

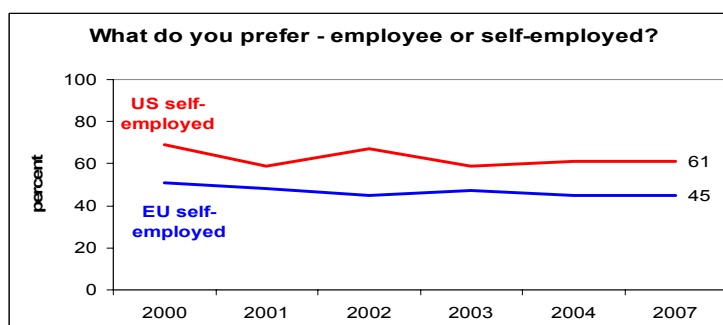
Brussels, 8th October 2007

More than half of young Europeans keen to start their own business

According to the latest Flash Eurobarometer on entrepreneurial mindset the EU is still lagging behind the US, but over half of the EU's young people find it desirable to become entrepreneurs within the next five years. The aim of the survey is to have a better understanding of entrepreneurship, to identify what is fuelling entrepreneurial mindsets, what encourages people to become entrepreneurs and which obstacles exist. The results of the 2007 survey will help the Commission in the shaping of its policy-making (see end of this file: Promoting entrepreneurship at all levels).

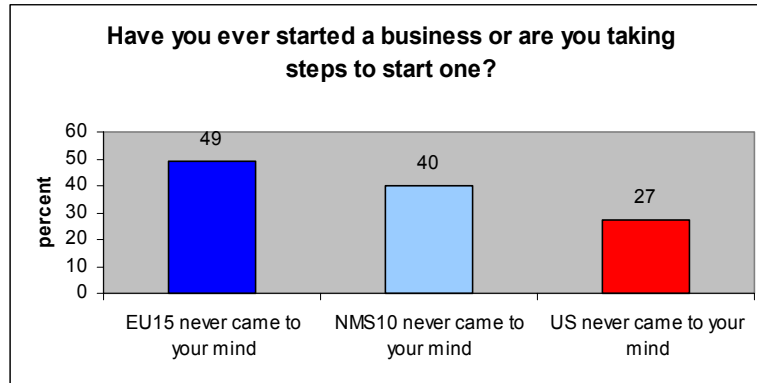
A. How keen are Europeans to start their own business?

1. Less Europeans than Americans would like to become their own boss



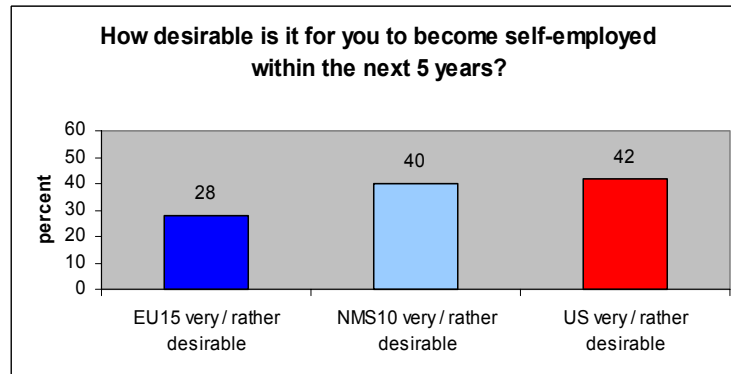
- 45 % of the Europeans prefer to be self-employed whereas the entrepreneurial urge reaches 61 % in the US.
- There has been no change compared to previous surveys.

