

MINUTES OF THE MEETING OF THE CHAIRPERSONS OF COSAC
Tallinn, Estonia, 10 July 2017

AGENDA:

- 1. Opening of the meeting**
 - Welcome address by Mr Eiki NESTOR, President of the Estonian *Riigikogu*
 - Introductory remarks by Mr Toomas VITSUT, Chair of the European Union Affairs Committee of the Estonian *Riigikogu*
- 2. Adoption of the agenda of the meeting of the Chairpersons of COSAC**
- 3. Procedural issues and miscellaneous matters**
 - Information on the results of the Presidential Troika of COSAC
 - Draft agenda of the LVIII COSAC
 - Outline of the 28th Bi-Annual Report of COSAC
 - Appointment of the Permanent Member of the COSAC Secretariat for 2018-2019
 - Letters received by the Presidency
 - Procedural issues
- 4. Priorities of the Estonian Presidency of the Council of the EU**
Keynote speaker: Mr Jüri RATAS, Prime Minister of Estonia
- 5. From start-ups to scale-ups - EU's unused potential**
Speakers: Ms Kristin SCHREIBER, Director of COSME Programme and SME Policy, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, European Commission, Mr Sten TAMKIVI, Vice President, MOVE Guides (recently acquired Teleport, where Mr TAMKIVI was founder and CEO), and Mr Ivo ŠPIGEL, co-founder of Perpetuum mobile, writer

PROCEEDINGS

IN THE CHAIR: Mr Toomas VITSUT, Chair of the European Union Affairs Committee, Estonian *Riigikogu*

1. Opening of the meeting

- Welcome address by Mr Eiki NESTOR, President of the *Riigikogu*
- Introductory remarks by Mr Toomas VITSUT, Chairman of the European Union Affairs Committee of the *Riigikogu*

Mr Toomas VITSUT, Chairman of the European Union Affairs Committee of the Estonian *Riigikogu*, welcomed all participants to Tallinn, and opened the Chairpersons meeting, noting that this also opened the Parliamentary dimension of the Estonian Presidency of the Council and thus offered an excellent opportunity to provide an overview of the priorities of the Estonian Presidency. He then gave the floor to the President of the *Riigikogu*.

Mr Eiki NESTOR, President of the Estonian *Riigikogu*, welcomed participants to the COSAC Chairpersons meeting, while comparing it to a successful social start-up that had become a social scale-up. Explaining this comparison, Mr NESTOR said that, just like a start-up, COSAC was firstly an idea which then evolved to an interparliamentary conference. Unlike start-ups, however, COSAC had avoided the mistake which most start-ups made by understanding the importance of details and deciding to set up and work in accordance with Rules of Procedures, the most important part of which, according to Mr NESTOR, was the article allowing the Presidency Parliament to host the COSAC Conferences and thus giving all national Parliaments an opportunity to set the agenda for six months.

Mr NESTOR continued the analogy by adding that, just like start-ups had to consider external factors, COSAC had to adjust to developments and changes happening in the European context. Mr NESTOR noted the difference from the first COSAC Conference to that day's, and, in the same breath, welcomed delegations from outside the Union. He noted how the range of topics covered in COSAC had become much broader, noting also how this affected participation time for each delegation. This state of affairs also reflected the challenges of current times, where problems became more complex and solving them was a race against time.

Mr NESTOR concluded by saying that, despite the challenges, COSAC remained an indispensable forum bringing politicians together in order for them to exchange thoughts and discuss EU matters in an open and friendly manner.

Mr VITSUT then welcomed the Chairs who were recently elected into their current positions and were therefore attending COSAC for the first time, namely Ms Soraya RODRIGUEZ, Chair of the Joint Committee of the European Union in the Spanish *Cortes Generales*, and Ms Sabine THILLAYE, Chair of the European Affairs Committee of the French *Assemblée Nationale*.

2. Adoption of the agenda for the Meeting of the Chairpersons of COSAC

Mr VITSUT presented the draft agenda of the COSAC Chairpersons' meeting, which was approved without amendment.

Ms Gabriela CREȚU, Romanian *Senat*, suggested that, in the future, the practice of identifying participants to COSAC according to their political group affiliation be resumed as identification facilitated meetings of the political groups, adding that these constituted the most useful genuine debates during COSAC.

