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 **SME Policy Index**

**Western Balkans and Turkey 2022**

 **ASSESSING THE IMPLEMENTATION OF THE SMALL BUSINESS ACT FOR EUROPE**

**DIMENSION 8a - Enterprise skills**

**Qualitative indicators government questionnaire**

**Enterprise skills**

**Enterprise skills** dimension assesses policies and implementation in the Western Balkans and Turkey to promote the skills SMEs need, from starting up and throughout their growth phases. SMEs include business owners, co-operative founders and social entrepreneurs.

The dimension is presented across three thematic blocks:

1. **Planning and design**, which assesses policies in the areas of skills intelligence,
2. **Implementation**, which focuses on training for start-ups, responding to the skills required of digital and green economies, and smart specialisation,
3. **Monitoring and evaluation**, which considers whether economies ensure their SME skills policies are working and keeping up with market needs.

Figure 1. Enterprise skills

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| **Dimension 8a:**Enterprise skills |
| **Thematic block 1:**Planning and design | **Thematic block 2:**Implementation | **Thematic block 3:**Monitoring and evaluation  |

|  |  |  |
| --- | --- | --- |
| **Question** | **Response *[expand box as necessary]*** | **Source/Evidence/Links** |
| **Thematic block 1. Planning and design** |
|  | ***Skills intelligence*: is there a national framework for the collection and analysis of SME skills intelligence? [[1]](#endnote-2)** | [ ] Yes [ ] No  |  |
|  | If yes | Is evidence on SME skills intelligence gender sensitive?[[2]](#endnote-3)  | [ ] Yes [ ] No |  |
|  | Is evidence on SME skills intelligence aligned to social impact business models e.g. to include social enterprises and/or cooperatives? Please provide more details | [ ] Yes [ ] No |  |
|  | Does the framework include digital skills in the *skills intelligence* collection and analysis (i.e. ranging from e-Leadership skills to ICT-professionals and ICT users’ digital skills)? | [ ] Yes [ ] No |  |
|  | **Which organisations contribute to national skills intelligence? [[3]](#endnote-4)** |  |  |
|  | **Who coordinates the national skills intelligence? [[4]](#endnote-5)** |  |  |
|  | ***Skills analysis*: has an analysis of SME skills intelligence been undertaken since the last assessment (January 2019)?**  | [ ] Yes [ ] No |  |
|  | ***Policy*: is the national skills intelligence used to support priorities of the Economic Reform Programme?[[5]](#endnote-6)**  | [ ] Yes [ ] No |  |
|  | **Does the national skills intelligence include training needs analysis?[[6]](#endnote-7)** | [ ] Yes [ ] No |  |
|  | **Who is developing training programmes for SME's? [[7]](#endnote-8)** |  |  |
|  | **Does the national skills intelligence include skills anticipation? [[8]](#endnote-9)** | [ ] Yes [ ] No |  |
|  | ***Programme design*: Is SME skills intelligence used for the development of new training programmes? [[9]](#endnote-10)** | [ ] Yes [ ] No |  |
|  | If yes | Are good practices in training for SME's used to help designing new training programmes? [[10]](#endnote-11) | [ ] Yes [ ] No |  |
|  | Do new training programmes take account of the needs of social enterprises and/or cooperatives? Please explain. | [ ] Yes [ ] No |  |
|  | ***Policy-making:* is SME skills intelligence used to inform policymaking at national level? [[11]](#endnote-12)** | [ ] Yes [ ] No |  |
|  | If yes | Are good practices in training for SME's used to improve policy? [[12]](#endnote-13) | [ ] Yes [ ] No |  |
|  | **Are good practices on training for SME's identified on the basis of pre-defined criteria?**  |  |  |
|  | **Are good practices on training for SME's available on-line? Please, provide the hyperlink(s).** |  |  |
|  | **Provide examples of policies that address SME skills intelligence. [[13]](#endnote-14)** |  |  |
| 1. HO
 | **How SME engage in the “smart specialisation” process, notably Entrepreneurial Discovery Process (EDP)? How would you evaluate the private sector awareness about and engagement in “smart specialisation” of SMEs?** |  |  |
|  | **Since the last assessment (January 2019), have there been any developments regarding the "smart specialisation" process? If so, please specify.** | [ ] Yes [ ] No |  |
|  | a) | If there is a smart specialisation strategy in place, please specify the timeline, main objectives/targets, main sector priorities identified, leading institution, if SME skills are built into the strategy (recommendation from the SME PI 2019). |  |  |
|  | b) | If there is a smart specialisation strategy in place, are there any targeted trainings available to SMEs in priority areas for smart specialisation. |  |  |
| 1.1.16 | **Are SME skills built into smart specialisation approaches/ strategies? If so, please specify.**  | [ ] Yes [ ] No |  |
| **Thematic block 2. Implementation** |
|  | ***Information platform*: is there a web-platform(s) available to support SMEs in identifying training programmes?[[14]](#endnote-15)** | [ ] Yes [ ] No |  |
|  | If yes | Can SMEs provide feedback on the web-platform(s) on training acquired? | [ ] Yes [ ] No |  |
|  | ***Economic Reform Programme*: does training for specific sectors feature in the Economic Reform Programme? [[15]](#endnote-16)** | [ ] Yes [ ] No |  |
|  | **Which sectors are prioritised for skills support in the Economic Reform Programme?** |  |  |
