

Procedure file

| Basic information | | |
|--|--------------------------------|---------------------|
| COS - Procedure on a strategy paper (historic) | 2000/2336(COS) | Procedure completed |
| Innovation in the economy and the enterprises, electronic trade, Go Digital initiative for SMEs | | |
| Subject 3.45.02 Small and medium-sized enterprises (SME), craft industries 3.45.05 Business policy, e-commerce, after-sales service, commercial distribution 3.50.04 Innovation | | |

| Key players | | | |
|--|---|---|------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | ITRE Industry, External Trade, Research, Energy | | 07/11/2000 |
| | | PPE-DE RÜBIG Paul | |
| | Committee for opinion | Rapporteur for opinion | Appointed |
| | JURI Legal Affairs and Internal Market | The committee decided not to give an opinion. | |
| | EMPL Employment and Social Affairs | The committee decided not to give an opinion. | |
| | CULT Culture, Youth, Education, Media and Sport | | 25/01/2001 |
| | | PSE ZORBA Myrsini | |
| Council of the European Union European Commission | Commission DG Internal Market, Industry, Entrepreneurship and SMEs | Commissioner | |

| Key events | | | |
|------------|--|---|---------|
| 20/09/2000 | Non-legislative basic document published | COM(2000)0567 | Summary |
| 15/01/2001 | Committee referral announced in Parliament | | |
| 20/06/2001 | Vote in committee | | Summary |
| 20/06/2001 | Committee report tabled for plenary | A5-0234/2001 | |
| 02/10/2001 | Debate in Parliament |  | |
| 03/10/2001 | Decision by Parliament | T5-0498/2001 | Summary |
| 03/10/2001 | End of procedure in Parliament | | |
| 11/04/2002 | Final act published in Official Journal | | |

| Technical information | |
|----------------------------|--|
| Procedure reference | 2000/2336(COS) |
| Procedure type | COS - Procedure on a strategy paper (historic) |
| Procedure subtype | Commission strategy paper |
| Legal basis | Rules of Procedure EP 142 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | ITRE/5/13697 |

| Documentation gateway | | | | | |
|---|--|--|------------|------|---------|
| Non-legislative basic document | | COM(2000)0567 | 20/09/2000 | EC | Summary |
| Document attached to the procedure | | SEC(2000)1564 | 20/09/2000 | EC | |
| Document attached to the procedure | | B5-0024/2001 | 18/01/2001 | EP | |
| Document attached to the procedure | | COM(2001)0136 | 13/03/2001 | EC | Summary |
| Committee of the Regions: opinion | | CDR0468/2000 OJ C 253 12.09.2001, p. 0020 | 04/04/2001 | CofR | |
| Committee report tabled for plenary, single reading | | A5-0234/2001 | 20/06/2001 | EP | |
| Economic and Social Committee: opinion, report | | CES0940/2001 OJ C 260 17.09.2001, p. 0118 | 12/07/2001 | ESC | |
| Text adopted by Parliament, single reading | | T5-0498/2001 OJ C 087 11.04.2002, p. 0061-0144 E | 03/10/2001 | EP | Summary |
| Economic and Social Committee: opinion, report | | CES0036/2002 | 16/01/2002 | ESC | |
| Follow-up document | | SEC(2002)0566 | 13/05/2002 | EC | Summary |
| Follow-up document | | COM(2003)0148 | 27/03/2003 | EC | Summary |

Innovation in the economy and the enterprises, electronic trade, Go Digital initiative for SMEs

PURPOSE: to present a Commission Communication on Innovation in a knowledge-driven economy. **CONTENT:** The objective of this Communication is to set the broad policy lines for enhancing policy innovation in the European Union (EU). The five objectives presented contribute to strengthening Member States' capacity to overcome a number of obstacles, so as to lead to the dynamic conditions, and hence growth and quality jobs, that innovation can bring. The five objectives are as follows: 1) coherence of innovation policies; 2) a regulatory framework conducive to innovation; 3) encourage the creation and growth of innovative enterprises; 4) improving key interfaces in the innovation system; 5) a society open to innovation. After outlining some ten main recommendations to the Member States, the Communication states that the main activities of the Commission with regard to innovation will be: - to promote dialogue, coordination and benchmarking of Member State innovation policies and performance, and on the European innovation scoreboard; - to continue studies on topics relevant to innovation; - to continue and extend activities to encourage support for networking and advisory services with a European dimension, such as the help-desk on innovation financing (LIFT), activities to facilitate interfacing at European level between researchers, industry and investors, the existing network of regions of excellence for the creation of enterprises, new networks of European universities and public research centres to promote knowledge diffusion and best practices in technology transfer, and development of a European electronic directory of innovative start-ups; - to contribute to the development of methods for evaluating the intangible resources of young innovative enterprises; - and finally, to continue and reinforce transnational cooperation among regions regarding innovation policies, exchange of good practices and pilot experiments to facilitate transnational technology partnerships as well as diffusion of non-technological aspects of innovation, particularly for SMEs. ?

