



Report on 1st Annual Consortium Meeting

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FIRES 1st annual consortium meeting and conference

On October 12th to 14th, the entire FIRES consortium met for the second time in the project for a regular annual meeting and conference. This year, the event was hosted by the coordinator in Utrecht, in the Netherlands. As the project has just entered to its second half, **the main aim** of this event was not only to discuss the results achieved so far and the work being currently in progress but also to bring more emphasis on the ultimate goal of the FIRES project - proposing the financial and institutional reform strategy for Europe. Hence, a special focus was given on policy implications that can be drawn from the FIRES results achieved so far. Based on these results, the researchers worked out in several thematic working sessions the first drafts for policy recommendations. As an active involvement of relevant stakeholders and keeping an open dialogue lies at the very heart of the FIRES project, these recommendations were tested immediately during the event on a selected group of stakeholders.

Stakeholders invited to this event were representatives of financial, knowledge, and labor institutions. During several interactive sessions with these three groups of stakeholders, FIRES researchers gained an interesting input and many insightful and relevant comments for future work. This active involvement of stakeholders shall ensure that the recommendations and proposals coming out of the project are well accepted by its target audience and result in a feasible and practical reform strategy.



The format of the event followed the successful example set during the Kick-off meeting in Berlin. Thus this year's event also started with a non-public consortium meeting followed by open stakeholder sessions with a public plenary closing. During the first two days (Wednesday –

Thursday), the members of FIRES consortium together with the advisory board members met in several working sessions to discuss the progress achieved so far, the next steps to be taken, and to prepare for the Friday stakeholder engagement session. The emphasis was on contents. We had short work package sessions for organisational issues and to enhance integration of the work over work packages, we organised the presentation of work so far in three cross work package cutting themes: Finance, Knowledge and Labour. On Friday, a selected group of stakeholders in each of these themes was invited to roundtable sessions to reflect on proposals and recommendations drafted by the consortium in the days preceding.

It was a very fruitful exercise to challenge our "academic views" about the most needed institutional reforms in Europe with the "practitioners' viewpoints" on these issues.

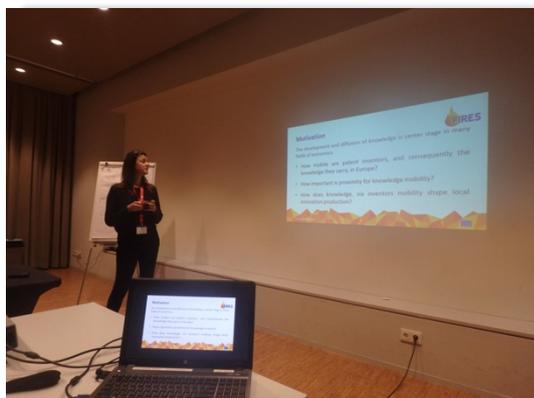
Dr. Luca Grilli, Politecnico de Milano

In general, the event contributed to identification and/or validation of relevant policy issues and new instruments that can be used to foster sustainable entrepreneurship in Europe. Moreover, it allowed for a better understanding of why and how policy makers and researchers can get involved in influencing and improving policy from micro to macro levels.

THEME SESSIONS:

The entire conference was organized around three themes: Labour, Knowledge, and Finance. This format facilitated a cross Work Package discussion and allowed for better integration of the policy

recommendations within these themes. The theme sessions were split into two parts - the internal working sessions organized in the first two days, during which only the consortium partners (supported by the Advisory board) were present, followed by the roundtable theme sessions with invited stakeholders organized on Friday.



The internal working theme sessions served two purposes: first, the discussion of the results of

deliverables relevant for each session, some of which were already finalized, some are still work in progress; and second, preparing for the discussion with the external stakeholders invited for the session on Friday. The main focus of each session was on the policy conclusions that come out of FIRES work. Each session was closed with a consensus building part, during which the researchers identified the issues to be put on a poster which served as the main output of the internal working session and an input for the Friday session with stakeholders. The main outcome of each theme session was thus a poster with identified problems that the consortium thinks the stakeholders are facing, and suggested solutions (policy recommendations) that might solve these problems.

Bridging gaps between academic perceptions and practitioners views over the institutional reforms in Europe to further enhance entrepreneurship.

Dr. Claire Economidou, University of Piraeus

The posters with the recommendations were printed out on Thursday evening and presented to the stakeholders on Friday during the Pitch poster session. After each of the posters was pitched by a representative of each session, the stakeholders were invited to vote on the ideas presented on the posters. They could give their preference to the proposals they consider useful and viable but also flag those recommendations they consider unfeasible or less useful.



After a brief voting session, the posters with indicated preferences were discussed in more detail during the roundtable session of the respective theme.

Theme session on FINANCE

On Wednesday 12th October, the internal theme session on finance took place. In the first part of the session, four FIRES researchers gave a brief presentation on their work closely related to the finance theme. The first one, Selin Dilli (together with Gerarda Westerhuis), focused on: (1) the recent patterns in financial institutions and entrepreneurship to highlight the diversity of financial institutions in Europe and (2) historical patterns of financial institutions of the Dutch case to show importance of historical roots of financial development to come up with more sustainable plans to change financial institutions. The second presenter, Boris Mrkajic (together with Luca Grilli and Gresa Latifi) presented the work of POLIMI team on the institutional drivers of venture capitalism in Europe. The third presentation by Saul Estrin focused on a case study of London on crowd funding and the last presentation by Claire Economidou was on the case study on Greek philanthropy. The purpose of these short pitches was to show that there are alternative sources to support entrepreneurs financially in Europe.



