

OECD WORKING PARTY ON SMEs AND ENTREPRENEURSHIP
(WPSMEE)



‘BOLOGNA+10’ HIGH-LEVEL MEETING
ON
LESSONS FROM THE GLOBAL CRISIS AND
THE WAY FORWARD TO JOB CREATION AND GROWTH

PARIS, 17-18 NOVEMBER 2010



Chair’s Summary

Note by the OECD Secretariat and the French Government

This document is based on contributions from the participants at the “Bologna+10” High-Level Meeting and the delegates of the OECD Working Party on SMEs and Entrepreneurship and OECD Committee on Industry, Innovation and Entrepreneurship.

It is a statement by its Chair, Mr Frédéric Lefèbvre, Secretary of State for Trade, Crafts, Small and Medium-sized Enterprises (SMEs), Tourism, Services, Liberal Professions and Consumption, France. An earlier draft benefitted from comments and inputs by the delegates of the OECD Working Party on SMEs and Entrepreneurship and of the Committee on Industry, Innovation and Entrepreneurship.

CONTEXT OF THE “BOLOGNA+10” HIGH-LEVEL MEETING

On the occasion of the 10th anniversary of the first OECD Ministerial Conference on SMEs held in Bologna (Italy) in June 2000, ministers, high-level policymakers, representatives of financial institutions and entrepreneurs from 31 OECD and several non-OECD countries met under the auspices of the OECD at OECD Headquarters in Paris. Our objective was to identify ways to ensure that small and medium-sized enterprises and entrepreneurship make their fullest contribution to job creation both to assure recovery from the crisis and underpin sustainable growth over the long term.

Several important considerations served as the basis for our deliberations. First, SMEs and entrepreneurship make an essential contribution to job creation and the social cohesion of our societies. Second, SMEs and start-ups, particularly innovative SMEs, are a major source of the productivity growth on which our long run prosperity depends and make an essential contribution to the transition to green growth. Third, human resources are critical to developing a dynamic and innovative SME sector. Education and training can promote an entrepreneurial culture at all levels of the education system and reduce barriers to the entrepreneurial activity of women and disadvantaged groups.

The fact that the decline in output has ended in most countries and that growth is likely this year and next do not mean that the crisis is behind us; durable recovery will only be triggered through co-operative macro-economic policies and coherent actions in the areas of competitiveness and innovation. Unemployment and unused productive capacity remain high. Considerable economic restructuring is necessary to meet future fiscal and environmental challenges. Finally, long-standing problems with access to finance persist, especially for innovative SMEs and entrepreneurs looking for risk capital.

Our discussion was organised around three main themes with a view to identifying good practices and policy priorities for the coming years:

- the role of dynamic SMEs and entrepreneurship as drivers of growth, both in advanced economies and in emerging markets;

- the importance of financing, especially to firms with the potential for rapid growth;
- the need to “green” the policy framework to promote sustainable growth and eco-innovation in small firms.

POLICY PRIORITIES

A number of political priorities emerged from our discussion, aimed at enhancing the contribution of SMEs and entrepreneurship to job creation and growth:

- ✓ **Mobilise human resources fully** by improving entrepreneurship training and the teaching of entrepreneurial mindsets in school curricula to strengthen the culture of entrepreneurship and risk-taking. Such policies should involve the private sector notably through partnerships with public authorities.
- ✓ **Promote female and youth entrepreneurship** by specific programmes related to the creation and development of enterprises.
- ✓ **Improve intellectual asset management** by facilitating the provision of advisory services to SMEs and improving the intellectual property rights system to better reflect their needs, e.g. by improving patent quality and reducing costs of intellectual property procedures.
- ✓ **Simplify the regulatory environment for SMEs** and ensure that the consequences of fiscal measures on investment strategies in SMEs remain measured.
- ✓ **Support participation of SMEs in global value chains and clusters** as well as their better integration in networks of enterprises, universities and other actors active in the fields of research, innovation and professional training.

- ✓ **Progressively phase out crisis recovery policies** to support SME access to finance as far as national conditions permit this without slowing recovery.
- ✓ **Foster the wider use of sound techniques and policies for co-financing** using public-private partnerships, especially for high-growth-potential enterprises.
- ✓ **Remove barriers to the access of SMEs to public procurement.**
- ✓ **Evaluate the likely consequences of forthcoming Basel III regulations** on bank financing of SMEs and duly take into account their potential impacts.
- ✓ **Raise entrepreneurs' awareness of the transition towards a sustainable economy**, green and low in carbon, and its scale and implications, and support the skills and capabilities of SMEs to benefit from the transition in traditional as well as advanced technology sectors.
- ✓ **Ensure a stable policy framework for green growth** in both OECD and emerging economies.

FURTHER WORK BY THE OECD

The discussion also pointed to a number of issues which the Working Party on SMEs and Entrepreneurship (WPSMEE), in cooperation with other OECD bodies, could study in order to determine how to:

- ✓ **Assist young firms** to grow and create jobs by taking advantage of technological and commercial opportunities.
- ✓ **Promote the development of key entrepreneurship skills** through co-ordinated actions at national and local levels.
- ✓ **Support the financing of SMEs and entrepreneurs** at all stages of their development.

- ✓ **Ensure a level playing field for taxation of SMEs** in relation to large enterprises to avoid unintended impacts on SME financing costs and SME competitiveness in global markets.
- ✓ **Adapt SMEs to the requirements of a greener economy** and the opportunities that sustainable development offer.
- ✓ **Develop training in green management, technologies and production.** Develop indicators of green growth for SMEs that allow for measuring transition.

The High-Level Meeting also underlined the need for the Working Party on SMEs and Entrepreneurship (WPSMEE), in co-operation with other OECD bodies, to:

- ✓ **Pursue the programme of peer reviews** of national and local policies aimed at assisting governments in SME policy design, implementation and evaluation.
- ✓ **Increase policy coherence** by supporting information exchange and co-ordination among the ministries, parliamentary bodies and development agencies at national, regional and local levels involved in the orientation, design and implementation of SME and entrepreneurship policies.
- ✓ **Reinforce the collaboration with the G20** on the exchange of good practices adapted to different stages of development of OECD and G20 countries in order to strengthen the contribution of SMEs to innovation and employment.
- ✓ **Strengthen the international dialogue on SME access to finance**, and its analytical and statistical basis, among governments, SMEs and the financial community.
- ✓ **Measure SMEs' progress towards green growth** and develop indicators to guide policy reflection in this area.
- ✓ **Support co-ordination of SME and entrepreneurship policies** among governments in order to promote the participation of SMEs in international activities.