|  | ***Sustainability and Green skills*: does national policy recognise the importance of training for a sustainable and green economy? [[16]](#endnote-17)**  | [ ] Yes [ ] No |   |
|  | ***Digital skills*: does national policy recognise the importance of training for a digital economy? [[17]](#endnote-18)**  | [ ] Yes [ ] No |  |
|  | **Does the government provide financial support for the following:**  |  |  |
|  | a) | Training on transition to sustainable business practices? | [ ] Yes [ ] No |  |
|  | b) | Training for SMEs to improve resource efficiency?  | [ ] Yes [ ] No |  |
|  | c) | Training on how SMEs can contribute to the circular economy?[[18]](#endnote-19)  | [ ] Yes [ ] No |  |
|  | d)  | Training for SMEs to improve employees’ digital skills?  | [ ] Yes [ ] No |  |
|  | ***Sustainability and social economy:* does national policy recognise the importance of training for the development of the social economy sector?**  | [ ] Yes [ ] No |  |
|  | ***Start-ups*: does the government provides financial support for start-up training?**  | [ ] Yes [ ] No |  |
|  | If yes are the following areas covered? |  |  |
|  | a) | Pre start-up/self-employment training [[19]](#endnote-20) | [ ] Yes [ ] No |  |
|  | b) | Youth start-ups (<30 years) | [ ] Yes [ ] No |  |
|  | c) | Silver entrepreneurs (50 years+)  | [ ] Yes [ ] No |  |
|  | d) | Women start-ups  | [ ] Yes [ ] No |  |
|  | e) | Social enterprises | [ ] Yes [ ] No |  |
|  | f) | Cooperatives | [ ] Yes [ ] No |  |
|  | g) | Technology start-ups  | [ ] Yes [ ] No |  |
|  | h) | Re-starts [[20]](#endnote-21) | [ ] Yes [ ] No |  |
|  | ***SME growth*: does the government provide financial support or other incentives for training for SMEs with growth potential? [[21]](#endnote-22)** | [ ] Yes [ ] No |  |
|  | ***SME internationalisation*: does the government provide financial support or other incentives for training for SMEs trading, or with potential to trade with the EU Single Market? [[22]](#endnote-23)**  | [ ] Yes [ ] No |  |
|  | ***SME digitalisation:* does the government provide financial support or other incentives for SMEs to buy ICT equipment and software or digital services to participate to the EU Digital Single Market?** | [ ] Yes [ ] No |  |
|  | ***Family businesses*: does the government provide financial support for training for family businesses? [[23]](#endnote-24)**  | [ ] Yes [ ] No |  |
|  | ***SMEs and Intellectual property*: does the government provide financial support or other incentives to SMEs to support training on intellectual property? [[24]](#endnote-25)** | [ ] Yes [ ] No |  |
|  | **Does the government collect statistics on participation of SMEs in training?** | [ ] Yes [ ] No |  |
|  | If yes | Are the statistics on training participation disaggregated by gender? | [ ] Yes [ ] No |  |
|  | **If you gather gender-disaggregated statistics on training followed by SMEs, please provide examples.** |  |  |
|  | **Based on the feedback intelligence gathered from SMEs on their training experience, what are the three most common issues?**  |  |  |
|  | ***Investment readiness*: does the government provide financial support for training of SME support institutions to improve investment readiness? [[25]](#endnote-26)** | [ ] Yes [ ] No |  |
|  | ***Supply chains*: does the government provide financial support for training for SMEs to participate in global supply chains? [[26]](#endnote-27)** | [ ] Yes [ ] No |  |
|  | ***Digital economy:* does national policy recognise the role of SMEs in an evolving digital economy? [[27]](#endnote-28)** | [ ] Yes [ ] No |  |
|  | If yes, are the following available: |  |  |
|  | a) | Training to support digital skills within SMEs? [[28]](#endnote-29) | [ ] Yes [ ] No |  |
|  | b) | Training to support SMEs to operate within the EU Digital Single Market? [[29]](#endnote-30) | [ ] Yes [ ] No |  |
|  | c) | Online training for SMEs[[30]](#endnote-31) | [ ] Yes [ ] No |  |
|  | **What has been the impact of the COVID-19 pandemic on the implementation of SME training programmes?**  |  |  |
|  | **What actions have been taken in the area of SME skills as a specific response to the pandemic?** |  |  |
| **Thematic block 3. Monitoring and evaluation** |
|  | ***Monitoring*: Does government-financed training for SMEs include a requirement that the training programmes should be monitored? [[31]](#endnote-32)** | [ ] Yes [ ] No |  |
|  | **What type of monitoring of government-financed training for SMEs is undertaken and how often?** |  |  |
|  | **Does monitoring of government financed training for SMEs place a specific focus on training supporting skills for green and/or digital transformation for SMEs? Please provide details.** |  |  |
|  | ***Evaluation*: Does the government evaluate effectiveness of SME training programmes? [[32]](#endnote-33)** | [ ] Yes [ ] No |  |
|  | If yes | Does the evaluation demonstrate the impact of training on the SME performance? [[33]](#endnote-34) | [ ] Yes [ ] No |  |
|  | Have any adjustments been made based on the evaluation results? If so, please specify. | [ ] Yes [ ] No |  |
|  | ***Meeting demand*: do SME training developments reflect analysis and recommendations of SME skills intelligence?**  | [ ] Yes [ ] No |  |
|  | **Is there a database of indicators on SME skills that is publically available online?** | [ ] Yes [ ] No |  |
|  | **Has any monitoring or evaluation been undertaken on the impact of the pandemic on uptake or results of SME training programmes?** |  |  |
| *Optional - Please provide any further information on SME Skills in your economy that you deem relevant for the assessment* |  |  |