Ms CREȚU then recalled the LVII COSAC held in Malta and the frustration of not having enough time for members to express opinions, and feared that this could happen again with an overly busy agenda.

3. Procedural issues and miscellaneous matters

- **Information of the results of the Presidential Troika of COSAC**
- **Draft Agenda of the LVIII COSAC**
- **Outline of the 28th Bi-annual Report of COSAC**
- **Appointment of the Permanent Member of the COSAC Secretariat for 2018–2019**
- **Letters received by the Presidency**
- **Procedural issues**

Mr VITSUT mentioned the Presidential Troika meeting that had taken place the previous evening and presented the draft agenda of the upcoming LVIII COSAC meeting in Tallinn on 26-28 November 2017. Mr VITSUT explained that there would be five topics on the agenda: the future of the EU; the role of national Parliaments; the Digital Single Market; security; and migration.

The Chair further explained how, on the latter item, the focus would be on the external dimension. The item related to the Digital Single Market would focus on digital services. With regard to the role of national Parliaments, the discussion would centre on ways to make debates on EU affairs in national Parliaments more open and inclusive. The item on the future of the European Union would see the President of the Republic of Estonia, Ms Kersti KALJULAID, addressing the meeting as keynote speaker. Commissioner Julian KING, on the other hand, would launch the discussion on security issues.

Other keynote speakers at the meeting would be the Vice-President of the European Commission, Mr Frans TIMMERMANS; Commissioner for Digital Agenda, Mr Andrus ANSIP; and Commissioner for Migration, Home Affairs and Citizenship, Mr Dimitris AVRAMOPOULOS.

Following this brief summary of the agenda for the plenary, Mr VITSUT went on to outline the 28th Bi-annual Report of COSAC. This would be comprised of three chapters. The first chapter would address the future of the European Union and aim to obtain information on the methodologies employed by Parliaments/Chambers in their scrutiny of EU legislation and positions on specific EU reports. Chapter two would analyse the citizen's involvement in the decision-making process and discussions on EU policy; Mr VITSUT remarked that improving interaction between civil society and the public sector was vital to the work of national Parliaments. This chapter would also establish best practices in making work of chambers more transparent. The third and final chapter would focus on the digital single market with special emphasis on digitalisation of parliamentary procedures.

The Bi-annual Report would be based on the replies to the questionnaire, which would be sent to delegations on 27 July. Replies would be expected by 18 September 2017.

Mr VITSUT then outlined the letters received by the Presidency.

The next item presented by Mr VITSUT was the appointment of the Permanent Member of the COSAC Secretariat for 2018 - 2019. Mr VITSUT explained that the second term of office of the current Permanent Member of COSAC would expire on 31 December 2017. The Rules of Procedure of COSAC provided for the COSAC Chairpersons to appoint the new Permanent Member on the proposal of the Presidential Troika. In this light, Mr VITSUT explained that the Presidency would start with the selection procedure in the summer in order to be ready to appoint a new Permanent Member at the LVIII COSAC in November. The Chair promised to send letters to all national Parliaments, inviting them to nominate candidates for the post by 29 September 2017.

Taking this opportunity to update colleagues on the state of play concerning the co-financing of the Permanent Member of the COSAC Secretariat, Mr VITSUT said that letters of intent had been received from 39 chambers of 26 national Parliaments, and that reminders would be sent out after the meeting of the Chairpersons of COSAC.

Mr Terry LEYDEN, Irish *Houses of the Oireachtas*, pressed for a Brexit update to be delivered by European Chief Negotiator, Mr Michel BARNIER, at the LVIII COSAC, as this was of interest to all EU Member States, but mostly because Ireland was especially affected.

Ms Izabela KLOC, Polish *Sejm*, stressed the desire to include an item in the agenda on financing infrastructure projects of the North-South Axis, a request already sent by way of a letter to the Presidency. Ms KLOC argued that the EU had been investing in West-East Axis, which was why North-South axis should also be invested in. She said that the Central and Eastern European region was developing dynamically with lots of potential, and that it was therefore very important to strive to improve the economic situation of that region. Ms KLOC acknowledged how financial aid from cohesion funds helped the region to improve the standard of living, but added that, nevertheless, the gap between Western Europe and Eastern Europe still existed. The most crucial issue in this regard was the transport network: investments in roads in the region were welcome. These investments could be financed by the cohesion policy, but also from the Connecting Europe facility. Ms KLOC was of the opinion that the Commission should allow more money to be used to build roads, as the amount which could be granted by the Commission, restricted to financing only 10% of the entire project, was an obstacle.