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PURPOSE: to present a Commission Communication on helping SMEs to "Go Digital" within the framework of eEurope. **CONTENT:** in response to the eEurope 2002 Action Plan, the Commission will undertake specific GoDigital initiatives aiming at: - identifying the main

obstacles SMEs face as they engage in e-business; - proposing specific actions to help SMEs "go digital", in particular by building on existing policies and initiatives; - ensuring consistency among the various policies and initiatives to support SMEs going digital at the European, national, regional and local levels, and - learning from practical experience and to benchmark various strategies to help SMEs to go digital. The objective of this Communication is to identify the specific SME needs to fully reap the benefits of e-business and to present specific GoDigital initiatives to be implemented in 2001 by the Commission. Further actions will be taken in 2002 and onwards. GoDigital can help create better conditions for SMEs to enter into the digital age, but it cannot replace entrepreneurship or the enterprise that ultimately takes the decision. GoDigital's overall purpose is to put together and adapt where appropriate support activities to help SMEs to use information and communication technologies (ICT) with best possible efficiency. To this end, this GoDigital implementation plan will build upon existing Community programmes aimed at the specific needs of SMEs. These programmes include the DG Enterprise's Multi-Annual Programme (MAP), the DG Information Society's Information Society Technologies (IST) Annual Work Programme and the Structural Funds. The implementation plan will also be linked to national and regional programmes and initiatives with similar aims. Implementation will be flexible and decentralised, it will pursue common objectives, and reflect the need for closer co-operation among various support instruments for SMEs at the European level. The objective is to ensure that SMEs take full advantage of the existing support programmes and initiatives at national and European level. Against this background, GoDigital's priorities are to: - promote a favourable environment and framework conditions for electronic business and entrepreneurship; - facilitate the take-up of electronic business, by making available as much as possible research and technological development (RTD) results and enabling SMEs in every sector to take advantage of them, and; - contribute to providing Information and Communication Technology (ICT) skills - by alleviating shortages of these skills among SMEs, and by exploring and developing new business skills for the new economy.?

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The committee adopted the report by Paul RÜBIG (EPP-ED, A) on the Commission communication. It pointed out that there was still a lack of innovation in Europe compared with the USA and Japan, and focused on three key areas in which action was needed: creating an enterprise culture in the framework of the education system, promoting workers' training and encouraging small businesses to innovate. The committee suggested that "junior enterprises" could be set up to involve projects of a business undertaking type, to be carried out in schools. It also stressed the importance of tailoring educational systems to both male and female aptitudes and of modernising schools, universities and vocational training centres. As far as small businesses were concerned, the Commission was urged to implement the 2000 European Charter for Small Enterprises with particular reference to innovation and access to the knowledge-driven society for all enterprises, whatever their size and activity. There should be better coordination of national and EU instruments in favour of innovative enterprises, and incentives should be provided for the continuous training of workers, for example in the form of training allowances. The report also stressed the need for administrative simplification to make it easier for small businesses to create innovative products and adopt innovating production methods. Lastly, the committee called for measures to promote access to seed financing and venture capital and specific measures to encourage young people wishing to start a business. ?

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In adopting the resolution by 499 votes to 10 with 12 abstentions, MEPs have given their backing to Commission initiatives in the field of innovative-oriented research, such as the European Research Area and the proposal for a Sixth Framework Programme for Research and Technological Development. They stress the need for financial support and for the modernisation and improvement of innovation policy in Europe and say that more should be done to eliminate shortcomings in the dissemination and promotion of innovation in Europe in comparison with the USA and Japan. The Parliament calls for better coordination of national and EU instruments in favour of innovative enterprises and for the decentralisation of EU support to SMEs in the field of innovation.?

