themselves with Community policies and instruments. It thus constitutes the basis for the development of cooperation with the EU and allows exchanges in a broad range of sectors.

The idea behind this exercise is to integrate the applicant countries in European activities and to share priorities and working methods with them. The Slovenian SME organisations will now be invited to participate in a series of actions developed under the programme.

to cope with many challenges: the introduction of new technologies, the development of skills, the search for new markets, the adaptation to an international clientele and the search for information of a Community origin. These are challenges which the Euro Info Centre is undertaking to meet, in cooperation with the various intermediaries working for businesses.

9 INAUGURATION OF THE EURO INFO CENTRE IN CORSICA

INFORMATION

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The new Euro Info Centre in Corsica was officially inaugurated on 28 September in the presence of Denis Lagniez, who is responsible for the Europe Mission to the Secrétariat d'Etat à l'Industrie (an associate member of the EIC network), Henri Malosse, Director of the French Chambers of Trade and Industry Assembly (head of EIC network) and Jean-Pierre Haber, head of the EIC sector.

Selected as part of the procedure for the partial renewal of the network, the EIC is housed by the Chamber of Trade and Industry of Ajaccio and Southern Corsica and is located on the premises of the Pépinière d'entreprises ('business incubator') of Corsica.

Strongly dominated by the tertiary sector (which accounts for three quarters of jobs) and a large proportion of micro-enterprises (95 % of enterprises have fewer than 10 employees), Corsican enterprises have

10 RECOMMENDED SITES

INFORMATION

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— <http://www.reactec.cerrm.com>

Reacte ('Regions Enterprises European Transnational Cooperation Actions') comprises over 30 organisations and regions, the common objective of which is to provide SMEs with additional assistance in relation to the European Structural Funds.

This site contains a database on Community initiative programmes and specific aid to assist SMEs in the various regions of the European Union.

Sites recommended by our readers:

- <http://www.gruenderlinx.de/> (information for entrepreneurs and SMEs in Germany)
- <http://www.wk.or.at/bshandel/> (site of the Austrian Federal Economic Chamber for the trade and distribution sector)
- <http://www.jklfairs.fi/elena2000/> (site of the IBEX buyers exhibition on subcontracting in the electronics sector, which will be held in Finland in September 2000)
- <http://www.riost.org/> RIOST — the international network of subcontracting bodies — information in English, French and German)

NEW TITLES

11 NEW PUBLICATIONS

INFORMATION



Carla CIGNINI
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— **First European meeting of the main partners in the fight against child sex tourism: Participants' speeches and contributions**

Luxembourg: Eur-Op, 1999 – 213 pp.
 Eur-Op catalogue No: CT-18-99-669-3A-C
 Languages available: Trilingual edition DE/EN/FR
 To obtain a copy, please write to:
 European Commission
 Enterprise DG — Information Sector
 Rue de la Loi/Wetstraat 200 (G-1 1/304)
 B-1049 Brussels
 Fax (32-2) 299 27 69
 E-mail: secteur-information@dg23.cec.be

This document contains the contributions of the various participants at these first meetings in Brussels in November 1998. They sum up the situation after

two years work regarding the fight against child sex tourism and presented matters for consideration for the continuation of the work of the European Commission in this field.

— **Synthesis of the results of the survey on the situation of local distributive trades in less-favoured urban areas of the European Union and certain central and eastern European countries (CEECs)**

Brussels: European Commission, DG XXIII, 1999 – 27 pp.
 Field studies 'Distributive trades', No 27
 Languages available: EN, FR
 To receive a copy, please write to:
 European Commission
 Enterprise DG — Commerce Unit
 Rue de la Loi/Wetstraat 200 (G-1 5/234)
 B-1049 Brussels
 Fax (32-2) 29-58984
 E-mail: commerce@dg23.cec.be

In cooperation with Eurostat:

— **Distributive trade statistics in the Phare countries: survey on wholesale trade 1996**