The presentations were followed by a general discussion by the audience directed by Mark Sanders. The aim of this discussion was to come up with policy directions that could be presented to the stakeholders on Friday. Few points were highlighted during this discussion. One point was that not

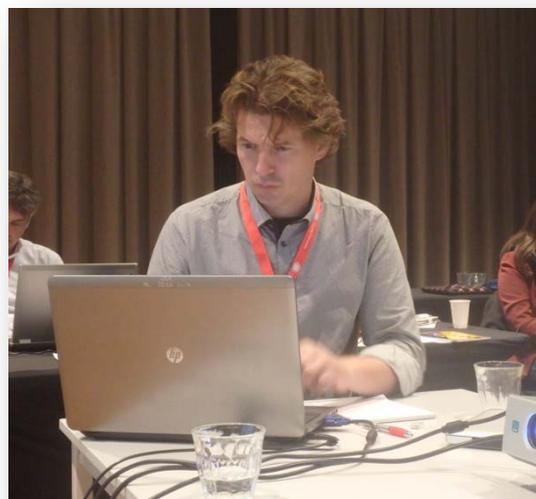


only the government but also other agencies should be seen as policy makers and take responsibility in overcoming the financial challenges entrepreneurs face. For example, the philanthropy sector can play a more direct and indirect role in supporting entrepreneurs. Cambridge Network provides another example for the role of universities, bringing people together from business and academia to share their ideas and

stimulate collaboration for shared success. Other issues related to financial institutions that were highlighted were whether policy should be made at the state, regional or at the European level; the varieties in the cultural aspects in Europe (e.g., related to bureaucracy); the unfavourable tax structure in Europe compared to the US; and the importance of differentiating between functions of finance (e.g., whether used in setting up of the business or growing the venture).

The discussion on policy directions resulted in a poster, where key sources of finance to support entrepreneurs in Europe and how to improve them were identified. (*See the posters in Annex 2*)

The poster prepared during the theme session on Wednesday was presented to stakeholders on Friday morning. Mark Sanders first shortly pitched the ideas presented on the poster and then the stakeholders were invited to give their preferences/votes to ideas they consider most useful, but also to flag bad ideas. Among the ideas flagged as mainly useful were reducing capital tax gains of venture capital, harmonizing EU regulation to facilitate peer to peer lending, full reserve banking,



and allowing pension funds to be invested in venture capital. These policies were deemed feasible and favourable to support entrepreneurs. Few of the suggested FIRES policy fields such as stimulating lending possibilities from family, friends, and fools by reforming taxation of wealth and inheritance got support from some stakeholders and was rejected by others. Providing a Europe-wide crowd-funding platform was approached more critically on Friday, as crowdfunding itself is a decentralized platform.

The roundtable session with stakeholders on Friday provided the FIRES researchers with further insight into the challenges of financial institutions in Europe. Stakeholders were invited to a brainstorming exercise that aimed to identify the problems regarding the finance institutions. During this exercise, it became clear that the problem in Europe is more demand driven than supply.



The issues that were raised by the stakeholders can be grouped under four headings. The first issue is the **lack of knowledge** necessary for having a good understanding of the present problem in Europe (e.g., whether there a financial problem to start with, if so is it demand or supply-driven, etc.). This lack of knowledge is related both to the limited comparable data on financial sector especially on venture capital which is usually highlighted as a crucial financial source for entrepreneurs where Europe lags behind the US (e.g., how much demand is there for financing entrepreneurial SMEs), and to the lack of information entrepreneurs have on alternative sources of financing. Another issue mentioned by the stakeholders is the **lack of uniformity** of the regulatory framework in Europe. A third problem is the **lack of a functioning of the financial ecosystem** in Europe which brings different financial agents together and the last one is the **tension between risky lending and financial stability** which largely influences the banks in their choices of financing entrepreneurs.

The risk taking aspect as an obstacle to finance entrepreneurs was not only highlighted as an issue for banks, but also for using pension funds as a financing tool to stimulate entrepreneurship. The banks are facing a conflict between protecting the interests of their stakeholders and investing in entrepreneurship that is seen as a risky investment. Similarly, venture capital involves high risks. Therefore, it is also a challenge to use pension funds to invest in venture capital. According to the stakeholders, one way to solve this problem would be to provide non-tradable secured loans for

insurance companies to create incentives for investment. While there is no regulation prohibiting the use of pension funds in venture capital, the regulations should be altered to resolve the liquidity problem.

Other suggestions were made to improve the financial market in Europe. Creating an ecosystem of

To attain its lofty goals, FIRES emulates its own subject -- entrepreneurship. Just as entrepreneurship is a process of generating and injecting creativity into organizations and ultimately the economy, so too FIRES provides a bold and open process of first creating new ideas and then nurturing them to fruition for spurring an entrepreneurial Europe.

Prof. dr. David Audretsch, Indiana University

finance was suggested as a way to solve the information problem. Such an ecosystem of finance would provide collaboration between different financial actors. British Bank system can provide an example where declined credit applications are stored in a system for other financial actors (e.g., crowdfunding, private equity) to

reach information on these applications and why they were denied credit from the banks. Other financial agents can see potential in the projects of entrepreneurs for which banks do not want to take the risk. Banks could also act as a financial advisory and play an intermediary role providing advice and information to entrepreneurs. According to Peter Blom, rather than creating one central information centre with all the applications, it would be more feasible and useful to have banks as the first step in access to finance but then have trained personnel that can direct and inform those entrepreneurs who cannot get loans from banks to alternative funds/financial institutions. Another suggestion was to develop a common investment market by introducing regulations at the EU-level (e.g., such as it was done in the case of venture capital), though such a European level platform was criticized in the case of crowdfunding due to its decentralized nature.

Theme session on KNOWLEDGE

On Thursday morning the entire consortium came together again to discuss the policy recommendations in the internal theme session focusing on Knowledge. The session was opened by Claire Economidou with her presentation on Mobility of Knowledge. In her presentation, Claire discussed among other issues the difficulties of GEM measures for entrepreneurship and a lack of an index that is mapping all measures. She pointed to some cons of the GEDI index, such as, that it uses arbitrarily chosen weights that do not change over time, for which reason using a gravity model might be a better solution. However, she also pointed out that there is no optimum weighting and no matter which model of weighting is chosen, it will always be subjective to a certain extent.