2. Half of Europeans have never thought about starting up a business



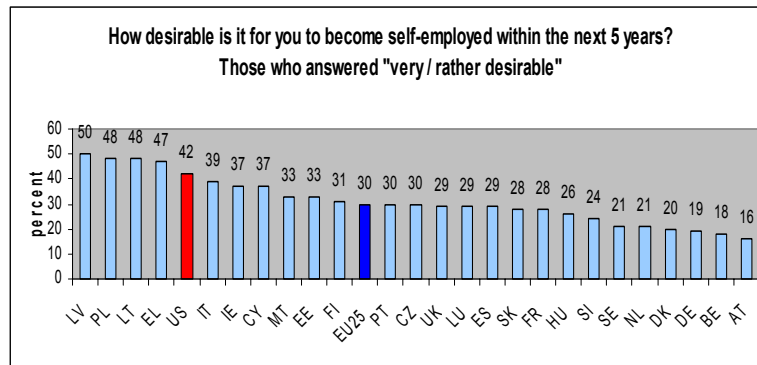
- Almost half of the EU15 (49%) have never thought about starting up a business. This is almost double the corresponding US figure (27%).
- However the situation is more positive in the new Member States: here only 40% have never thought about starting up a business.

3. The desire to become self-employed remains weak in the EU



- The attractiveness of becoming an entrepreneur reaches 28 % in the EU15 (among those who are not yet self-employed); this is 14 % less than in the US and 4 % less than in 2004.
- The situation is much better in the new Member States where the desirability of becoming an entrepreneur reaches about the level of the United States (40 %).

4. There are differences between Member States concerning the desirability for self-employment

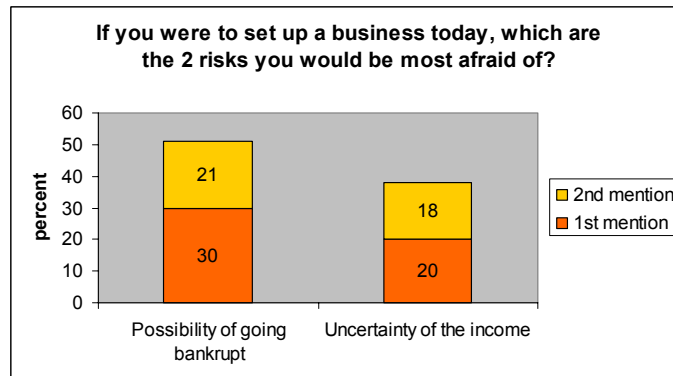


- The comparison between Member States shows that there are a quite some differences concerning the desirability to become self-employed.
- Some new Member States, such as Latvia, Poland and Lithuania show results above the EU average and even better than the US.
- Some of the EU founding members such as the Netherlands, Belgium and Germany are ranking at the end.

The data shows that EU citizens' eagerness to start their own business has not improved and is still lagging behind the one of the United States. The situation is much better in the new Member States where the attractiveness to become an entrepreneur is comparable to the US. There are quite some differences between Member States, particularly between "new" and "old" EU members.

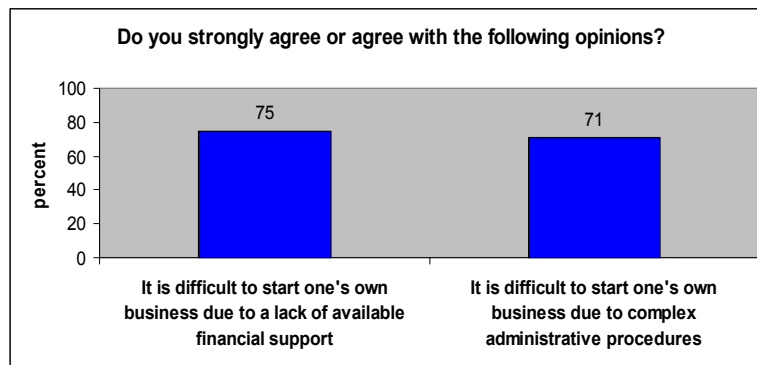
B. What makes it so difficult to start a business?

