

A Comparison of Small and Medium Sized Enterprises in Europe and in the USA

Solomon M. Karmel and Justin Bryon



London and New

Contents

<i>List of figures</i>	viii
<i>List of tables</i>	xii
<i>List of contributors</i>	xv
<i>List of sponsors</i>	xvii
<i>Preface</i>	xix
<i>Acknowledgements</i>	xx

Introduction

<i>Focus of inquiry</i>	1
<i>Other subordinate questions and hypotheses</i>	2
<i>Central findings</i>	3
<i>More general findings</i>	13
<i>Central assumptions tested</i>	18
<i>Definitions</i>	20
<i>Outline</i>	24
<i>Notes</i>	25

An overview of SMEs in Europe and the USA	26
<i>Theories on comparative advantages of large firms • vs. SMEs</i>	26
<i>Number of SMEs in Europe and the USA</i>	28
<i>Business start-ups in Europe and the USA</i>	31
<i>Business failures in Europe and the USA</i>	38
<i>Small business employment in Europe and the USA</i>	42
<i>Economic impact of SMEs</i>	44
<i>Financing of SMEs</i>	45
<i>Conclusions on SME development</i>	46
<i>Notes</i>	49

vi	<i>Contents</i>	
2	Private equity and venture capital in Europe and the USA	50
h	<i>What are the sources of US leadership and what does leadership imply for SMEs? 51</i>	
	<i>On US angel and venture capital activity 62</i>	
	<i>Angel and VC activity in Europe 68</i>	
	<i>Conclusion: common denominators and differences 83</i>	
	<i>Notes 88</i>	
3	Markets for SME publicly quoted stocks in Europe and the USA	89
	<i>Overview of small-cap growing pains in Europe and the USA 92</i>	
	<i>SME equity markets in the US and Europe compared 98</i>	
	<i>Small-cap regulatory requirements 112</i>	
	<i>The Neuer Markt: the next NASDAQ? 115</i>	
	<i>Further analysis and prospects for small-cap exchanges 119</i>	
	<i>Conclusion: on culture, taxes and cycles 121</i>	
	<i>Notes 125</i>	
	Institutional policy towards SMEs in Europe and the USA	127
	<i>Tax and savings policies: EU and US 128</i>	
	<i>The United States 135</i>	
	<i>SME policy in Europe 139</i>	
	<i>Case study: the EU Commission's structural fund donations 150</i>	
	<i>Executives' perceptions of government obstacles to success 158</i>	
	<i>Conclusions 161</i>	
	<i>Notes 165</i>	
	SME development and constraints: comparisons within the EU	167
	<i>On SMEs and wealth levels in the EU 169</i>	
	<i>On SMEs and the size of EU-states 175</i>	
	<i>On SMEs and employment in the EU 179</i>	
	<i>Homing in on larger SMEs measured by employment and turnover 180</i>	
	<i>Opinions of SME representatives on capital and financing 183</i>	
	<i>Policy trends towards SMEs in the EU: specific cases 184</i>	
	<i>Notes 189</i>	

V

Private equity and venture capital in the European Union

191

A comparative overview of VC industries 194

Europe's largest markets: the UK, France and Germany compared 198

Southern Europe compared: Italy, Spain, Greece and Portugal 206

Markets in northern Europe 210

Other dynamic continental markets VI2

Conclusion 215

Notes 216

7 Capital markets in the European Union

218

European exchanges: an overview of a dispersed market 219

Highlights within two countries: the UK and Germany 227

Highlights of other large markets 232

Conclusion 237

Notes 240

Conclusions 242

Glossary 250

Index 254