The European Commission was planning to review the comprehensive network TEN-T, and Ms KLOC welcomed this, but expressed her opinion that this should be carried out earlier to ensure there was enough time to take suggestions into account.

Mr VITSUT agreed that this was an important issue and promised that the Presidency would deal with it as well.

Mr Jaroslaw OBREMSKI, Polish *Senat*, proposed that the item on “bringing Europe closer to its citizens” be cancelled - as views on this could be sent in written form - and discuss instead the external dimension of migration or Brexit.

The Chair assured Mr OBREMSKI that the Presidency would discuss his proposal with the Troika.

Mr Gunther KRICHBAUM, German *Bundestag*, agreed to what Ms CRETU had said: putting too many items on the agenda was not useful and meant there would not be enough time to properly debate them. He particularly cautioned against discussing the MFF since it would anyway be addressed in other fora. Instead, he suggested to focus on the digital agenda and take time to really discuss these issues in depth. He also supported Mr LEYDEN’s intervention on including Brexit in the agenda.

The Chair welcomed these points and promised to consider them.

4. ‘Priorities of the Estonian Presidency of the Council of the EU’

Keynote speaker: Mr Jüri RATAS, Prime Minister of Estonia

Mr Jüri RATAS, Prime Minister of Estonia, presented the four main priorities of the Estonian Presidency, whose motto was “Unity through balance”: an open and innovative European economy; a safe and secure Europe; a digital Europe and the free movement of data; and an inclusive and sustainable Europe.

Concerning the digital Europe, he explained that the Presidency would focus on the increased use of e-solutions, the free movement of data, and the development of cross-border e-services and e-commerce.

Regarding the open and innovative economy, the Presidency’s actions would be geared towards creating a simple and predictable business environment and a stable banking sector, boosting the cross-border provision of services, advancing trade negotiations and taking a step towards cleaner energy.

On a safe and secure Europe, he referred to the need for tackling migration in the spirit of solidarity and finding a balance between the countries on the frontlines and others. He expressed Estonia’s commitment to carry on with the asylum system reform. He called on all Member States to increase their contributions to the EU-Africa trust fund, following Estonia’s example. He supported the creation of interconnected databases and IT solutions for the protection of the external borders; he also referred to the need to render the financing of terrorism more difficult and enhance cross-border police and security services cooperation.

The Prime Minister reminded the audience that, while NATO would remain a cornerstone of transatlantic security, efforts to enhance defence cooperation and to improve Europe's defence capabilities were necessary. He argued that an ambitious Eastern Partnership was in the interest of the entire EU.

He stressed that actions towards an inclusive and sustainable Europe would focus on ensuring equal opportunities for people who wished to live and work in the EU, on developing technologies to integrate people with disabilities, and on the reconciliation of work and family life. The Prime Minister contended that Europe must fulfill its commitment to the Paris Agreement and develop the EU's energy and climate policy. In his view, a balance between economic growth and environmental protection was indispensable.

While acknowledging the importance of the Brexit negotiations and Estonia's readiness to work closely with the Member States and the EU institutions, he argued that the Union must move forward in numerous other areas. He concluded by stating that the Estonian presidency was determined to achieve results throughout its 6-month term by promising less but doing its best to deliver more, building on the discussions that were had in Bratislava, Valletta and Rome.

The 28 speakers who took the floor in the debate all emphasised the ambitious set of priorities presented by the Estonian Presidency, appreciating namely the focus on the Digital Single Market and on migration.

