

Unleash EU Direct Selling Entrepreneurial Potential

Seldia's recommendations for the 2024 -2029 mandate of the EU Institutions

Seldia, founded in 1968, represents the interests of the European Direct Selling sector. We are the collective voice for 25 national associations, 12 companies, and 12 service providers, along with 5.3 million European entrepreneurs engaged in the sector. Our mission is to promote Direct Selling as a valuable distribution channel that empowers individuals, particularly women, to build their own businesses with minimal risk and on their own terms. Part of retail, Direct Selling relies on personal relationships and direct contact between customers and sellers both offline and online to offer quality products and services usually without the additional investment costs associated with traditional retail. Direct Selling is an important segment of the European economy, providing earning and learning opportunities, driving entrepreneurship, fostering inclusion, building community and nurturing work-life balance.

Seldia calls for 3 key priorities to achieve a competitive Single Market that makes doing business more social and responsible:

- The need for better enforcement and harmonisation.
- The need for a business-friendly ecosystem and recognition for microentrepreneurs.
- The need to recognise and promote entrepreneurship and soft skills.

The need for better enforcement and harmonisation for a fair Single Market

Consumer protection is a cornerstone of a healthy economy, ensuring that consumers can trust the products and services they purchase. However, varying levels of enforcement across EU Member States lead to inconsistencies and create a less predictable business environment. Stronger enforcement has several key benefits. It boosts consumer confidence: when consumers know that their rights are protected, they are more likely to engage in transactions, thereby promoting economic activity. It ensures fair competition: inconsistent enforcement creates unfair advantages for businesses that do not comply with consumer protection rules. Uniform enforcement ensures a level playing field for all. It reduces fraud and misconduct: strong enforcement deters fraudulent practices and misconduct, thereby protecting consumers and honest businesses.

Despite the importance of consumer protection, several challenges hinder effective enforcement. Different Member States have varying levels of commitment to consumer protection, leading to fragmented enforcement. Many regulatory bodies lack the resources and manpower to enforce consumer protection effectively. The complexity of consumer protection laws can make them difficult to enforce, leading to confusion and inconsistent application.

To address these challenges, Seldia recommends the following measures:

1. **Harmonised Enforcement Standards:** Establish clear, uniform standards for consumer protection enforcement across all Member States. This will create consistency and improve consumer confidence.
2. **Consumer Education and Awareness:** Promote consumer education to ensure that individuals understand their rights and know how to report violations. Informed consumers can play a crucial role in supporting enforcement efforts.
3. **Enhanced Enforcement Tools:** Provide regulatory bodies with stronger tools to investigate and penalise violations of consumer protection laws. This could include more Authorities to take corrective actions and collaborate with the industry to establish good practices within the sector.
4. **Increased Resources for Regulatory Bodies:** Allocate additional resources to national regulatory bodies and the European Commission to ensure they have the capacity to enforce consumer protection rules effectively.
5. **Cross-Border Collaboration:** Encourage collaboration among Member States to share best practices and conduct joint enforcement actions where necessary. This will strengthen the collective enforcement capability within the EU.

The need for more support and recognition for microentrepreneurs to reignite the culture of entrepreneurship across the EU

As relationships at work are changing fast and profoundly, and more and more Europeans want to move towards independence, we are advocating for a stronger focus on entrepreneurship and micro-entrepreneurship in the new mandate, with an emphasis on recognising self-employment status and removing barriers that hinder micro-entrepreneurs.

Micro-entrepreneurship plays a critical role in fostering economic growth, job creation, and social inclusion across the European Union. It enables individuals to start small-scale businesses, often from their homes, and provides a stepping-stone towards greater economic independence. Direct Selling is a great example of micro-entrepreneurship, offering a low-risk pathway to self-employment. While Direct Selling creates economic opportunities for everyone regardless of age, gender, qualifications, or experience, it also has a significant positive impact on women's occupation/employment and entrepreneurship. About 80% of direct sellers are women. Policies that support gender equality and women's empowerment are also crucial.