The second presenter, Selin Dilli, discussed the issue of Knowledge sharing in which she focused on the participation of women in the entrepreneurship and opened the issue of the gender gap. She has pointed out that in the work of behaviour economics, a lot has been done on the participation of women already. Also, a lot of work has been based on the effects of education on entrepreneurial skills, and she suggested that the gap of women in entrepreneurship can be integrated into that. Selin presented two angles to look at this gap: the fairness/justice angle; and the economic usefulness of having more women in entrepreneurship. She also discussed the issue of income differences between male/female per working hour; women earn less despite hundreds of control variables. As a gender angle was missing in the work on inclusive growth in Europe in the FIRES



project; Selin intends to use the gender to show there is a long-term institutional difference. The respective deliverable should, however,

not be about the gender

We learnt some of these issues are very deep and long term with no easy fixes. Especially innovation and labour incentives.

Prof. dr. Saul Estrin, London School of Economics

gap. It should rather be a manner to show there are differences and should be about the evolution of institutions.

The third presenter, Jeroen Content, focused in his presentation on the related variety and economic growth. Jeroen explained how variety of economic activity within regions might affect entrepreneurship. He pointed out that results seem to indicate that related variety positively affects the regional rate of opportunity-driven entrepreneurship, whereas it has no effect on necessity-driven entrepreneurship. This suggests that controlling for the cross-country differences like institutions, income levels, and certain demographics, part of the knowledge spillovers generated by related variety have beneficial effects on the rate of opportunity-driven entrepreneurship within European regions. Unrelated variety seems to have negative impact on entrepreneurship, regardless of the type.

After the presentations, an intensive discussion started on the policy recommendations and proposals that would favour knowledge diffusion. In preparation of the poster with FIRES suggestions, researchers discussed ideas such as stimulation of user innovators to share their ideas, using online platforms and similar instruments; abandoning the patent box; creating linkages between specializations – related and unrelated specializations; or ways of better allocation of money for applied research. In the end of the session, the total of nineteen different proposals was put on the poster that served the discussion during the roundtable on Friday.

On Friday morning, during the roundtable session on Knowledge theme, Koen Frenken has first introduced the aim of the session and invited the stakeholders to start the discussion about the problems they are facing. The problems they consider to be the biggest obstacles to entrepreneurship are for instance:

- The bankruptcy law that is more creditor-friendly in the European context, whereas in the US it is rather debtor friendly. The more debtor-friendly bankruptcy law might encourage innovation and entrepreneurship.
- Open data and how all the collected data as sort of a new type of infrastructure can be best used for innovation and knowledge
- The ways of encouraging students to think and to be more entrepreneurial. The educational system standardization and regulation are increasing, in turn reducing the freedom of

teachers to provide room for students to explore things and be encouraged to think entrepreneurial through experience. Currently, the focus is rather on credit points instead of stimulating students to come up with new/creative ideas, for example through 'cross-overs' between different groups/types of students.

After this short brainstorming exercise on the obstacles to entrepreneurship from the knowledge point of view, the participants were invited to link these problems with possible solutions. To this, several suggestions on what needs to be changed were made, such as the need for a change in the acceptance of failure in society, both in attitude and bankruptcy law; the adjustment of rules to facilitate the spread of knowledge and the right to use the knowledge; or embedded government as part of ecosystems (creation of ecosystems, and information of government).

The stakeholders raise the point that when the impact and success of start-ups is measured, financial gains should not be the only measures. Instead, the stakeholders suggest introducing broader conceptualizations by measuring knowledge creation and societal contribution as a whole. As result of that two suggestions for better knowledge transfer are made: Publicly founded incubator system should be set up in such a way, that successful graduates of the program do not pay back to the incubator but to society as such through knowledge and contributions to the entrepreneurial system. Furthermore, the stakeholders encourage to grant working visas/entrepreneur visas to non-Europeans who can create value for society beyond financial gains.

The following discussion centered on a topic regarded as crucial by both the FIRES consortium and the stakeholders: Intellectual property rights. The stakeholders agree that current arrangements like the 'Patent Box' provide only very indirect or even ineffective incentives for knowledge creation and exploitation. While a positive, indirect effect of the Patent Box in the form of big companies serving as anchors for smaller supplier companies is acknowledge, this measure is overall regarded as a tool in the 'race to the bottom' between different countries. The stakeholders point out that one flaw of the current IP rights is, that patents are often held for protection without being used. A solution according to the stakeholders could be to allow renewing patents only if they are actually being used. With regards to the problems of start-up companies the stakeholder discussions focus on two points: The prohibit costs of patents for small companies. At the same time these costly patents, once obtained do not provide strong protection against bigger companies with larger funding for legal disputes. According to the stakeholders small companies would greatly profit from a leveled playing field in the arena of IP rights.

Afterwards, the discussion turned to the role of universities in the dissemination and exploitation of knowledge. The stakeholders put forward the notion, that universities should focus on basic research, while allowing agents to exploit this knowledge commercially. Only once this point is reached the stakeholders regard the created knowledge as valuable. Students and highly specialized SMEs are mentioned as potential agents for this task. A problem the stakeholders and members of the FIRES consortium recognize is that the incentive system of universities usual does not reward researchers to act entrepreneurial or to interact with entrepreneurial agents. Several proposal are made in this light: The first proposal is to have a clear cut distinction between applied and research institutions while encouraging them to interact more intensely. Furthermore, a dedicated Knowledge Transfer Center at universities should not only manage the accrued knowledge but actively develop the knowledge that it is suitable for commercial use

From this topic the discussion shifts towards the question if specialized clusters are beneficial for entrepreneurship. The consensus is that they can be beneficial if clusters provide a framework to encourage interaction between players in the field. While an active community is needed for that the stakeholders agree, that politics can provide stimuli for the creation of a cluster and the encouraging an entrepreneurial mind set. Lastly, the importance of unified European Market for more scale oriented start-ups was stressed.

Theme session on LABOUR

On Thursday afternoon, Niels Bosma opened the internal theme session on Labour with a presentation on Firm Creation and Post-Entry Dynamics of De Novo Entrants, the work of Karen



Geurts and Jo van Biesebroeck who could not attend the conference this time. The presentation posed a question whether more entrants are needed. The authors of the work argue that not more entrants, but rather more high-potential entrants are needed because rapidly growing young firms contribute disproportionately to job creation. Another question discussed in the presentation was how the firms grow after entry. Niels pointed out that the growth rates decrease with firm age, and growth size relationship is conditional on age. Growth rates of surviving *de novo* entrants increase with size, which is different from growth rates of surviving administrative entrants that decrease with size.