|  |  |
| --- | --- |
| **Question** | **Response** |
| Self-assessed level (1 through 5, whole and half numbers) |  |
| Brief justification |  |
| Assessor name and institution |  |

1. Skills intelligence comprises data and information (e.g. statistics, qualitative information) on skills demand and supply. Skills intelligence, in the context of SME development focuses on skill gaps, skills shortages and future skills requirements of SMEs. It may also include impact of skills investment on graduates, employees and/or on the business performance. This intelligence may be SME-specific, sector focused or addressing specific regions. Skills intelligence is important for SMEs support institutions and training providers to define training needs and to support training design. It is also important for policy makers to define priorities and financial commitment. Skills intelligence covers managerial, vocational or regulatory training (e.g. training to address compliance requirements of a specific sector) as well as wider competences e.g. digital, teamwork. Intelligence may be drawn from a range of research instruments, including SME surveys (e.g. employers’ surveys that include or focus on SMEs), forecasts or foresights, tracer studies, training needs' assessments etc). Training programme evaluations, data on training provider organisations, good practices and SME self-assessment tools may also provide valuable information on access, relevance and outcomes of skills development programmes. Given the range of stakeholders involved in SME development and in the creation of skills intelligence (eg. SME agencies, investment agencies, employment offices, training providers, sector organisations, universities, regional development agencies) relevant sources will be wide and varied. Capturing the most critical information form across the range of stakeholders is important and requires a coordinating framework to ensure a comprehensive picture of skills demand and supply and the way they match the SME community. [↑](#endnote-ref-2)
2. Gender sensitivity refers to the aim of understanding and taking account of the societal and cultural factors involved in gender-based exclusion and discrimination in the most diverse spheres of public and private life. It focuses mainly on instances of structural disadvantage in the positions and roles of women. [↑](#endnote-ref-3)
3. Examples of organisations that contribute to the skills intelligence are: government/public institutions, training community, business support organisations, private sector, civic interest groups, and donors. [↑](#endnote-ref-4)
4. Examples of organisations that coordinate national skills intelligence are: employment authorities, training community, government body responsible for SME development, inter-ministerial body, business support organisation, public-private partnership. These organisation may engage other organisations (e.g. universities, research organisations, consultants) with expertise to support intelligence gathering and analysis. [↑](#endnote-ref-5)
5. Each year all pre-accession countries submit an annual economic reform programme (ERP) to the European Commission. The ERP includes plans to boost economic growth, competitiveness and sectoral reforms. The report represents the country’s policy position and plans to improve in a range of areas including business environment, skills and employment. Skills intelligence is an important feature of each ERP within the wider drive to improve SME performance, competitiveness and employment. [↑](#endnote-ref-6)
6. Training Needs Analysis: training is more effective when it specifically reflects the needs of SMEs. This is particularly important given that budgets and time allocation for training within SMEs is often limited. Training needs analysis ensures training is targeted to meet the specific interests of the SMEs and its staff. It is increasingly important given evolving technologies and changing markets. Training needs may be managerial, vocational or regulatory as well as competences (e.g. digital). [↑](#endnote-ref-7)
7. Examples of training providers are: VET schools and training centres, universities, sector training initiatives, regional/local economic development agencies [↑](#endnote-ref-8)
8. Skills anticipation: actions taken to identify future skills requirements of any SMEs, sectors, as well as skills requirements at local, regional or national levels. [↑](#endnote-ref-9)
9. Training: refers to any form of human capital development with the objective to improve the capacity of management and staff of SMEs. This can include school-based vocational training, on-the-job training provided by SMEs, self-learning, MOOCs, businesses-learning-from-businesses, know-how transfer, coaching and mentoring. [↑](#endnote-ref-10)
