



Why reinvent the wheel?
Capitalising on regional
policy achievements in
fostering entrepreneurship

LEMONADE





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Why reinvent the wheel? Capitalising on regional policy achievements in fostering entrepreneurship

Entrepreneurship presents many new challenges but also opportunities for regional policymakers. In this context, the interregional cooperation programme, INTERREG IVC, has recently published the results of an important policy analysis, one in a series of 12, each focusing on a different policy theme. This brochure offers just a brief preview of what you can find in the report on 'Entrepreneurship', which details a raft of tried-and-tested good practices and offers evidence-based policy recommendations.

The importance of being entrepreneurial

The Europe 2020 Strategy underlines the importance of entrepreneurship – people starting up new businesses - to achieving smart, sustainable and inclusive growth, yet fewer Europeans start or grow businesses than our main global competitors.

Entrepreneurship therefore remains a high priority for the EU and is considered vital for Europe's economic recovery.

“Entrepreneurship is an individual's creative capacity, independently or within an organisation, to identify an opportunity and to pursue it in order to produce new value or economic success.”

Commission's Green Paper on Entrepreneurship in Europe, 2003





Promoting entrepreneurship: the challenge facing regions

Entrepreneurship levels in Europe remain stubbornly low and a number of significant barriers – or common challenges - remain (see table below).

Challenge	Description
Fragmentation and short-termism	<ul style="list-style-type: none"> • Support services are insufficiently joined up • Services are provided in a reactive and ad hoc way and duplication is not unusual • Clients struggle to understand the support offer • A prevalent culture of short-termism exists, which leads to structures being routinely reorganised
Diversity of the target group	<ul style="list-style-type: none"> • The diversity of the client group can present challenges • Certain priority groups face distinct barriers (young people, migrants and women)
Low awareness levels of support mechanisms	<ul style="list-style-type: none"> • Confusion is created by a lack of integrated support systems • There is poor visibility of some support mechanisms
Lack of access to finance	<ul style="list-style-type: none"> • In a period of austerity, access to finance remains a barrier for entrepreneurs but is not insurmountable when the business idea is good
Lack of an entrepreneurial culture	<ul style="list-style-type: none"> • Attitudinal barriers are fundamental. Fear of failure is a Europe-wide cultural barrier which requires intervention with the young



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Meeting the challenge: good practices from INTERREG IVC

Regions occupy a key role in creating the ecosystems that promote and support enterprising attitudes and activities – and which contribute to meeting the above challenges.

The INTERREG IVC entrepreneurship capitalisation initiative identified a wide range of good practices and solutions emerging from eight interregional cooperation projects (PASE; ENSPIRE EU; YES; ENTREDI; IMAGEEN; PROSPECTS; MESSE; Young SMEs). The full report presents and analyses these projects, and makes policy recommendations, tailored for a range of interlinked themes that are specific to entrepreneurship. A brief preview of these is provided in the following sections.

Education and culture

Several projects contain good practices designed to strengthen Europe's entrepreneurial culture. A number of these focus on stimulating enterprising behaviour amongst the young. From the YES project the Swedish 'Environment Rally' has school students tackling local companies' environmental challenges. Two projects, the Danish *Innocamp* (ENSPIRE EU project) and the Estonian 'Hour Innovation Camp' (YES), immerse young people in an enterprise-focused experience which takes them out of their comfort zones and equips them with enterprising attitudes, such as team working or creative problem-solving.

Efforts to catalyse culture change also take place with young adults. The Paris Chamber of Commerce and Industry (ENSPIRE EU) offers the *Groupement of Créateurs* to build awareness amongst unqualified and disadvantaged people.

Key messages

- Shifting culture takes time
- Success requires consistent and long-term commitment
- Working with the young is vital

Finance

Access to finance in the context of austerity requires new approaches and INTERREG IVC projects have been exploring some increasingly popular strategies:

- The long-established *Munich Business Competition* (IMAGEEN project) is an effective 'access-to-finance' model. Prizes include financial input as part of an integrated support package. Since 1997 over €300 million seed capital has been invested, creating 808 businesses and 5199 jobs.
- In the Young SMEs project, the INCYDE Foundation (Spain) looks beyond start-ups, and provides financial support to existing businesses. This approach involves an innovative road show model, where support agencies spend several days in one town at a time.
- Social entrepreneurship is increasingly recognised as a viable approach to local economic development, with the potential to tackle economic as well as social and environmental objectives. Social entrepreneurs face particular issues in relation to finance and the Regional Council Provinces-Alpes-Côte d'Azur in France (PASE project) helps them access banks and other sources of financial support.

Key messages

- Finance for entrepreneurship has to be part of an integrated support package
- New times call for new approaches to finance and funding

“Policymakers have to wake up to the current situation, where many young people go through their entire school career without any exposure to enterprise.”

