

THE CONGRESS OF LOCAL AND REGIONAL AUTHORITIES

Recommendation 198 (2006)¹ on promoting an entrepreneurial spirit among young people in Europe's regions

1. The Congress believes that one of the keys to economic growth is to create a broad-based entrepreneurial culture in Europe's regions in which more of its citizens, regardless of age, gender or background, start their own business and in which the job creation potential of entrepreneurial activity is better exploited.

2. Regions are a vital component of a national economy and regional policies should therefore be designed to boost their capacity for innovation and enterprise. Enterprise education, training and preparation for the work place should therefore be a priority at all levels of governance and be backed by substantial financial resources.

3. The Congress's past contributions to the debate on employment in the regions, including Recommendation 52 (1998) on the regions and employment: contribution to social cohesion in Europe and Recommendation 129 (2003) on employment and vulnerable groups, led it to conclude that while regional authorities are active in supporting the creation of new businesses and young entrepreneurs, specific action designed to promote the spirit of enterprise or entrepreneurial culture is rare. However, a viable entrepreneurial culture in society is not only important for the economic growth and dynamism of a region, it is one of the most promising means of combating youth unemployment.

4. The European Union's 2003 Green Paper on "Entrepreneurship in Europe" was followed, in 2004, by its "Action Plan: the European Agenda for Entrepreneurship" which highlighted as a key action the fostering of entrepreneurial mindsets among young people, underlining the topicality of this debate.

5. The Congress believes it is therefore urgent for states to undertake awareness-raising of the importance of entrepreneurship to economic regional growth and to promote a new model of entrepreneurship as a concrete skill that can be learned, rather than as an abstract gift the fortunate few are born with.

6. Empowering young people to actively participate in the creation of economic wealth for their region will not only ensure long-term sustainability, but will also further the objectives of greater social cohesion and the integration of a youth perspective across the board, as outlined in the Action Plan adopted during the 3rd Summit of Heads of State and Government of the Council of Europe, held in Warsaw on 16 and 17 May 2005.

7. Consequently, the Congress recommends that the Committee of Ministers ask member states, and regions with legislative power where these exist, to:

a. ensure that regional authorities have the requisite resources to meet current and future responsibilities in this field and for the purposes of long-term strategies and commitment;

b. widely disseminate information on available entrepreneurship programmes to young people and organise nationwide campaigns for enterprise, which could be led, for example, by chambers of commerce and aimed at potential entrepreneurs, as part of a concerted awareness-raising programme;

c. frame and implement, in conjunction with regional authorities, a national strategy for enterprise education, which is fully integrated with other policies and initiatives intended to address social and economic issues at national level, but tailored for **greater relevance to the regional economic and social context, including:**

i. active learning, developed in accordance with age and level, about business and community, including the historical and contemporary aspects of local business development, economic awareness, simulation of work situations and mini-enterprises with obligatory practical exercises to complement theory, covering not only the creation of products, but also their pricing and marketing, and active contact with the business environment;

ii. specific learning and support materials, designed to help teachers and pupils better appreciate business needs and improve the relevance of education to tomorrow's job market;

iii. **allowance for increased funding for specialised teacher training in this field;**

iv. a module on social commitment and community responsibility to highlight that enterprise is not just about private-sector profit;

v. recognition of enterprise qualifications;

vi. collaboration between business and education, on the basis of the clear existing models for education-business partnerships that exist ;

vii. specific action aimed at the **region's most vulnerable groups;**

d. set up units for enterprise promotion at regional level, with the purpose of establishing indicators, quantitative measures and programme evaluations, providing advice to regional start-ups and interested citizens, establishing an inventory of good practices at regional level and providing a forum for discussion of enterprise issues. This body would promote exchange of good practice and dissemination of information, enabling the identification of

new enterprise opportunities in the region and simplification of general administrative conditions and procedures;

e. generally improve and adapt access to finance for potential entrepreneurs by tailoring business incubators, grants and loans more carefully to the new business being developed and the character of those setting it up, by ensuring a robust “checking and vetting” process for new business ideas, and by proposing economic incentives for business enterprise such as start-up loans or project competitions;

f. eliminate, as far as possible, the administrative obstacles that may hamper entrepreneurial activity, reduce the overall tax burdens faced by companies in general and provide more favourable tax environments for angel investors, while acknowledging their positive role in promoting enterprise;

g. give financial and material support to initiatives by minority groups or networks aimed at enterprise activities and ensure that national strategies seek to avert gender and ethnic imbalances.

8. The Congress also recommends that the Committee of Ministers:

a. ask the Steering Committee for Youth (CDEJ), the Steering Committee for Equality between Women and Men (CDEG), the Committee of Experts on Integration and Diversity (MG-ID) to study, in co-operation with the Congress, the feasibility of setting up an interdisciplinary initiative to foster enterprise education and training, in particular among less well-represented groups among entrepreneurs such as ethnic minorities and women;

b. transmit this recommendation to the European Union and invite it, when continuing its work in this field, to ensure that in the process of enlargement, the strengthening of policies and resources for entrepreneurship is accorded due priority in applicant and, indeed, existing member countries.

1. Debated and approved by the Chamber of Regions on 31 May 2006 and adopted by the Standing Committee of the Congress on 1 June 2006 (see Document CPR (13) 2, draft recommendation presented by D. Lloyd-Williams (United Kingdom, R, ILDG) on behalf of Mehboob Khan (United-Kingdom, R, SOC) rapporteurs).