10. Good practice provides an important reference to policymakers as at what type of training works well and at what cost. It also acts as a useful reference for other training providers encouraging improvement and innovation to existing training practice. Criteria for good practices can vary. By way of example, ETF has 5 criteria to define good practice: more info about ETF good practice awards in ETF Open Space <https://openspace.etf.europa.eu/wikis/good-practice-training-award-2018> [↑](#endnote-ref-11)
11. Policy-making refers to any activity involving public administration, private sector and other interest groups (e.g. women entrepreneurs) that results in a decision or action to move forward in a particular area of public interest and led by a public institution. For example, skills intelligence can help a) shape curriculum in vocational training, b) focus resources for self-employment training to specific groups or localities, c) define a training plan for SME clusters, d) support retraining programmes for support enterprise restructuring, e) with policy discussions on start-up training for refugees or migrants. [↑](#endnote-ref-12)
12. Good practice provides an important reference to policymakers as at what type of training works well and at what cost. It also acts as a useful reference for other training providers encouraging improvement and innovation to existing training practice. Criteria for good practices can vary. By way of example, ETF has 5 criteria to define good practice: more info about ETF good practice awards in ETF Open Space <https://openspace.etf.europa.eu/wikis/good-practice-training-award-2018> [↑](#endnote-ref-13)
13. Examples of policy areas that are addressing SME skills intelligence: education and training policies, employment policies, private sector development policies, regional development policy, active labour market programmes, migration policies [↑](#endnote-ref-14)
14. A web-based platform is a website providing information on training programmes (SME agency website) and possibly with hyperlinks to other websites with information on more specific training (regional development agencies). Ideally, these information areas should allow for SMEs provide feedback on training provided. [↑](#endnote-ref-15)
15. Economic Reform Programmes may refer to broad sector (e.g. industry, services) or specific sectors (e.g. tourism, agriculture, transport). This question focuses on if and to what extent training is highlighted as an issue at broad-sector or specific sector level. For more information see here: <https://ec.europa.eu/neighbourhood-enlargement/policy/policy-highlights/economic-governance_en> [↑](#endnote-ref-16)
16. Green skills refers to any type of training which helps an SME make better use of energy resources, encourages recycling or prompts business ideas and development which have a positive effect on the environment. For more insight, see the European Green Deal <https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en> and also 2020 EU Guidelines for the Implementation of the Green Agenda for the Western Balkans. <https://ec.europa.eu/neighbourhood-enlargement/sites/default/files/green_agenda_for_the_western_balkans_en_0.pdf> [↑](#endnote-ref-17)
17. Digital skills refers to any type of training which helps SMEs become more efficient, innovative and responsive to clients’ needs through digital technologies and at the same time enable SMEs to keep up with the newest technologies and regularly upskill their employees to stay competitive on the market. <https://digital-skills-jobs.europa.eu/en> [↑](#endnote-ref-18)
18. Circular economy: in contrast to the linear economy, where SME make products and the consumer uses them and then deposes them, in a circular economy goods are designed and produced so that they can be repaired rather than replaced. The objective is to reduce waste, emission and energy. For more insight through the European Circular Economy Action Plan see here: <https://ec.europa.eu/environment/strategy/circular-economy-action-plan_en#:~:text=The%20EU's%20new%20circular%20action,(CEAP)%20in%20March%202020.&text=The%20EU's%20transition%20to%20a,create%20sustainable%20growth%20and%20jobs>. [↑](#endnote-ref-19)
19. Pre-start up: those who do not yet have a well-developed business idea but are thinking about setting up a business [↑](#endnote-ref-20)
20. Re-starts: those who had a business but it failed and they are starting again [↑](#endnote-ref-21)
21. SMEs with growth potential are more likely to generate jobs and revenue for the national exchequer. They also tend to be more innovative and more international. There is no definition of an SME with growth potential. However, in the SBA respondents should highlight if financial support or incentives are available for training for businesses that have the intention to grow their business for example in terms of turnover or by hiring more staff (exclusive of start-ups). Incentives may include : subsidies or tax concessions for the purpose of training in SMEs, measures to encourage collaboration between SMEs on training through e.g. pooling resources and networking [↑](#endnote-ref-22)
