



CHAPTER

20

ENTREPRENEURSHIP AND INDUSTRIAL POLICY

Pursuant to the *Europe 2020* growth and employment strategy guidelines, aimed at the European Union (EU) strengthening on an internal and international level, the European priorities are sectorally a more efficacious production and competitiveness invigoration, as well as knowledge and innovation incentives. Union's entrepreneurship and industrial policy are streamlined toward a competitive economy establishment within globalization conditions, demographic alterations, and sustainable development necessities.

NEGOTIATION CHAPTERS



Where we belong

Thus, the aim of the European legal regulations in this Chapter is to create conditions for the development of industrial competitiveness and an entrepreneurship-developing institutional framework improvement. An economy's competitive advantage is especially based upon entrepreneurship development, while an overall approach to the small- and medium-sized enterprise (SME) development is a presupposition for a competitive capacity

invigoration, pursuant to the European policy guidelines.

CHANGES FOR CROATIA

The instruments for the implementation of an entrepreneurial and industrial policy in Croatia pertain to financial subsidies, including special financial source access programs, competitiveness invigoration incentives, innovation support and an information society establishment.

SMEs

In Croatia, SMEs account to 99.5% of all economic entities, and this portion is identical to that in the majority of EU Member States. Priority areas of SME development incentives are comprised of competition and innovation, juvenile, novice, and disabled persons' entrepreneurship, female entrepreneurship, favorable financing and entrepreneurial education. Within the European funds, a special incentive subsystem is dedicated to these areas. An institutional support of SMEs in Croatia is realized in 32 entrepreneurial incubators, six technology parks, 52 entrepreneurial centers and 22 developmental agencies.

HITRO.HR

Thanks to the *Hitro.hr*, *e-Tvrtka*, and *e-Obrt* services, an economic subject establishment procedure is being accelerated and simplified. In the 5th year since its establishment, the *Hitro.hr* service for an accelerated entrepreneurial and civic communication with State administration bodies has transacted its business through 61 offices in Financial Agency's (FINA) affiliates. More than 43,000 companies and more than 5,000 crafts and trades were created through *Hitro.hr*, while there are more than 3,000 foreign investors' companies and crafts and trades.

E-SERVICES

Through the implementation of the European SME Charter, eliminated are also other administrative obstacles via established *e-Porezna* (taxation), *e-Zdravstveno* (health insurance), *e-Mirovinsko* (pension insurance), *e-Regos* (central insured persons' registry) and *e-Katastar* (cadaster) services. The *e-Hrvatska* program has encompassed activities pertaining to the development of electronic public services and contents, e.g., *e-Uprava* (implementation of information and communication technologies in public administration transactions), *e-Pravosuđe* (judiciary), *e-Obrazovanje* (education), *e-Zdravstvo* (healthcare), *e-Kultura* (culture), *e-Poslovanje* (business transactions), *e-Uključivost* (activities oriented toward an initiative to utilize

information and communication technologies as to surmount social and economic difficulties and promote inclusion) and *e-Pokazatelji* (indices and statistics of an information society in Croatia).

REGULATION IMPACTS

In Croatia, a system of regulation impact evaluation is being established. It improves the quality of new regulations and simplifies legislative solutions while implying the "let us start from the smallest ones" principle with regard to the SMEs.

SECTORAL APPROACH

Pursuant to the European directives, Croatia has already implemented an industrial policy based on the application of horizontal measures while abandoning the selective ones, which imply the State involvement in economic trends, except exclusively, in the cases when the elimination of market failures justifies such an interventionism. Thereby, the specificities of each industrial sector, its characteristics and necessities, are taken into account as to facilitate the industrial policy being entirely efficacious, especially concerning the challenges and opportunities it faces in a global environment.

SHIPBUILDING, IRON, AND STEEL

An ultimate goal for the sectors of shipbuilding, iron and steel industry, and aluminum production in Croatia is the creation of conditions for their long-term economic sustainability according to the EU market principles, i.e., their realistic survival on the European and globalized market. ★

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