As far as the question of migration was concerned, a number of interventions (e.g. Mr Vannino CHITI, Italian *Senato della Repubblica*, Mr Edgar MAYER, Austrian *Bundesrat*, Ms Soraya RODRIGUEZ, Spanish *Cortes Generales*) called for more common efforts and resources to govern the phenomenon of migration. Mr CHITI also commented that overcoming differences between North and South was necessary; he presented detailed figures on the number of migrants reaching Europe and deplored the low resettlement rates. Ms Fabienne KELLER, French *Sénat*, called for a greater use of the potential of FRONTEX, which needed more financial resources. Mr KRICHBAUM called for a proper allocation of resources within the EU budget and Multiannual Financial Framework (MFF) in order to set up the proper infrastructure for refugees and help solving the problem in the countries of origin. This was supported by Ms Mairead McGuinness, European Parliament, by Mr Paolo TANCREDI, Italian *Camera dei Deputati*, and by Mr Bojan KEKEC, Slovenian *Državni zbor*. The latter called for solidarity, and for tackling the causes of migration by country-specific assistance, while establishing increasing security at sea and land borders. Mr TANCREDI referred to the recent improvement of the Italian system for identification of migrants; he deplored the insufficient EU action and funding and condemned the human rights violations in Libya where a lucrative migration industry thrived. Mr Malik AZMANI, Dutch *Tweede Kamer*, asked whether there were concrete Estonian solutions to advance on migration. Mr Christian TYBRING-GJEDDE, Norwegian *Stortinget*, argued asylum requests should be processed in the countries of origin and stressed that migration was a global problem that Europe alone could not solve. Mr Edward ZAMMIT LEWIS, Maltese *Kamra tad-Deputati*, highlighted the importance of the Mediterranean dimension of the EU and the need to cooperate with the African states, stressing that the issue could not be seen in an insular manner. Mr Jaak MADISON, Estonian *Riigikogu*, welcomed the consensus on the need to cooperate with states from Africa and the Middle East, and called for a more effective return system of illegal migrants. Mr Nicos TORNARITIS, Cyprus *Vouli ton Antiprosopon*, called for strengthening the common European asylum system and for a more efficient borders policy.

Mr Bojan KEKEC, Slovenian *Državni zbor*, argued that fighting terrorism was necessary for a safe and secure Europe. Mr Veli YÜKSEL, Belgian *Chambre des représentants*, called for action in the field of protection, intelligence and prevention of terrorism. He argued that a good balance between freedom of speech and public security was necessary, as were new laws and cooperation with all actors in order to fight the incitement to violence and radicalisation linked to the misuse of social media. Mr TORNARITIS supported the initiatives aimed at making the financing of terrorism more difficult, at improving police cooperation and information exchange systems. He deplored the lack of a positive conclusion of the July Conference on Cyprus, due to Turkey's insistence on maintaining the Treaty of Guarantees and its unwillingness to give up its military occupation and right of

intervention in an EU Member State. Ms Zühal TOPCU, *Türkiye Büyük Millet Meclisi*, argued terrorism could be addressed through international cooperation and solidarity with no discrimination between terrorist groups.

A recurrent topic in the debate addressed by many speakers was the digital single market and the Estonian leading role in knowledge sharing this field. Mr Terry LEYDEN, Irish *Houses of the Oireachtas*, commended Estonia on its achievements on the free movement of data. Ms Regina BASTOS, Portuguese *Assembleia da República*, and Ms McGUINNESS called for digital security of data sharing, a view supported by Mr Philippe MAHOUX, Belgian *Sénat*, who referred to the work of its Chamber on the protection of privacy concerning health and politicians' freedom of speech. He stressed the need to educate citizens and grant them access to digital services. Ms Gabriela CREȚU, Romanian *Senat*, shared his view and stated that technological progress brought about the risk of exclusion of unprepared citizens from the new economy. Mr KRICHBAUM inquired on the specific roles of those involved in data collection, provision and processing, but also on data ownership and inheritance. Mr ZAMMIT LEWIS contended that the digital economy and the single digital market strategy should not only be about Digital Europe, but should also be focused on eliminating social differences, by granting access to technology to citizens and SMEs, thus ensuring a level-playing field. Mr YÜKSEL stated that the digital market strategy entailed the full completion of the single market and the creation of more jobs, an opinion supported by Mr MAYER.