To study new entrants, it is important to distinguish between administrative and economic entry. Focus on *de novo* entrants reduces the contribution of entrants to job creation by almost 50% and changes the characteristics of the entry population (*de novo* entrants concentrated in smallest size classes, for example). The policy recommendations resulting from this work focus on ease of hiring employees and avoiding subsidizing start-ups.

The second presentation was planned to be delivered by Miguel Amaral on the topic of Senior Entrepreneurship. Unfortunately, due to sudden health problems, Miguel could not attend this session. Therefore, the session proceeded directly to the presentation of Werner Liebrechts on the Institutional Explanations for Patterns of Entrepreneurial Activity: The Case of the Dutch Task Market. Werner presented the two-dimensional model on the Dutch task market from his case study. He pointed out, that in the Netherlands, a large increase in the number of solo self-employed is mainly caused by a large difference in the judicial and tax treatment between employed and self-employed. However, the boundaries are blurring; a large part of the solo self-employed are not entrepreneurial/innovative at all (i.e. perform routine tasks), whereas a substantial share of the employees are involved in the entrepreneurial activity (i.e. carry out non-routine tasks). Moreover, people increasingly combine jobs, employment with self-employment, or run multiple independent businesses. From his work, Werner drew following policy recommendations:

- Equal access to the welfare system for all workers
- Increased focus on workers' modern skills
- Increased focus on the role of entrepreneurial employees in society

In the second part of the session, the focus was again on the policy recommendations related to the labour theme, that should be put on the poster. Researchers discussed recommendations such as providing incentives for more investments in human capital by governments, employers and workers themselves (lifelong learning etc.), removing barriers for people to start businesses in others than their home country or stimulating youth entrepreneurship. Next to these rather conservative ideas, several more controversial proposals were suggested, for instance, stimulating migrant/refugee entrepreneurship, lowering employment protection legislation or implementing mandatory second/third language. At the end of the session, Niels Bosma, Mark Sanders, and Werner Liebrechts collected all input for policy recommendations on *Labour* by all participants of the session. This has led to a poster full of policy options (no regret, debatable, and wild ideas) that was presented to the external stakeholders the following day.



The roundtable session with stakeholders on Labour theme started on Friday morning with a brief round of introduction, after which the participants were invited to do a small brainstorm exercise. Each participant had to write down two most pressing problems for the entrepreneurial society that need to be solved, and give them to the person sitting next to them, who should try to formulate a possible solution to it. As an outcome of this brainstorming, the barriers remaining were identified and several promising reform ideas were formulated.

Promising reforms suggested:

- Innovation Jobs; make use of ambassadors, examples and/or successful peers;
- Changing the attitude of employers towards innovation jobs by changing laws, regulation, personal budget;
- Increase employers' attention for unemployed job seekers; contract with an experimental period or stacking jobs as a stepping stone into full job;
- Reward intrapreneurship/hybrid entrepreneurship;
- Adapting the legislation regarding the risk of disability/sickness absence by employees at the employers' sides.
- Basic income

Remaining barriers identified:

- Level playing field in negotiations between solo self-employed and clients (minimum tariff?)

- Human capital maintenance among (solo) self-employed; get funds available for equal access to training
- No entrepreneurial mind-set by employees, partly due to a lack of (a need to create) an entrepreneurial mind-set/vision at the management level
- Policy focus on successful industries (or, innovative (solo) self-employed) only, but ignores a large number of entrepreneurs
- Bureaucracy and hierarchy in organisations in the public sector (as well as in large private firms), so a lack of public entrepreneurship

After the initial discussion, Erik Stam pitched in an open session the poster with the policy recommendations that FIRES researchers identified in the working session during previous days.



The posters stimulated further discussion on which ideas are feasible and beneficial according to the stakeholders, present at the meeting. Among the most supported proposals were the implementation of state-funded 'maternity' leave for start-ups in order to support mobility of labour, enabling hybrid entrepreneurship and abolishing of non-compete clauses. In terms of attracting and fostering talent, the biggest support gained the proposal on modern skills education and mentoring programs by elderly. Finally, the stakeholders would welcome the introduction of an unemployed entrepreneurship program.

FRIDAY PLENARY SESSION

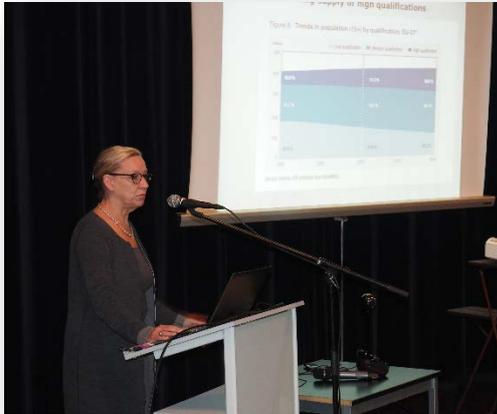
On Friday afternoon, the conference went to its final stage with a public plenary session. Four keynote speakers were invited to share their experience with a diverse audience of researchers, practitioners and students. In their inspirational presentations the speakers went beyond the obvious recipes of traditional entrepreneurship policy and reflected on how in their opinion the institutions that govern the allocation of money, talent and knowledge can be reformed in order to

(re)kindle an entrepreneurial spirit in Europe. As the entire conference was flagged with the three themes of Labour, Knowledge, and Finance, also the speakers invited were addressing these themes.

The mission of a good university is to train students for certainty and to educate them for uncertainty.

Prof. Dr. Marijke van der Wende,
Utrecht University

All presentations are available on FIRES website (<http://www.projectfires.eu/fires-conference-utrecht-2016/conference-documents/>).



The first speaker, Prof. Marijke van der Wende, focused in her presentation on the role of the higher education systems in the entrepreneurial society. She pointed out that there has been a considerable shift in labour demand towards skilled workers in last years; implying that future jobs will become more knowledge- and skills-intensive. She explained how the demand and supply of work with respect to skills can lead to a polarization and skills mismatch and how the '21st century skills' are needed for the entrepreneurial society.