5. The fear of bankruptcy and uncertainty of income are the top 2 fears in the EU



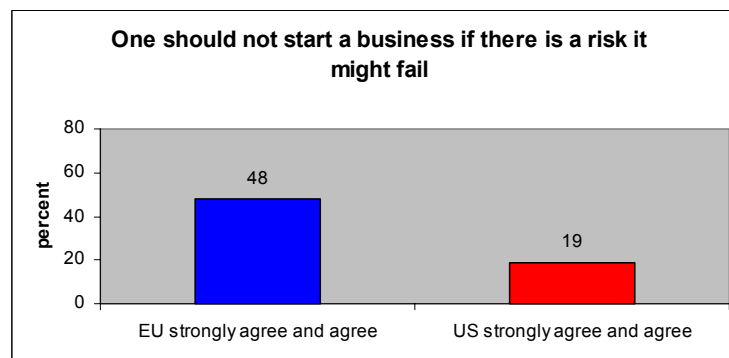
- 51 % of EU citizens are afraid of bankruptcy and 38 % fear that they have no income
- Those are also the top 2 fears in the US, but on a slightly lower level. The main difference between both is that the Europeans are more afraid of losing everything (house, money) whereas the Americans are more concerned about having to spend a lot of time and effort in starting up.

6. Lack of finance and complex administrative procedures are the main problems in the EU



- 75 % of the Europeans consider it difficult to start their own business due to a lack of available financial support. In this respect the situation in the new Member States has considerably improved reaching 77 % in 2007 compared to 84 % in 2004.
- 71 % of the Europeans consider it difficult to start a business due to the complex administrative procedures
- Complex administrative procedures are seen less of a barrier in the US compared to the EU.

7. EU citizens are significantly less risk oriented than citizens in the USA

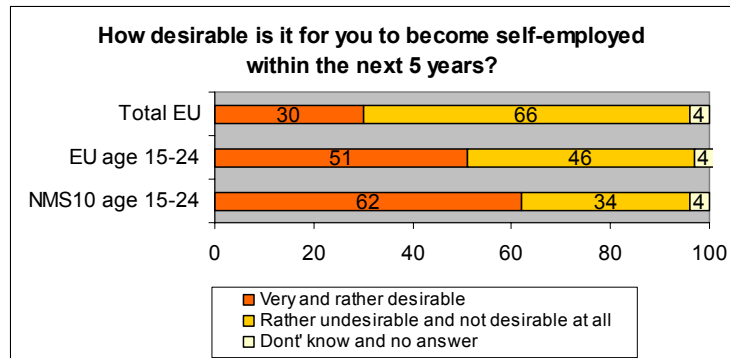


- However the greatest difference between the EU and the US can be seen in citizens' attitudes regarding the risk a business might fail: only 19 % of Americans are concerned about failure, compared to nearly half of Europeans (48 %).

EU's citizens are clearly less risk oriented than citizens in the US. But what is particularly worrying is that access to finance and complex administrative procedures still constitute major obstacles to establish a firm. The EU and Member States have to do more in these areas.

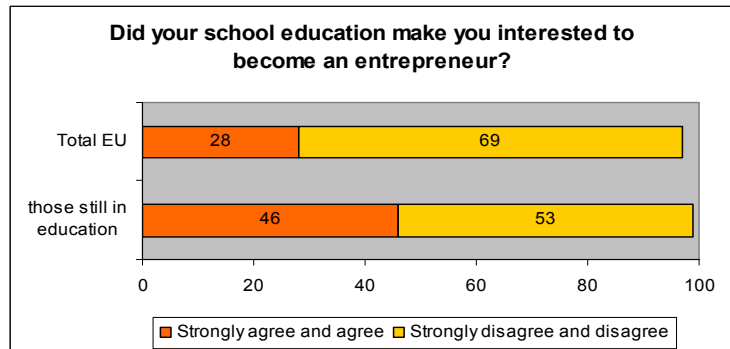
C Will there be more entrepreneurs in the EU in the future?