Concerning Brexit, several speakers highlighted the need to secure friendly and constructive ties between the EU and the UK after its exit. Mr LEYDEN stressed that the UK was still a full member state of the EU until Brexit; he recalled Ireland was the most affected Member State, a view supported by Ms KELLER. Baroness Kishwer FALKNER, UK *House of Lords*, congratulated Estonia for taking up the Presidency at short notice following Brexit and mentioned a report drawn by the UK *House of Lords* on Anglo-Irish relations. Mr Richárd HÖRCSIK, Hungarian *Országgyűlés*, called for a fair deal on the rights of citizens; he mentioned the UK's withdrawal impact on the MFF and the resulting gap in the EU annual budget, which could be closed by increasing national contribution, cutting spending, or a combination of the two. Ms McGUINNESS argued that Brexit could be seen as an opportunity to learn how the EU worked, and confirmed the deep engagement of the European Parliament in the discussions on Brexit. Mr TYBRING-GJEDDE stressed Norway's interest in the outcome of the negotiations and the fact that any agreement involving single market rules or any transitional agreement should cover the EEA not only the EU 27.

Several speakers shared the assessment that the EU was moving in a better direction and towards growth, even if challenges remained. Mr TANCREDI called for the completion of the initiatives on the banking union, the own-resources for the EU budget and the protection of deposits. Ms BASTOS supported these views and the idea of an EU Monetary Fund; she also referred to her Parliament's "green card" on fighting tax evasion. Ms Jona Solveig ELINARDÓTTIR, Icelandic *Althingi*, expressed her belief that openness, innovation and a simplified regulatory environment for businesses could bring about solutions to current challenges. Mr TYBRING-GJEDDE stated that the single market was the cornerstone of a business-friendly policy in Europe; like Ms BASTOS, he supported the focus on the digital agenda, a more integrated energy market and the social dimension of the EU policies. He warned about the risks of social dumping and unfair competition. Ms CREȚU also called for new criteria of fair redistribution and a strong social pillar. Mr MAHOUX contended that dialogue was still needed on the posting of workers directive before its adoption. Ms KELLER, deplored the job cuts by big corporations and wondered whether those could be influenced via the interest rates.

On the future of the EU, Mr CHITI and Mr Miro KOVAČ, Croatian *Hrvatski sabor*, welcomed the increased awareness of the EU on the need to actively develop its own future and assert its role in its relations to global partners, such as the US, China and Russia. Mr MAYER hoped cooperation would resume with the US on climate change. Mr MAHOUX emphasised NATO's role for EU's security,

but believed the focus on the civilian dimension was also important. Mr Miro KOVAČ, Croatian *Hrvatski sabor*, believed the EU should focus on both the Eastern and Southern dimensions of the European neighborhood policy; he also supported the enlargement to the Western Balkans.

Mr Nenad ČANAK, Serbian *Norodna Skupština*, stated that Serbia expected support from the EU, as the perspective for membership was key for stability in the region. Ms Shpresa HADRI, FYROM *Sobranie*, accounted for the recent positive developments in FYROM and the adoption of an action plan for implementing EU accession reforms. Ms Tamar KHULORDAVA, *Parliament of Georgia*, looked forward to the Eastern Partnership summit, an important signal that the EU remained open to the countries which shared the European aspiration. Ms TOPCU argued the EU and Turkey shared the same challenges and future; she called for a relationship based on equal partnership and condemned the latest resolution of the European Parliament on Turkey.

In relation to the ongoing reflection on the future of the EU, Mr HÖRCSIK believed that no major integration steps were necessary, but rather the consolidation of EU's achievements. Mr Martin KLUS, Slovak *Národná rada*, called for an open reflection on how to reinforce the EU and for action against extremist groups threatening to EU's destroy common values. Mr Václav HAMPL, Czech *Senát*, suggested that a timely and transparent debate, open to the citizens be conducted well before the December European Council. Ms McGUINNESS mentioned that the EU should continue its engagement in its policies by delivering more and promising less.

In his reply, Prime Minister RATAS reiterated Estonia's support for a common response to the migration crisis, the reform of the common asylum system, as well as the support to Italy. He recalled the conclusion of the first informal meeting of meeting of EU ministers of internal affairs to implement the Commission's action plan on migration. On Brexit, he argued that unity among the Member States, the rights of EU citizens, and overall a smooth divorce were priorities for Estonia. He expressed full support to the work of the EU negotiator on Brexit. He reaffirmed Estonia's commitment to the pillar of social rights. He stressed the focus on enlargement and the Eastern partnership. Concerning the Digital agenda, Estonia intended to share its ideas with the world; a thorough reflection on data ownership and free movement of data on clear processing rules would be undertaken. He concluded by stating that Estonian population was largely pro- EU and valued the main achievements of the EU.