22. This question asks for details on training programmes for SMEs that are addressing topics related to trading with the EU single market (e.g. export plans for European Market, European entrepreneurial culture, EU market standards, ...). For the pre-accession region, trading with the EU Single Market is an objective specifically tied to future EU integration. Support to SMEs, in particular in terms of financing or incentives, provides an opportunity for SMEs to trade with the EU (<https://ec.europa.eu/growth/smes/access-to-markets/internationalisation_en>). [↑](#endnote-ref-23)
23. Put simply, a family business is one where a number of members of the same family are involved as major owners or managers of the business. Family businesses account for over 60% of all companies in Europe and therefore play an important role in the EU economy. For information see <https://ec.europa.eu/growth/smes/supporting-entrepreneurship/family-business_en> [↑](#endnote-ref-24)
24. SMEs can also find it hard to develop intellectual property (IP) strategies to protect their R&D investments and raise growth capital, even though these are crucial in the twin transitions. Only 9% of SMEs protect their IP, as they are unaware of EU and national IP initiatives or fear the complexity and expense of acquiring and enforcing them. IP is increasingly important for digitalisation. (EU SME Strategy for a Sustainable and Digital Europe <https://ec.europa.eu/info/sites/default/files/communication-sme-strategy-march-2020_en.pdf>) [↑](#endnote-ref-25)
25. Investment readiness refers to a SME’s attractiveness and potential to engage financial support to meet business development needs. SME support institutions have an important role in supporting SMEs to meet investment readiness criteria e.g. management capacity, business plan, market opportunity. This question addresses the capacity of SME support institutions (not SMEs) to help firms in meeting the criteria for investment. [↑](#endnote-ref-26)
26. Put simply, supply chain refers to a process of how a product is designed, manufactured and delivered to a customer through the cumulative effort of multiple businesses and support organisations (e.g. information, advisory, R&D). Global supply chains involve a complex web of logistics and management operations within an SME as well as between SMEs across difference countries requiring coordination across all aspects of business (e.g. marketing, sales, product design, finance, technology) and where training is important for SMEs to effectively contribute to the supply chain. [↑](#endnote-ref-27)
27. Digital economy: today’s economy comprises countless on-line connections redefining how SMEs work, how they interact and particularly how they reach customers. Digital skills are therefore critical to SMEs in enhancing performance but will be more critical. For more information see [↑](#endnote-ref-28)
28. Examples of digital skills include: digital sales, digital marketing, use of social media, data analytics and/or big data analytics, app development, cybersecurity/online safety [↑](#endnote-ref-29)
29. For information see <https://ec.europa.eu/digital-single-market/en/> [↑](#endnote-ref-30)
30. On-line or e-training provision happens through for example MOOCs, online communities or networks, webinars, on-line checklists, forums, … [↑](#endnote-ref-31)
31. Monitoring refers to how progress is tracked during a training programme and involves periodic reviews of the training against planning, budget and other resources. A trainer can monitor his/her programme during its implementation by seeking feedback from trainees at various points in the training cycle. [↑](#endnote-ref-32)
32. Evaluation involves analysis of a training programme to determine its effectiveness. More developed and lengthy training programmes may include interim evaluations (e.g. half way through the training programme). However, end-of-cycle evaluations are important for all training, no matter how short or long, to ensure that the objectives have been met and to allow for improvements in subsequent training. Evaluations of training are undertaken independent of the trainers who designed and delivered the training and the organisation which financed the training (e.g. SME, donor organisation, national agency). [↑](#endnote-ref-33)
33. Impact of training can be on: company turnover, new markets, improved products or services or new jobs created. Many factors impact on a company’s performance and it can be difficult to isolate training as a factor amongst other variables affecting performance of a SME. Please note that both monitoring and evaluation are different from assessment. Assessment involves a trainer determining progress of a trainee or group of trainees following a specific training programme. [↑](#endnote-ref-34)