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As part of the EU's drive to become the world's most dynamic and competitive knowledge-based economy by 2010, the European Commission launched in March 2001 the Action Plan "Helping SMEs to Go Digital". The overall objective was to assist SMEs in going digital through co-ordinated networking activities and to help SMEs introduce e-commerce into their business strategies. Three main action lines were prioritised with eleven specific actions to help SMEs to Go Digital. The eleven Go Digital Actions include: 1. Benchmarking of national and regional strategies in support of e-business. 2. Measuring the take-up of ICT and e-business. 3. Improving access to information and collect feedback for policy making purposes in the area of electronic commerce legislation. 4. Electronic business interoperability. 5. Promoting awareness for going digital. 6. Electronic commerce take-up. 7. Provision of a loan guarantee facility for SMEs. 8. Promoting the use of structural funds. 9. Supporting industry-led initiatives for new ICT curricula. 10. Creating an ICT skill monitoring group with Member States. 11. Launching a SMEs trainee programme. This Commission Staff Working Paper is a first assessment of the Go Digital Action Plan, outlining results to date and considering both the advantages and the disadvantages of the scheme. The Commission will prepare a Communication along similar lines which will be presented to the Industry Council in May 2003. Results to date look promising. The statistical picture indicates that digital take up amongst SMEs had increased considerably since the Go Digital Action Plan was first launched. The data shows that for 1999 and 2001, Internet access has generally increased. Micro-enterprises, in particular, appear to be catching up rapidly with larger SMEs. The percentage of enterprises with less than ten employees having Internet access increased from 40% to 70% in this period, whereas the percentage for enterprises with between 50 and 249 employees increased from 85% to 92%. Indeed, as the Paper notes the overall increase does not fully reflect the very good progress made in some countries during the period. For example, in Greece there has been an increase from 24% to 78% between 1999 and 2001. In terms of the single most important reason for not using the Internet, the analysis concludes, inter alia, that: - The most important factor impeding SMEs of all sizes to Go Digital are their conviction that e-commerce is not applicable to their type of products or services and the lack of perceived commercial benefits. - ICT skills gaps seem to be more important for small enterprises than for micro-enterprises. - National differences in consumer protection legislation apparently hurts only small enterprises rather than micro-enterprises and medium-sized enterprises. This is possibly because micro-enterprises do less cross-border transactions than their larger counter-parts. As part of the eEurope 2002 Action Plan, the Go Digital initiative will expire by the end of 2002. However, there is broad consensus that further efforts need to be undertaken to promote the take-up of ICT and e-business by SMEs. The EU, after all, still lags behind the United States on the usage and adoption of e-business practices. The Barcelona Council identified e-business as a key priority of the

eEurope 2005 Action Plan. The Commission's services will therefore explore the need for further actions in support of SMEs in this field and prepare for actions to implement the agreed policy objectives.?

Innovation in the economy and the enterprises, electronic trade, Go Digital initiative for SMEs

In 2001 the European Commission launched the "Go Digital" initiative in order to encourage Internet use amongst SMEs. This Communication presents the latest available statistical evidence on the use of ICT and e-business by SMEs and identifies the main policy challenges at national and European levels. The objective is to stimulate policy changes by providing a policy framework for future actions and by preparing for more appropriate policy targets. As this Communication points out, however, the take-up and use of Internet has far exceeded expectations. By way of example, statistics for 2002 show that over 90% of enterprises with more than 10 employees are using computers and almost 80% of them are connected to the Internet. For small enterprises of no more than 49 employees more than 90% of them use computers and 80% have access to the Internet. Practically all the large enterprises (those with over 250 employees) are already connected. In this respect, no major gaps between larger enterprises and SMEs exist anymore. Similarly connectivity indicators no longer reveal major gaps between sectors or region. Even though a gap between northern and southern EU countries do indicate that the southern region is less likely to use the Internet. Further, more than a quarter of the small enterprises still connect to the Internet using an analogue dial-up modem compared to the higher bandwidth and fixed up networks enjoyed by larger enterprises. Bearing such statistics in mind the Commission proposes the EU adopt a shift in emphasis from encouraging Internet take-up amongst SMEs to stimulating a culture of effective and productive integration of ICT into business processes. Here, SMEs are still lagging behind larger enterprises, which could impair their competitiveness and thus slow Europe's overall productivity growth. Take as an example, business-to-business (B2B) transactions. The emergence of e-marketplaces seems to be of growing importance. Large enterprises such as the chemical, transport equipment manufacturing and ICT services are beginning to rely on B2B transactions more and more. In many cases SMEs will have to follow if they are to remain competitive. In order to better assess how well and how far SMEs are taking up the new challenge of greater business ICT integration, the Commission is proposing an extension of the "e-business index" included in the list of eEurope benchmarking indicators. It aims to assess the readiness of enterprises to conduct business electronically. The Commission has recognised and presented the following challenges currently faced by SMEs: - To improve managerial understanding and workforce skills for e-business; - To improve knowledge transfer to SMEs through SME support networks; - To promote and disseminate good e-business practices; - To enhance e-business skills; - To improve the availability of e-business solutions; - To better leverage the results of research on e-business technologies; - To promote regional clusters between ICT service providers and SMEs; - To facilitate effective participation of SMEs in e-business networks; - To promote participation of SMEs in B2B e-marketplaces; - To promote participation of SMEs in public electronic procurement; - To promote virtual collaborative SME networks. In conclusion the Commission suggest that this Communication should be viewed as a step towards realising the objective of making Europe the world's most competitive and dynamic knowledge-based economy by the end of the decade. As a follow-up to this Communication the Commission will prepare, by the end of 2004, a report on the progress made in support of e-business for SMEs.?