

Local Employment, skills and Entrepreneurship strategies in the Mediterranean: Developing pathways for the future

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Theme 2

Innovative Approach to foster entrepreneurship and SMEs

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Some basic points, gathered by SMEs European and Italian experience.

1) Each small enterprise, when it start up, is a very small group of persons: 1, 2, 3...5...7...not more

Some of these persons are often members of the same family, and the others are part of the same village or the same small area. Or they are a group of young friends.

It is very important to remember this human dimension of small businesses, because this is a very power factor: in a small group with strong relations many opportunities could happen (flexibility, innovation, productivity, integration,...). Entrepreneurship could rich and multiply.

2) The knowledge's point: each country is not a green field or a desert (in a human sense) of skills.

We must start form the concrete knowledge's, the know how of each area, of each region.

The best could be to do a survey of the local traditional skills, of the capabilities in each area, of the talents, in order to prepare a map.

This is fundamental start point, and from this point you must leave to prepare a skill development Plan.

Of course, we must encourage more scientific skills, but we must start form the natural, the traditional skills of our territory, to increase the value of our human capital, to link better old and new skills.

And is very important the small group, and the network among other SMEs in the same area, in order to make easy the circulation, the contamination of knowledge', and knowhow.

More technical schools linked with network of SME's are a basic starting point.

3) The financial gap for entrepreneurship.

Many small business entrepreneurs are not capitalist, and they are not managers too.

Normally, they come out from the agricultural sector, or are artisans in traditional ways, or they come out from the school or from the family if they are women.

I participate in many financial and bankers discussion meeting about the credit to the SMEs, to the creation of new entrepreneurship.

The basic factor is to create the bank in the local dimension, with the small savings of the local economy, and start with small credit (small loans) to the small local entrepreneurs.

In the local community is easier to check the value of each project, and to verify the real destination of money.

Small cooperative banks, where small entrepreneurs are members or stakeholders, are fundamental to fortify the local economy and for the growing of a net of SMEs.

The great financial Institutions are too far from the concrete context. So, could be better that these biggest Banks finance the infrastructural investments, the equipment of each territory, or the great enterprises.

4) Another important point is to improve the business climate in each country, in each region.

What means exactly? It means to facilitate new small businesses, more entrepreneurship with not too much rules, or with too abstract rules that are ok for the biggest enterprises.

I looked in a recent World Bank ranking about the countries with less bureaucracy and less bureaucratic rules for the SME's: well in a list of 183 Countries only Israel, Tunisia, and Turkey are in the first third part of the list. All the others are very far from a balance level.

A good practice could be to prepare and approve, in the national or local level, a Small Business Act, or else a road map for the bureaucratic start up of SME's.

5) My last point is about the innovation process.

What means innovation in the SME's experience?

This is a very different vision from the greatest enterprises.

Innovation in SME's, normally, in the daily activity of each entrepreneur, when he modifies his products, for instance, for a new client, or with a new small idea.

Innovation and research in SME's start up, a lot of times, from the bottom up level and became heritage of this small enterprise or of the network of the local small enterprises cluster.

Is very important to discover this capability of innovation and to bring out this value.

In this frame the experiences of the incubators, of SMEs districts, of network of small entrepreneurship, are very important because is possible to concentrate the experiences, to exchange results, innovations, skills, mistakes, and multiply the strength of the local SMEs and of local economy.

Let me remember the meaning of the word "crisis": is a word from the Mediterranean history and civilisation. In the ancient greek tongue "crisis" means not default or collapse, but transition to new opportunities, to the future.

Moving to the future we must put in our back our best tradition, our best and strong roots: this is the best frame for new entrepreneurship growing!