The second speaker, Peter Vogel, the author of book 'Generation Jobless', was invited to deliver e-keynote on Entrepreneurship as a solution for European youth unemployment. In his presentation, Peter also stressed the mismatch in skills, capabilities and expectations on supply and demand side that are the main drivers of the youth unemployment crisis. According to him, three main reasons why to foster youth entrepreneurship are employment opportunities for the founders and their employees, developing new skills and professional experience and revitalizing local communities through new products and services.

The third speaker invited to share her experience, was Kristina van der Molen from FNV Jong. In her presentation on challenges and chances for tomorrow's labour market, Kristina talked about topics, which are specifically relevant for young people, can be real bottlenecks on the labour market, and about possible solutions to these problems and how the employees can work towards a fruitful cooperation with companies and entrepreneurs. She focused on three common labour market bottlenecks, pay for labour, uncertainty in work, and inter-generational conflicts. Her call for inclusive labour market institutions, also for the young, certainly resonated with the consortium.



The last speaker who shared his professional experience gained from many years in the financial sector, was Peter Blom, the CEO of the Triodos bank. During his keynote, on how to improve the banking system that would support entrepreneurship, Peter discussed a number of solutions such as the importance of a diverse bank landscape, improvement of guarantee schemes to make use of the knowledge of the banks, introduction of tax-friendly schemes for investors, stimulating a social role for banks (e.g., sustainable development goals) than only pure economic one, and promoting a culture where failing is appreciated as part of a learning experience. In his talk but also in the



discussion that followed, Mr. Blom made clear that in his view entrepreneurs need passion and a willingness to fail “epically”. Those are hard criteria for banks to handle. And there is little room in the regulation to change that for good reasons, but still several things can be done. Higher equity and more diversity in bank business models, allowing for more diversity in the lending criteria, would help entrepreneurs without causing unacceptable systemic risks.

WORK PACKAGE SESSIONS:

During the first two days of the conference, smaller sessions focused on each work package were organized under the chairmanship of the work package leaders. The aim of each session was to discuss current state of progress within the work package and any potential delays, problems and solutions in preparation of deliverables.

The session for WP2 could not take place given the unexpected absence of both Prof. dr. Magnus Henrekson (the WP2 Coordinator) and Dr. Gerarda Westerhuis (WP2 co-coordinator). They have reported no significant new developments relative to the midterm report except some minor delays in a few deliverables and a problem with data transfer from Utrecht to IFN that has been solved in the meantime.

WP1: Management And Coordination

For this Work Package, no meetings in particular were organized apart from the Executive Board meeting that took place at the outset of the conference.

WP3: Global Competition, Smart Specialization, Value Creation And Inclusive Growth In The Entrepreneurial Economy

The work package coordinator, Michael Fritsch, presented an overview on the state of Work Package 3 and participants made smaller comments and additions. By and large, everything seems to be on track. Two Deliverables (D3.1 and D3.2) have been submitted in time and the participants that were present confirmed that they do not expect any delays of their work so far. This seems to be also the case for project D3.6 where the empirical work is largely finished and there is already a journal publication available that is based on this project (International Journal of Industrial Organization, 49, 2016, 59-104). The project leader of project D3.5 (Jo van Biesebroeck) has informed the WP leader (Michael Fritsch) in early September that there are some problems with the data analysis in this project that might lead to a delay. There were no further issues raised.

WP4: Assessing The Quality Of Entrepreneurial Ecosystems: The State Of The Union

In the WP4, there are six deliverables planned. In the first half of the project, one deliverable has been submitted already, and five need to be finalized yet. Hence, during this session researchers

went through all the deliverables planned and discussed extensively the progress achieved so far and work in progress.

- **D4.1** – *A review paper on the extension of the GEDI-indicator with additional indicators on financial, labour and knowledge institutions*

After the project's mid-term review the reviewers suggested extending D4.1 by an explanatory annex that may help better understanding the background and mechanisms of GEDI and GEI indices. It was agreed that this supplement together with the whole deliverable will be submitted for an internal review by the end of October 2016 expectedly.

- **D4.2** – *Pan European database with time series of new GEDI-indicators*

All tasks of the deliverable have to be submitted at the end of the project, in 2018. The Pan European database of new GEDI-indicators which is appointed also as a milestone of the project (MS4) has been completed at the end of July 2016. The first version of the report describing the database, changes and results is almost finalized. After completion of the GEDI-report, PTE team is going to focus on delivering a manuscript to a peer reviewed journal on the results of the extended database.

- **D4.3** – *Time series and panel data analysis of GEDI and growth performance indicators*

Now that the new GEDI indicators are established this will be input to the panel data analysis to be conducted by UU. The initial idea is to tease out which elements of the ecosystem are linked most to high growth performance. A latent class approach will determine countries with relatively high levels of growth (given the effect of traditional input factors and in a panel data setting.). In turn, these will be linked to elements of the entrepreneurial ecosystem. At this point we do not expect any delay on this deliverable.

- **D4.4** – *Pan European database with new REDI-indicators*

The collection of institutional data started in April 2016. In order to include new indicators, PTE team used the similar framework on the regional database as in the case of GEDI database. After receiving GEM regional dataset in the end of June 2016, PTE team has started to create the database extended with new indicators for two time periods. The database which is appointed also as a milestone of the project (MS5) is almost finalized. Beside the database, PTE team is preparing the REDI-report and a manuscript to a journal on the extension of the database and the results. PTE team has agreed with members of Utrecht team that completion of the Policy Brief on REDI-studies will be delivered by PTE. All of the tasks have to be submitted by 20th April 2017 for internal review.