Luxembourg: Eur-Op, 1999 – 136 pp.
 Eur-Op catalogue No: CA-23-99-297-EN-C
 Languages available: EN
 Price: EUR 20.50
 On sale from the sales agents of the Office for Official Publications of the European Union:
<http://eur-op.eu.int/fr/general/s-ad.htm>



READERS' LETTERS

12 YOUR QUERIES

INFORMATION

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1) How can we access support programmes of national or Community origin? is one of the most frequently asked questions

At Community level, considerable effort has been made to improve the access of SMEs to programmes — either to make it easier to obtain information or to simplify the application procedures. The Commission's Europa site provides more detailed information in a report on all Community activities to assist SMEs and provides links with other sites of interest to SMEs: (http://europa.eu.int/comm/dg23/gen_policy/eu_act5ME.html). This report will be updated at the end of 1999.

The Commission is examining the main obstacles to access by SMEs to the Member States' support programmes and is drafting proposals to improve the situation.

Studies by experts have revealed that access to information is the main obstacle to SMEs' participation in programmes and support measures, followed by the failure of programmes to meet the specific needs of SMEs. The application procedures are considered too bureaucratic and the wait before the aid is paid too long. Difficulties also arise within the SMEs themselves, since often they do not have enough time or human resources to plough their way through the plethora of programmes which might interest them. SMEs also encounter difficulties assessing their own needs and defining their strategies.

To improve the access of SMEs to Member States' support programmes, firstly the information and promotion systems should be made more efficient. Information must be simple, easily accessible and suited to the target public. For instance, the Internet, even if it is not yet used by all SMEs, is an extremely efficient way of providing businesses with up-to-date information accessible to everyone in real time.

As regards implementation, it is still necessary to simplify project selection and make it more transparent and to speed up the procedure for allocating and paying aid. SMEs are put off by the slow, complex admin-

istrative procedure. Finally, evaluation, as an integral part of the political decision-making process, should be improved so as to form a better idea of the impact of programmes on SMEs and, where appropriate, make it possible to adapt programmes to ensure they reach SMEs effectively when they are the target.

2) Is there a list of all the financial intermediaries for JEVs? Is it on the Internet?

A brochure of financial intermediaries is available. It was updated on 15 July 1999 and gives the country, financial institution, contact person, full addresses, fax, e-mail and telephone numbers.

It also exists on the Internet and the Enterprise DG regularly updates it.

A brochure can also be requested from the Enterprise DG documentation service.

3) Electronic communication is developing at a great rate, but are small users' requirements taken into consideration?

Very often, in the current market conditions, it is not possible to wait, particularly for a very small enterprise.

This is fundamental! Rapid action is necessary for development — or even survival!; access to information, reproduction facilities, ease of contact-making and response (even during the night and/or on public holidays, a long way away, without worrying about time differences, etc.) — all this is provided by e-mail. Users complain — as you infer by asking this question — that they are invaded by disguised advertisements, they complain about technical problems, repair costs, the length of messages and the time lost on initial staff training and then the reading of and replying to e-mails. They also complain about the loss of individuality, since they are using a form which is no longer personalised by a logo, a language or a sound.

In our opinion, small users always manage to find a response, some sort of solution, but they will never find a useful solution if they are late for a contract offer.

We need to encourage the use of e-mail.

There is also always the possibility of combining all the solutions: mail, fax, telephone, etc.

The Enterprise DG also appreciated the nice, short, hand-written letter one reader sent Euro-Info — and here is our reply in eleven languages!



We hope that in the future we can reply to that reader even faster by e-mail!

- 4) **4. When we organise an event, a seminar, a round table, a fair, etc. on the problems of businesses, can we ask the Enterprise DG for documentation?**

Yes. We are at your disposal to find the best solution we can to any problem.

We have replied personally to individual questions. However, if you would like your question published in order to start a public debate, please let us know.

We would like to remind you that your nearest Euro Info Centre is always willing to provide you with information.