5. 'From start-ups to scale-ups – EU's unused potential'

Speakers: Ms Kristin SCHREIBER, Director of COSME Programme and SME Policy, DG for Internal Market, Industry, Entrepreneurship and SMEs, European Commission, Mr Sten TAMKIVI, Vice President, MOVE Guides and Mr Ivo ŠPIGEL, co-founder of Perpetuum Mobile, writer

Ms SCHREIBER, Director of COSME Programme and SME Policy at DG for Internal Market, Industry, Entrepreneurship and SMEs of the European Commission, recalled that, when the European Commission first started focussing on start-ups, it expected to find that the main difficulties were related to their creation. The hard evidence however showed that, compared to the United States, the EU actually trailed behind in the survival rate of start-ups after two to five years. In order to tackle this issue, the European Commission started last November its Start-up and Scale-up Initiative, including 46 broad initiatives roughly combined in three areas. In the first one, finance, Ms SCHREIBER singled out the COSME programme, helping companies get access to capital through its loan-guaranteeing scheme, and a pan-European venture capital fund of funds that should be up and running by September 2017. The second area where start-ups needed help was coming across opportunities and partners: investors, business and research partners. To this end, the European Commission was developing a pilot scheme on matchmaking and building upon the Enterprise Europe Network. Last but not least, Ms SCHREIBER elaborated removing barriers created by regulation, tax and bureaucracy, which tended to be the biggest obstacles for innovation. As labour

law and tax were largely areas of national competence and the European Commission powers were limited, Ms SCHREIBER invited national Parliaments to look into how to avoid gold-plating, stressing that it was not about avoiding taxes or employment rules, but about ensuring that companies complied with the requirements without excessive bureaucracy. Ms SCHREIBER concluded her speech by noting that the EU had a number of specialised hubs, unlike the United States, where innovation was concentrated in the Silicon Valley and few other areas. In her opinion, this unique opportunity should be tapped into and national Parliaments could have a crucial role in connecting these ecosystems. She also underlined that start-up policies did not contradict SME policies, as scale-ups could be innovative and at the same time could help traditional SMEs, which remained the backbone of the European economy.

Mr TAMKIVI, Vice President of MOVE Guides, proceeded by comparing Estonia to a successful start-up - it was tiny and faced big competitors, so it had to be more creative than the rest in order to survive and thrive; the result of this ruthless natural selection process being that Estonia had the highest number of start-ups *per capita* in Europe. In order for the whole EU to make use of the Estonian example, Mr TAMKIVI mentioned some areas where governments could do more. He ranked first education, focussing on practical skills future entrepreneurs could master at school and values such as openness, diversity, risk taking that should be shared by the society. He expressed his concern about calls for closing borders and staying both mentally and physically indoors, underlining that openness, as well as interaction with different ideas and people were the only way to build global businesses within Europe. Mr TAMKIVI also noted that governments could help companies by cutting red tape in areas such as talent mobility and employment regulations. In his opinion, Europe should remove frictions to attract the top 1% of world's talent, while at the same time recognise that the future of work was mobile. Young professionals could create global value from anywhere they could connect to the Internet, so hiring people across the EU should not be more difficult than if they were within one Member State. Mr TAMKIVI concluded that this, as well as the free movement of data, was unavoidably related to the functioning of the Single Market. In his final remarks, he called upon the parliamentarians not to think of start-ups as some isolated subset of economy or a goal in itself, but instead as an instrument to generate positive effects on the economy and the society as a whole.