Despite its benefits, micro-entrepreneurship faces several challenges in the EU, as micro-entrepreneurs often fall into grey areas within existing regulations, thus leading to uncertainty about their legal status. Micro-entrepreneurs, especially those starting small businesses, often lack access to funding, training, and resources. Complex regulations and bureaucratic processes can discourage individuals from pursuing self-employment.

To support entrepreneurship and micro-entrepreneurship, Seldia urges to consider the following points:

1. **Recognise Self-Employment Status:** Establish clear definitions and legal frameworks that recognise the unique nature of micro-entrepreneurship and self-employment. This will provide legal certainty and encourage more individuals to pursue entrepreneurial ventures.

2. **Facilitate Stakeholder Dialogue:** Encourage dialogue among stakeholders, including Direct Selling associations, policymakers, and entrepreneurs, to identify and address barriers to micro-entrepreneurship. This collaborative approach can lead to more effective and inclusive policies.
3. **Remove Barriers to Micro-Entrepreneurship:** Work to streamline regulatory processes, reduce bureaucratic hurdles, and eliminate unnecessary restrictions that discourage micro-entrepreneurs. Simplifying business registration and providing clearer guidance can make self-employment more accessible.
4. **Promote a thriving microenterprise ecosystem:** Advocate for programs that offer financing and grants, training, and mentorship to micro-entrepreneurs, as well as tax incentives. These resources can help individuals build successful businesses and contribute to the broader economy.
5. **Emphasise Social Inclusivity:** Micro-entrepreneurship provides opportunities for everyone, regardless of their background, including women, minorities, and those with limited access to traditional employment. Policies should promote inclusivity and encourage entrepreneurship among underrepresented groups.

The need to recognise and promote Direct Selling as an opportunity to grow skills and to contribute to a sustainable Single Market for all

Direct Selling offers individuals the opportunity to develop interpersonal and entrepreneurship skills, contributing to economic growth and individual empowerment. These skills include:

1. **Sales and Marketing:** Sellers learn how to promote products and services, engage with customers, and develop marketing strategies. These skills are valuable in any business environment.
2. **Communication and Networking:** Direct Selling requires strong communication skills and the ability to build relationships and trust with customers. Sellers also network with other entrepreneurs, creating valuable connections.
3. **Business Management:** Direct sellers gain entrepreneurial experience and the ability to manage their own business operations, including budgeting, inventory management, and customer service.
4. **Leadership and Team Building:** Many direct sellers go on to lead teams of other sellers, developing leadership skills and fostering teamwork.
5. **Digital Competence:** As Direct Selling increasingly moves into the digital space, sellers acquire skills in online marketing, social media, and e-commerce platforms.

The skills developed through Direct Selling are transferable to other business and employment opportunities, making them valuable assets for individuals and the broader economy and society. With 99% of businesses in the EU being SMEs and forming the backbone of the European economy, recognising entrepreneurship skills can have several positive outcomes and benefits. Recognition of Direct Selling skills can open doors to further career opportunities for individuals, both within and outside the Direct Selling sector, and it can enhance direct sellers' career opportunities. It can also be an encouragement for entrepreneurship: when skills acquired through Direct Selling are recognised and valued, more individuals are likely to pursue entrepreneurship, leading to greater economic activity and innovation. By acknowledging the skills gained through Direct Selling, policymakers can help reduce barriers for individuals looking to start their own businesses.

To support the development and recognition of members' skills, Seldia recommends the following measures:

1. **Inclusion in Pact for Skills and Recognition Frameworks:** Encourage the inclusion of skills acquired through Direct Selling in national and EU-level skills recognition frameworks. This would validate the entrepreneurial and other skills of direct sellers.
2. **Support for Training and Development:** Advocate for policies that encourage training and development for direct sellers. This can further enhance skill acquisition and improve business outcomes.
3. **Promote Cross-Sector Collaboration:** Promote collaboration between the Direct Selling sector in the EU, educational institutions, and other business industries to promote the recognition of entrepreneurship and soft skills.

Seldia encourages the European Institutions to continue to engage with our sector to understand its unique needs and contributions. We are committed to working collaboratively with policymakers to ensure that the interests of direct sellers and consumers are appropriately balanced.