- **D4.5** – *Cross-sectional analysis of REDI and regional growth performance measures*

Preparations for this analysis have started. UU has scrutinized the GEM individual-level datasets and retrieved the relevant Nuts levels. This led to a new database from which entrepreneurship indicators can be retrieved for the period 2012-2014 at the Nuts2 level, except for the larger countries France, Germany, Italy, Poland and United Kingdom (all Nuts1). This data will, together with components of the REDI indicators supplied by PTE and possibly data from other sources be merged. The cross-sectional analysis will aim at retrieving different entrepreneurial profiles. The idea is that different types of entrepreneurial profiles may be correlated with different types of socio-economic performance (e.g. GDP growth, productivity growth, resilience, income inequality etc.). At this point we do not expect a delay on this deliverable.

- **D4.6 – GMR model for Europe linking Entrepreneurship, Institutions and Growth**
The elaboration of this task will start after completion of REDI-database. The simulation of GMR model will be conducted by PTE team members.

WP5: Formulating An Institutional Reform Strategy For Europe's Entrepreneurial Society;

The work package 5 session was led by Andrea Herrmann and the progress meeting had two major aims:

1. To assess the status quo of the individual deliverables that are to be completed within WP5.
2. To discuss the future publication strategy of deliverables, in particular of case studies.

Ad 1: Status quo of the various deliverables:

Within WP5, five major objectives need to be reached: 1. collection of a comparative dataset, 2. sequence analyses of this dataset, 3. institutional explanations of the sequence results obtained, 4. completion of country-specific case studies, and 5. development of policy-reforms. Overall, WP5 is proceeding in line with the foreseen timeline for reaching these five objectives. The major exception to this rule is objective 1, where data collection is proceeding too slowly, because of the poor performance of the call center hired. This problem has already been mentioned to the FIRES project management and is currently addressed in the form of a new collaboration with a second call center that has been hired next to the first one. With regard to objectives 2 and 3, preliminary sequence analyses have been run and institutional explanations have been developed to explain the results obtained.

With regard to the country-specific case studies (objective 4), the progress on case studies was discussed:

- **D5.4:** Progress is being made towards reaching both the deadline for internal review as well as the formal submission deadline. Due to a delay in data collection, the completion of the paper may be delayed, so that the submission deadline might need to be postponed by a few weeks. If this is the case, Erik Stam or Magnus Henrekson will inform the leaders of the FIRES project and of WP5 about the extension time needed.
- **D5.5:** Data is collected, draft version is written. While the deadline for internal review will not be met, the formal submission deadline will be.
- **D5.6:** The case study covers two different aspects: The first part on financial resources has been completed; the second part on founders' human capital is currently being written, whereby data collection has been completed.
- **D5.7:** Case study has been written, editing is in progress. All deadlines will be met.
- **D5.8:** An expert panel to identify the key elements of the Hungarian entrepreneurial ecosystem is set up for Dec 2016.
- **D5.9:** The case study is currently being written and will be completed in the first quarter of 2017.
- **D5.10:** Case study not yet started, as topic might need to be re-focused. But no problems expected to reach the deadline.

- **D5.11:** The case study is almost completed.

Ad 2: Future publication strategy of deliverables, in particular of case studies:

During the session, the idea to publish the various case studies in an edited volume has been discussed but has not found the necessary support of the WP5 participants. The reasons are two-fold: On the one hand, several case studies are already being developed into stand-alone articles to be published in international peer-reviewed journals. On the other hand, it has been questioned whether a 'case-study volume' would find the necessary interest amongst the potential readership. The authors of the case studies which have not yet identified a publication outlet (including the case studies of Germany, Hungary, and Greece) have been encouraged to develop their cases into stand-alone articles as well.

Instead of focusing on the case studies only, the idea has been discussed to write either an edited volume or a monograph based on the overall findings of the various FIRES work packages. The discussion of whether and, if so, how such a volume would be developed, has been postponed to the Hydra meeting.

WP6: Policy Implications And Proposals: Legally Assessing And Operationalizing The Reform Strategy

The workshop on WP6 discussed a draft of the report on EU Entrepreneurship Policy: a multi-dimensional and multi-level assessment. This reports contains an extensive mapping and discussion of EU entrepreneurship policies. The workshop aims were threefold. First, it wanted to give an exhaustive account of what the current approach to the promotion and stimulation of entrepreneurship is as advanced in the policy documents and implementing legislation adopted by the institutions of the European Union. The second objective of the workshop was to identify, on the basis of this exhaustive account, the key actors that should be approached and included as stakeholders to ensure the reform agenda proposed by the FIRES project is workable and effective. This exercise allows the FIRES researchers to closely interact with and aim their recommendations for reform to the right addressee at the governance level most appropriate for the implementation thereof, in accordance with the principle of subsidiarity. Finally, a third and related objective was to facilitate the dialogue between the FIRES researchers and EU policy makers by identifying the areas in which FIRES can make the most valuable contributions to the existing entrepreneurship policy approach in the EU. For this reason, not only researchers involved in the WP6, but also also all other FIRES researchers were invited to attend this session.

EXECUTIVE BOARD MEETING:

Before the official opening of the conference on Wednesday the work package leaders met for the regular Executive board meeting, to prepare for the conference and confirm the aim of the meeting and to discuss any other issues that need strategic decision of this governing body. The executive board discussed the results of the midterm review and at some length the publication and dissemination strategy. Many topics that were on the agenda of the EB on Wednesday, were discussed and approved with the General assembly and the rest of the consortium during the plenary session on Thursday. The minutes from the EB meeting are available upon request.