8. Over half of the EU's youth are keen to follow an entrepreneurial route



- A closer look at the data on the desirability for self-employment shows that there are also positive signs: over half of the EU's young people (15-24 years old) who are not self-employed are likely to follow the entrepreneurial route compared to 30 % of all EU citizens.
- This is especially the case for young people in the new Member States where the figure rises to 62 %. This is even more than the score in the US (15-24 age group in US: 57 %).

9. School education is a crucial factor to enhance entrepreneurship



- 46 % of EU citizens still in education feel that their school education made them interested to become an entrepreneur.
- This is nearly 20 % above the score of the total EU population and underlines the intrinsic link between education and entrepreneurship.

The data give hope for the future. The EU's youth, especially in the new Member States, seems to be more attracted than their parents to become entrepreneurs. School education and entrepreneurship teaching are important to promote entrepreneurship in the EU.

On this survey

Over the last years the Commission's Directorate-General for Enterprise and Industry has been studying the **development of entrepreneurship in the EU** Member States. We compared the data with those of non-European countries, especially the United States. Similar Eurobarometer surveys have been published in 2000, 2001, 2002, 2003 and 2004.

This year's Eurobarometer survey covers **28 countries** – the EU25, the United States, Iceland and Norway. More than 20.000 people were interviewed by telephone for this survey (of which around 18.000 EU citizens, 1000 US citizens, 500 Icelanders and 500 Norwegians). The results are weighted according to country size and are representative for the countries.

The challenge ahead: Promoting entrepreneurship at all levels

Small firms depend on entrepreneurs – the individuals who have the ideas and are willing to take the risks necessary to get a firm off the ground. Europe needs more entrepreneurs, and so the Commission is looking at ways and means in which potential entrepreneurs may be encouraged to set up a business. The Commission and Member States have undertaken a number of actions in this respect:

- In 2000 the European Union and its Member States have agreed on the [European Charter for Small Enterprises](#). Besides being a political commitment, the Charter also helps to monitor progress and exchange good practice across Europe.
- Starting a firm is a big step, and the administrative requirements may put some people off. The Commission has pushed Member States to simplify their procedures, to speed up and reduce the costs of [company start-up](#).
- Crafts and micro-enterprises represent a huge share of European jobs, yet because of their small size these firms often struggle. The Commission therefore places particular emphasis on ensuring that such firms are [not overburdened with red tape](#) and that policy-makers take account of their needs.
- **Bankruptcy** is widely seen as failure, and an entrepreneur whose business venture has not succeeded [is too often stigmatised](#). The Commission thinks that an entrepreneurial culture is needed recognising that such failures are inevitable in some cases, and help entrepreneurs to learn from them and rebuild a better business next time round.
- Too many businesses simply close when the founder retires or decides to move onto other things, losing jobs, money and expertise. The Commission and Member States have taken steps to [make it simpler to transfer such firms to new owners](#), so that their value can be increased not dissipated.
- [The audiovisual media](#) - television, radio and film, along with internet and new media - are most effective at reaching large numbers of people. The European Commission is seeking to identify methods by which these media can be harnessed to promote entrepreneurship across the European population.

- [Women and minority groups](#) represent a major pool of potential entrepreneurs across Europe, but there are a number of specific barriers which means they are under-represented in the field. The Commission's has started to remove these barriers and to encourage more women and minorities to opt for entrepreneurial careers.
- Educational curricula need to address the skills and mindsets for successful entrepreneurship from the early years. For this reason the Commission published in [2006 the Oslo Agenda for Entrepreneurship in Europe](#) which aims to step up progress in promoting entrepreneurial mindsets.
- The [European Enterprise Awards](#) aim to identify and recognise successful activities and initiatives undertaken to promote enterprise and entrepreneurship. It creates a higher awareness of the role entrepreneurs play in society; and encourage and inspire potential entrepreneurs.

Information on these topics can be found at the new European Portal for SME's http://ec.europa.eu/enterprise/sme/index_en.htm.

More information

Flash Eurobarometer on Entrepreneurship 2007

http://ec.europa.eu/enterprise/enterprise_policy/survey/eurobarometer_intro.htm