Mr ŠPIGEL, co-founder of Perpetuum Mobile, introduced his speech by recalling that, while it was a US-based company, Apple, that made a revolution in the music industry with its iPod and iTunes, today it was Europe which was the actual leader of digital music with successful scale-ups such as Spotify. Mr ŠPIGEL noted that Europe had come a long way, becoming also a leader in gaming industry, financial technology, security and others. At the same time, there was still a lot of unused potential and the main question was how to unlock it. In Mr ŠPIGEL's opinion, one area where entrepreneurs needed to do more in this regard was in discussing how to create a fully integrated European ecosystem instead of the multiple isolated ones currently existing. He also mentioned that entrepreneurs needed the politicians' help at both national and European level, giving as an example of such help the removal of roaming charges in the EU. Mr ŠPIGEL encouraged policy makers and governments in Europe to work together for a more dynamic, innovative and digital economy and drew attention to the fact that new hi-tech companies created more jobs and added value. Mr ŠPIGEL concluded his remarks by noting that entrepreneurs had their responsibilities, but it was politicians who needed to tackle some serious issues, such as migrants, security or Brexit; he invited them to continue building a framework enabling companies to grow, succeed and win on a global scale.

Fourteen parliamentarians took the floor in the ensuing debate.

Many of them praised Estonia for putting this topic on the agenda, as well as for its achievements in the field, taking the opportunity to share their countries' experience with initiatives facilitating start-ups. Mr MAYER noted the links between academia and business and how new scientific findings

helped start-ups and *vice versa*. Ms ELINARDÓTTIR expressed pride that Iceland was an active participant at EU level in programmes such as COSME and the SME instrument, and mentioned some successful Icelandic start-ups in the fields of gaming and special effects. Mr HÖRCSIK informed the conference about four initiatives of the Hungarian government aimed at improving business environment, competitiveness and employment.

Some of the speakers shared their observations on areas where Europe needed to do more. Baroness FALKNER observed that the discussion tended to be EU-centric with little or no mention of the emerging markets and China. She stressed the leading role of China, especially in the finance area, and stated that, by 2025, most of the global firms would be located there. Ms KELLER underlined that European start-ups are often swallowed by US companies before reaching maturity and they should be given the opportunity to develop within the EU. Mr Malik AZMANI, Dutch *Tweede Kamer*, stressed that it was not a question of *if* but of *how* the EU should become globally competitive, especially considering that global players such as South Korea, China and Japan were growing much faster than the EU. Ms Sabine THILLAYE, French *Assemblée nationale*, focussed on data protection and the protection of privacy in order to ensure a legally secure environment for citizens and companies. Mr Anastasios KOURAKIS, Greek *Vouli ton Ellinon*, noted that new finance tools needed to be developed to support start-up companies in three fields in Greece: agriculture production, tourism and social economy.

Mr Kristian VIGENIN, Bulgarian *Narodno sabranie*, stated that the discussion was timely in light of increasing external competition and the need to raise Europe's competitiveness. In relation to Ms SCHREIBER's presentation, he said that successful start-up policies required a stronger link to education, which would prevent brain drain. When developing policies, the specific situations in different countries and the internal differences between regions also mattered, he argued. According to him, more flexibility was needed to adapt those policies to the needs of people.

Ms McGUINNESS pointed out the importance of the background where start-ups and scale-ups developed, notably the circular economy, and the issue of valuing natural capital and climate change, all areas of investment opportunities. In the same vein as Mr VIGENIN, she insisted on the importance of education towards flexibility; she referred to the possible use of EU's guidance on the matter. She pointed to the issue of access to finance and the existing differences in cost and availability of financing across the EU. She underlined the need for the EU to respond to the challenge of players like China which made efforts to draw talent from across the world.

Ms KHULORDOVA said that, in order to create an open investment climate in Georgia, several measures were undertaken: the state had lowered taxes, simplified and reformed customs practices, tackled corruption and made property registration easier. The state had also addressed legislative gaps, and invested in infrastructure development. Thanks to these measures, Georgia now ranked 16th in the world for doing business and second in its income group. Ms KHULORDOVA said that Estonia had been a model for Georgia in many ways, especially in terms of reforming the taxation system and in terms of investing in start-ups. She then praised the visit to the Tallinn Design House and said similar initiatives existed in Georgia.

Ms Izabela KLOC, Polish *Sejm*, expressed her country's appreciation for the initiatives of the European Commission in the area of start-ups. She then mentioned the programme 'Start in Poland' which covered a range of initiatives taken by the government and was the largest start-up programme in Central and Eastern Europe with a budget of almost 3 billion Polish zlotys. The programme was expected to contribute to creating 1500 companies in Poland within the next 7 years. Companies covered by that programme would receive support not only in the incubation and acceleration phase, but also at the development and international expansion stages. In addition to adopting acts which

removed barriers to innovativeness, the government also wanted to encourage Poles to return to Poland and to attract foreigners to register their companies in Poland.