Irish partner, Young SMEs



The regulatory environment and procurement

The aim of policies supporting entrepreneurship must be to reduce regulatory barriers to enterprise and to create legal frameworks that enable entrepreneurs to take new products and services to market as quickly and efficiently as possible.

- Both the PASE and MESSE projects explored regulatory models (including appealing yet underexploited legal forms for businesses such as cooperatives) which support social enterprise. Two Italian examples were of particular interest. The Marche region has a co-programming model which brings public sector and social entrepreneurs together to develop and fund social services. Nationally, there are reserved tenders for social enterprises, and in the Marche region 5 % of public spending goes on enterprises focused on integration.

Each Member State has its own regulatory model. This can mean that some good practices are hard to transfer.

Key messages

- Procurement is a useful tool for regions in promoting (social) entrepreneurship
- Regulatory environments impact upon potential interregional transferability

Infrastructure

Physical spaces and virtual support are important. The *Gothenburg Brewhouse* (IMAGEEN), a city centre shared business space for creative industries, is a good example of the former. Another sectorally focused model is the *Cleantech Campus* (PROSPECTS) in Houthallen-Helchteren (Belgium). Located in a former mining area, this supports businesses involved in clean mobility, renewable energy and clean production processes.

The *Jönköping Science Park* in Sweden (ENTREDI) provides a nodal support structure showing how entrepreneurs can be assisted beyond urban areas, with a particular focus on family-run businesses. The *Lyon Ville de l'Entrepreneuriat* in France (IMAGEEN) offers another networked model, ensuring that entrepreneurs are never more than 15 minutes from a support point. This has contributed to Lyon's business start up rate exceeding the national average by 18.2 %.

The *Munich Business Plan Competition* (IMAGEEN) shows the importance of going beyond buildings to attract interest from entrepreneurs and investors using appropriate marketing and incentives. It has generated huge value both in terms of investments made and jobs created and in business capital for the city as a whole.

Key messages

- Entrepreneurship is more about people than buildings
- Infrastructure for entrepreneurship must be reliable, high quality and easy to reach

“Entrepreneurship ecosystem and spirit are vital. Lots of people have great ideas but they have to be brought to the market. Entry thresholds have to be low, and people need support and encouragement to become entrepreneurs.”

German partner, IMAGEEN



Discover more about current entrepreneurship policy

The full report begins by overviewing the 'big picture' for entrepreneurship in Europe, discussing the main EU policy frameworks and some international perspectives. The report then goes on to consider the interregional dimension, analysing eight entrepreneurship projects supported by the INTERREG IVC programme. It explores and describes good practice solutions organising them under five main themes (Education & Culture; Finance; Regulatory Environment and Public Procurement; Infrastructure; Support & Technical Assistance).

The report is then taken a step further through a thematic analysis of the projects' results looking at aspects such as how they have found different solutions to the same issue or have unearthed interesting or innovative practices and policies (such as social entrepreneurship).

The report concludes with key policy messages and recommendations organised around the clearly identified policy themes, namely:

- Regional development and entrepreneurship strategies
- Entrepreneurship education and communication
- Entrepreneurship ecosystems

The projects and good practices emerging from them and the detailed policy recommendations are discussed in more detail in the full report.

Download the full report from: www.interreg4c.eu/capitalisation

INTERREG IVC Thematic Capitalisation



Innovation systems



Innovation capacity of SMEs



Eco-innovation



Creative industries



Entrepreneurship



E-government services



Demographic change



Rural development



Climate change



Energy efficiency



Renewable energy



Sustainable transport

Over the last seven years the INTERREG IVC programme has been enabling public institutions all over Europe – over 2000 in total – to ‘learn through cooperation’ across 204 different interregional projects aimed at improving regional policies.

In June 2012, the programme commissioned a team of thematic experts to analyse, benchmark, and capitalise on the wealth of knowledge generated by projects working on similar regional development issues. Altogether, 12 policy themes, ranging from innovation to the environment, have been covered. 12 reports are now available detailing the insights and lessons from this capitalisation process for the benefit of all regions across Europe.

In their presentation of the wide range of innovative good practices and policies improved by the projects, the reports offer a timely inventory of up-to-date evidence and experience to help regional authorities and interested stakeholders introduce or develop their regional policies. Policymakers and practitioners at all levels – regional, national and European – will find theme-specific recommendations tailored to them.

This brochure is a preview of the full-length report in the field of entrepreneurship.

The Interregional Cooperation Programme INTERREG IVC, financed by the European Union's Regional Development Fund, helps Regions of Europe work together to share experience and good practice in the areas of innovation, the knowledge economy, the environment and risk prevention. EUR 302 million was granted for project funding but, more than that, a wealth of knowledge and potential solutions are also on hand for regional policy makers.



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