

Mr. Marc Venheukelen
Head of Cabinet
Directorate-General for Trade
European Commission
BE-1049 Brussels
Belgium

2 April 2012

Mr. L. Daniel Mullaney
Assistant U.S. Trade Representative
for Europe and the Middle East
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20520
USA

Re: Public consultation on the EU-U.S. High Level Working Group on Jobs and Growth (USTR-2012-0001)

Dear Messrs. Venheukelen & Mullaney:

Ernst & Young is pleased to respond to your request for comments regarding the work of the U.S.-EU High Level Working Group on Jobs and Growth. Ernst & Young is a global leader in assurance, tax, transaction, and advisory services. Worldwide, we have 152,000 people in more than 140 countries united by shared values and an unwavering commitment to quality, integrity and professional skepticism. Collectively, in the US and EU we employ nearly 70,000 people. We therefore recognize the importance of the transatlantic marketplace and the importance of U.S. and EU cooperation to eliminate barriers to trade and investment flows across the Atlantic.

At Ernst & Young, we have a deep commitment to promoting entrepreneurship. We have been working with entrepreneurs for over three decades and we bring this experience to bear. Our Ernst & Young Entrepreneur Of The Year® (EOY) program takes place in over 140 cities in over 50 countries. We make this investment because we strongly believe that encouraging entrepreneurship and innovation results in economic growth and prosperity. We know that entrepreneurs create jobs – often at higher rates than larger, more established companies. Our analysis has revealed that winners and finalists from

several of the G20 countries participating in the EOY program in total bucked national trends, boosting headcount on average by 18% since 2009. During the same period, the combined jobless rates in many of the G20 countries increased by at least 10 percent.

Small and medium-sized enterprises (SMEs) with fewer than 250 employees represented, on average, two-thirds of total employment in the OECD countries in 2007. And according to the European Commission's 2009 SME Performance Review, the number of jobs in SMEs grew at an average annual rate of 1.9% between 2002 and 2008, compared to 0.8% at large enterprises.

In 2011, Ernst & Young developed an "entrepreneurship barometer" and issued a special report to the G20: *Entrepreneurs speak out: A call to action for G20 governments*, offers specific recommendations for what governments can do to help entrepreneurs advance growth and job creation. We have attached a copy below. In summary, the surveyed entrepreneurs in G20 countries covered in the special report would like governments to:

- Encourage innovation and highlight the role of entrepreneurs in providing innovative products;
- Broaden the scope of training and education for entrepreneurs, including by:
 - Considering non-traditional, community-based education approaches that value real-life experiences;
 - Providing training assistance for those moving from a corporate role to entrepreneurship;
 - Broadening the scope of university entrepreneurship education;
 - Changing the perception of entrepreneurship as a career option from primary school onward;
- Support broader access to funding sources, including by:
 - Exploring credit guarantees and banking sector support;
 - Helping business angels' networks widen their scope and stimulate venture capital;
 - Avoiding stifling private equity activity with more regulations;
- Create regulatory incentives for innovation and entrepreneurship;
- Empower business incubators and enhance tailored support for young entrepreneurs; and
- Simplify registration and taxation procedures, with one-stop shops.

Women entrepreneurs, specifically, represent tremendous untapped growth potential. By helping women entrepreneurs, who now own 25-33% of private businesses around the world, we can unlock jobs and growth.

In the next decade, the impact of women on the global economy - as entrepreneurs, producers, employees and consumers - will be at least as significant as that of China's and India's respective one-billion-plus populations. In other words, women represent "The Third Billion." We have attached a recent Ernst & Young report, entitled: *Thinking Big*. The report provides additional insights on helping women-owned businesses.

We are sharing both of these reports with the High Level Working Group in order to highlight the positive ways in which governments and entrepreneurs can work together toward the common goal of creating jobs in the transatlantic economy. They also can be downloaded from <http://www.ey.com/GL/en/Issues/Business-environment/G20-Entrepreneurship-Barometer-2011>

<http://www.ey.com/US/en/Services/Strategic-Growth-Markets/Thinking-big---EY-Entrepreneurial-Winning-Women---Realizing-the-potential-of-women-entrepreneurs>

We would be happy to provide additional information or respond to any questions.

Respectfully submitted,

Beth Brooke

Maria Pinelli



Global Vice Chair, Public Policy
Ernst & Young

Global Vice Chair, Strategic Growth Markets
Ernst & Young

Attachments

- *Entrepreneurs speak out: A call to action for G20 governments*
- *Thinking Big*