FRA Press Release

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Freedom to conduct business means growth and jobs for Europe

The European Union has always sought to boost innovation and entrepreneurship throughout the region. However, entrepreneurs often face long and complicated administrative procedures, time consuming reporting obligations, and difficulties in accessing credit. The freedom to conduct business, one of the lesser-known rights of the EU's Charter of Fundamental Rights, is explored in detail with examples how this right can also help boost growth and jobs, in this latest report of the EU Agency for Fundamental Rights (FRA).

“In an EU still reeling from the economic crisis, the freedom to conduct business is a key prerequisite for smart, sustainable and inclusive growth,” says FRA interim Director Constantinos Manolopoulos. “However, our report shows that across the Union significant barriers remain that hamper efforts to enhance entrepreneurship and economic growth in the EU.”

The report examines the meaning of the right to freedom to conduct business. It addresses its scope under EU and national law. It also explores the practical application of this right for everyone and for specific population groups examining how barriers to judicial remedies impede the freedom to conduct business. At the same time the report also identifies promising practices in respect to this right.

The research reveals that, while a number of initiatives related to the freedom to conduct business have been implemented at EU and national level, much remains to be done to realise the full potential of this right. This includes raising awareness about this right which is rarely referenced in economic policies and legal texts.

The freedom to conduct a business is influenced by complex and time-consuming procedures, by difficulties to find financing, by barriers in accessing justice such as lengthy and costly litigation, and the lack of alternative dispute resolution mechanisms.

Under-represented population groups including women, youths, migrants and people with disabilities face additional hurdles. For example:

- **Women** are not adequately supported to balance family and work life as compared to men, when engaging in entrepreneurial activities.
- **Young entrepreneurs** have limited exposure to and practical experience of the business environment. Many face difficulties navigating the complex systems and regulatory requirements associated with setting up business, not to mention start-up costs.
• **Migrants** face additional obstacles to securing financial capital for starting a business, problems in recognising their qualifications, language barriers, limited knowledge of legal requirements and regulatory procedures, and in many cases cultural differences and discrimination.

• **People with disabilities** may face limitations in terms of independence and infrastructure needed at the workplace. They often have difficulties securing adequate funding to start a business, or may also face uncertainty about the financial consequences of setting up a business.

However, the research also found that all Member States have taken steps to remove excessive regulation and alleviate the administrative burdens faced by entrepreneurs, particularly SMEs. This includes the increasing and widespread use of online tools and one-stop-shops for registration and information.

Significant efforts have also been made at EU and national level to promote entrepreneurship among under-represented groups. Nevertheless, the report finds that much more needs to be done to remove barriers specific to these groups.

The adoption of a fundamental rights-based approach in respect to the freedom to conduct a business can contribute in measures to address austerity in times of economic crisis by boosting entrepreneurship and innovation.

To read the report, see: *Freedom to conduct a business: exploring the dimensions of a fundamental right*

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**Notes to editors:**

• The European Commission asked FRA to look into the existence and interpretation of the freedom to conduct a business. FRA carried out desk from all 28 EU Member States as well as focused research in 13 Member States (Belgium, Estonia, France, Greece, Ireland, Lithuania, Luxembourg, the Netherlands, Poland, Romania, Slovakia, Spain, and the UK). This included interviews with business representatives, including entrepreneurs, representatives of population specific groups and/or people working in the area of justice and business.

• FRA provides evidence-based advice to EU and national decision makers, thereby contributing to more informed and better targeted debates and policies on fundamental rights.