Ms Marianne MIKKO, Estonian *Riigikogu*, returned to the question posed by Prime Minister RATAS relating to the free movement of data. Ms MIKKO said that in Estonia it was natural that a number of services used by the citizens in everyday life were conducted online and so the free movement of data was an inevitability for Estonians. However, she pointed out that for others in the hall questions were raised about the ownership of the data and the dangers that came with it. She therefore asked the three speakers to address that question from their own perspectives. She specifically asked what would happen to the free movement of data if it were to become the fifth freedom of the EU. Finally, she asked Mr TAMKIVI whether it would be conceivable to have a European version of Silicon Valley.

Mr Pablo CASADO, Spanish *Cortes Generales*, quoted the European Commission's President JUNCKER and called for better Europe rather than more Europe. He then outlined three ideas; competitiveness, innovation and anticipation. He reminded participants that Europe should aspire to compete with the rest of the world in economic terms and, to that end, cut down on bureaucratic barriers. He then posed the question whether we wanted to merely be consumers or also producers. Mr CASADO further reminded the participants of the fate of the Finnish company Nokia and the current state of play, where most of the leading software companies were not located in Europe. Finally, he called for anticipation in terms of debates relating to the digital revolution.

In response to the questions and comments, Ms SCHREIBER praised the participants for sharing best practices. She then moved on to talk about the need to look at the future and more specifically at the next financial perspective, especially if the emphasis were to be put on innovation. However, she cautioned against helping start-ups only. She argued that traditional companies also needed help and support to become more innovative and competitive and that that should be reflected in the next Multiannual Financial Framework (MFF). Regarding education, Ms SCHREIBER outlined a few successful initiatives of the European Commission, such as Erasmus. Concerning general life competences, she emphasised the importance of failing and the need to provide the necessary help to entrepreneurs to get back up again. Risk culture and the right legislative context both played a role in that matter. In her view, it was an asset for Europe not to have just one Silicon Valley, but rather many regional hubs which all had their own particular strengths.

Mr TAMKIVI commented on three themes. On developments in China and India, he said that the trend for the Asian countries to get ahead had developed in the past few decades and the best thing for Europe to do would be to monitor those dynamics. The flow of people from developing markets to the US would most likely also change due to the US President's impending changes to entrepreneurial visas. In Mr TAMKIVI's view, that would be an opportunity for Europe. Mr TAMKIVI's position was that there was no need for a Silicon Valley of Europe. He then elaborated on the way start-ups work and pointed out that "in order to win without resources one needed to be ten times better". The key was to find out in which sectors Europe could be ten times better and then to provide help for companies to be set up. Biotech, crypto currencies, e-residency, gaming could all be areas for Europe to excel in. Regarding the free movement of data, Mr TAMKIVI pointed to how mechanical engineering was replaced by software and advised to consider the consumers' point of view: if consumers expected to do things requiring data connected to the cloud, developing and customising software should be enabled. Self-driving cars was a good example of how software development exemplified the need for the free movement of data.

Mr Ivo ŠPIGEL responded to the question regarding the most important remaining obstacles by saying that selling, buying and hiring should be made as easy in the European market as it would be in a single economy. Regarding Asia and China, Mr ŠPIGEL pointed out that the best European start-

ups were global companies, some of which had set up offices in Japan, US and China. In his opinion, the European entrepreneurs had a cultural advantage for moving to Asia over their American rivals and competitors simply due to their global outlook. Mr ŠPIGEL reminded participants that not all companies were tied to tech hubs and that technology and the digital economy enabled entrepreneurs to build their companies anywhere. He then called for more ambitious and aggressive pan-European initiatives and for simplifying the current rules surrounding start-ups.

In concluding the meeting, the Chair said that it was very important to take full advantage of the unused potential in the field of start-ups. He also expressed his delight at the various initiatives taken on Member State level and called on participants to continue working on EU level to remove barriers for start-ups in order to become scale-ups.