ANNEXES:

- *ANNEX 1: Final conference agenda*
- *ANNEX 2: Poster on Labour, Poster on Knowledge, Poster on Finance*



PROGRAMME FIRES ANNUAL CONFERENCE

Utrecht, 12-14 October 2016

Venue: Domplein, Utrecht

PROGRAMME OVERVIEW:

WEDNESDAY, 12 October (13:00 - 18:30), University Hall, Domplein 29

TIME	ITEM	ROOM
12:30 - 13:00	Walk in, registration	
13:00 - 13:10	Plenary Opening	B. van Zuylenzaal, University Hall
13:10 - 16:00	Theme Session on Finance (plenary)	B. van Zuylenzaal
14:35 - 14:50	Coffee & Tea Break	
14:50 - 16:00	<i>Continuation:</i> Theme Session on Finance (plenary)	B. van Zuylenzaal
16:00 - 16:15	Coffee & Tea Break	
16:15 - 17:15	Work Package Sessions: WP2 and WP4 (running in parallel)	B. van Zuylenzaal (WP2) Opzoomerkamer (WP4)
17:15 - 17:30	Coffee & Tea Break	
17:30 - 18:30	Work Package Sessions: Parallel WP3 and WP6 (running in parallel)	B. van Zuylenzaal (WP6) Opzoomerkamer (WP3)

THURSDAY, 13 October (9:00 - 17:30), UCK, Domplein 4

TIME	ITEM	ROOM
9:00 - 11:50	Theme Session on Knowledge (plenary)	Room 114
10:35 - 10:50	Coffee & Tea Break	

10:50 – 11:50	<i>Continuation:</i> Theme Session on Knowledge (plenary)	Room 114
11:50 - 12:15	General assembly – practical issues	Room 114
12:15 - 13:15	Lunch	
13:15 - 16:15	Theme Session on Labour (plenary)	Room 114
15:35 - 15:45	Coffee & Tea Break	
15:45 - 16:15	<i>Continuation:</i> Theme Session on Labour (plenary)	Room 114
16:15 – 16:30	Coffee & Tea Break	
16:30 – 17:30	Work Package Sessions: WP5	Room 114
19:00 – 21:00	<i>Conference Dinner</i>	

FRIDAY, 14 October (9:00-17:00), UCK, Domplein 4

TIME	ITEM	ROOM
9:00 - 9:30	Registration, walk-in	Torenzaal
9:30 – 9:45	Plenary opening	Torenzaal
9:45 - 10:45	Parallel sessions on: Finance, Labour, Knowledge	Labour (Room 114) Knowledge (Room 115) Finance (Room 017)
10:45 – 11:00	Pitch Posters Plenary	Torenzaal
11:00 – 11:30	Coffee & Tea Break	Torenzaal
11:30 – 12:30	<i>Continuation:</i> Parallel sessions on: Finance, Labour, Knowledge	Labour (Room 114) Knowledge (Room 115) Finance (Room 017)
12:30 - 14:00	Lunch	Torenzaal
14:00 - 16:00	Plenary with keynote speakers	Marnixzaal
16:00 - 17:00	Plenary closing and networking drinks	Torenzaal



DETAILED AGENDA:

WEDNESDAY 12 OCTOBER 2016

12:30 - 13:00 WALK IN, REGISTRATION

Room: B. van Zuylenzaal, University Hall, Domplein 29

13:00 - 13:10 PLENARY OPENING, WORD OF WELCOME

Room: B. van Zuylenzaal, University Hall

Chair: Mark Sanders

13:10 – 16:00 THEME SESSION ON FINANCE

Room: B. van Zuylenzaal, University Hall

Chair: Gerarda Westerhuis

Minutes: Selin Dilli

Agenda per session:

- 13:10 – 13:15 Introduction
- 13:15 – 13:30 Financing Entrepreneurship (Gerarda Westerhuis/Selin Dilli)
- 13:30 – 13:45 Venture Capital in Europe (Luca Grilli/Boris Mrkajic)
- 13:45 – 14:00 London's Equity Crowd Funding (Saul Estrin)
- 14:00 – 14:15 Greek Philanthropy (Claire Economidou)
- 14:15 - 14:35 Integration and Collaboration - Discussion 1
- 14:35 - 14:50 Coffee & Tea Break
- 14:50 – 15:00 Proposed Policy Directions (Mark Sanders)
- 15:00 – 16:00 Policy Directions - Discussion 2

16:00 – 16:15 COFFEE & TEA BREAK

16:15 – 17:15 WORK PACKAGE SESSIONS: PARALLEL SESSIONS ON WP 2 AND WP4

WORK PACKAGE 2

Room: B. van Zuylenzaal, University Hall

Chair: Magnus Henrekson

Agenda per session:

** exact agenda to be specified by WP leader*

- Progress in WP2
- Integration and connections
- Problems, Challenges and solutions

WORK PACKAGE 4

Room: Opzoomerkamer, University Hall

Chair: Erik Stam/Zoltan Acs

Agenda per session:

** exact agenda to be specified by WP leader*

- Progress in WP4
- Integration and connections
- Problems, Challenges and solutions

17:15 – 17:30 COFFEE & TEA BREAK

17:30 – 18:30 WORK PACKAGE SESSIONS: PARALLEL SESSIONS ON WP3 AND WP6

WORK PACKAGE 3

Room: Opzoomerkamer, University Hall

Chair: Michael Fritsch

Agenda per session:

** exact agenda to be specified by WP leader*

- Progress in WP3
- Integration and connections
- Problems, Challenges and solutions

WORK PACKAGE 6

Room: B. van Zuylenzaal, University Hall

Chair: Axel Marx

Agenda per session:

** exact agenda to be specified by WP leader*

THURSDAY 13 OCTOBER 2016

9:00 - 11:50 THEME SESSION ON KNOWLEDGE

Room: room 114, UCK

Chair: Andrea Herrmann

Minutes: Jeroen Content

Agenda per session:

- 9:00 – 9:05 Introduction
- 9:05 - 9:35 Knowledge sharing (Historic) (Westerhuis/Dilli)
- 9:35 - 10:05 Mobility of Knowledge (Claire Economidou)



- 10:05 - 10:35 Institutional settings and Knowledge (Andrea Herrmann)
10:35 - 10:50 Coffee & Tea Break
10:50 - 11:20 Related Variety & Economic Growth (Jeroen Content)
11:20 – 11:50 Concluding discussion, including identification of policy recommendations

Schedule for each presentation:

- 00' – 15': Presentation (incl. policy recommendations)
15' – 30': Discussion

11:50 - 12:15 PLENARY SESSION-PRACTICAL ISSUES

Room: room 114, UCK

Presenters: Mark Sanders, Martina Chylkova

Agenda per session:

- Rules for Publications and Open Access
- Dissemination Strategy
- FIRES Mid-term review, recommendations

12:15-13:15 LUNCH BREAK

13:15 - 16:15 THEME SESSION ON LABOUR

Room: room 114, UCK

Chair: Niels Bosma

Minutes: Werner Liebrechts

Agenda per session:

- 13.15 – 13.20 Opening
- 13.20 – 13.50 An Institutional Framework for Enhanced Innovation and Entrepreneurship in Europe (Niklas Elert, Magnus Henrekson* and Mikael Stenkula)
- 13.50 – 14.20 Firm creation and post-entry dynamics of de novo entrants (Karen Geurts & Jo van Biesebroeck) – presented by Niels Bosma*
- 14.20 – 14.30 Coffee & Tea Break
- 14.30 – 15.00 Senior entrepreneurship (Miguel Amaral*)
- 15.00 – 15.30 Institutional Explanations for Patterns of Entrepreneurial Activity: The Case of the Dutch Task Market (Werner Liebrechts*)
- 15.30 – 15.40 Coffee & Tea Break
- 15.40 – 16.00 Consensus building for the theme
- 16.00 – 16.15 Conclusions & final reflection

Schedule for each presentation (x4):

- 00' – 10': Presentation (incl. policy recommendations)



10' – 25': Discussion

25' – 30': Reflection on feasibility and legal aspects (by Axel Marx and Philip de Man)

16:15 – 16:30 **COFFEE & TEA BREAK**

16:30 - 17:30 **WORK PACKAGE SESSION: WP5**

Room: room 114, UCK

Chair: Andrea Herrmann

Agenda per session:

16.30 - 16.35 Opening

16.35 - 17.15 Presentation of progress of individual contributions/deliverables (=case studies) to WP5 (max. 3 minutes!)

17.15 - 17.30 Discussion of collaborations and publication strategy

19:00 - 21:00 CONFERENCE DINNER (City center)

Restaurant De Artisjok



FRIDAY 14 OCTOBER 2016

9:00 - 9:30 REGISTRATION, WALK IN WITH COFFEE

Room: Torenzaal, UCK

9:30 - 9:45 OPENING AND WELCOME PLUS EXPLAINING THE PROCESS

Room: Torenzaal, UCK

Chair: Mark Sanders

Agenda per session:

Upon registration we start the morning session in the plenary room with the consortium members and external practitioners. Mark will explain briefly the mission of the FIRES project and how the round tables fit in to the project. Then he explains the process of the morning round table session.

9:45 - 10:45 PARALLEL SESSIONS ON: FINANCE, LABOUR, KNOWLEDGE. Round 1-3

FINANCE:

Room: room 017, UCK

Chair: Friedeman Polzin

Notes: Selin Dilli

LABOUR:

Room: room 114, UCK

Chair: Erik Stam

Notes: Werner Liebrechts

KNOWLEDGE:

Room: room 115, UCK

Chair: Koen Frenken

Notes: Lukas Held

Agenda per session:

The round table discussions are organized in four rounds. This session comprise round 1-3 (3x20 minutes). The chairs/moderators will facilitate the discussion and keep track of time and the assignment per round.

- Round 1 Short round of introductions in which the participants tell the rest of the group who they are and what they already do for entrepreneurs.
- Round 2 Brain writing exercise on what they could and would like to do better and what is holding them back.
- Round 3 Identification of the 4 most promising reform ideas and 4 most challenging remaining barriers discussed at the table.

10:45 - 11:00 PITCH POSTERS PLENARY

Room: Torenzaal, UCK

Pitchers: Erik Stam, Koen Frenken, Gerarda Westerhuis

11:00 - 11:30 COFFEE & TEA BREAK

Room: Torenzaal, UCK

Voting on the posters during the coffee break

11:30 - 12:30 PARALLEL SESSIONS ON: FINANCE, LABOUR, KNOWLEDGE. Round 4

FINANCE:

Room: room 017, UCK

Chair: Friedeman Polzin

Notes: Selin Dilli

LABOUR:

Room: room 114, UCK

Chair: Erik Stam

Notes: Werner Liebrechts

KNOWLEDGE:

Room: room 115, UCK

Chair: Koen Frenken

Notes: Lukas Held

Agenda per session:

Round 4 Discussion on the proposed reforms in detail. The notes of this discussion should be made on the flip over for the table with a (+) and a (-) sheet. On the (+) sheet we list why the proposals are good, on the (-) we list how they should be improved.

12:30 - 14:00 LUNCH BREAK

14:00 - 16:00 OPEN PLENARY SESSION

Room: Marnixzaal, UCK

Chair: Mark Sanders

Agenda per session:

- 14:00 - 14:05 Brief Opening and Welcome
Dr. Mark Sanders, Scientific Coordinator of the FIRES-project
- 14:05 - 14:25 'Higher Education Systems in the Entrepreneurial Society'
Prof. Marijk van der Wende, Professor of Higher Education Systems and Dean of Graduate Studies, Utrecht University, Netherlands
- 14:25 - 14:45 'Entrepreneurship as a Solution for European Youth Unemployment' (via Skype)
Dr. Peter Vogel, Managing Director at Peter Vogel Strategy Consulting and Director Custom Programs at the Executive School of the University of St. Gallen, Switzerland
- 14:45 - 15:05 'Chances and Challenges of the 21st century labor Market'
Ms. Kristina van der Molen, Vice president of FNV Jong
- 15:05 – 15:25 'Banking beyond Sticks and Bricks: Finance for an Entrepreneurial Society'
Mr. Peter Blom, Chief Executive Officer, Triodos Bank, Board member at the Dutch Banking Association and Founding member of Sustainable Finance Lab
- 15:25 – 16:00 Q&A and Panel Discussion with Prof. Marijk van der Wende, Mr. Peter Blom and Ms. Kristina van der Molen

16:00-17:00 NETWORKING DRINKS



Finance	No Regret	Debatable	Wild Idea
Family Friends Fools		- Direct family-funding towards professionally managed investment agencies	- Reform taxation on wealth, wealth transfers and inheritances
Angel and Venture Capital	- Reduce capital gains tax for Venture Capital (not Private Equity)	- Creating viable exit markets in Acquisition	- Stop doing policy for supply. It's a demand problem.
Alternative Finance	- Light touch regulation of Equity and Debt Crowd Funding	- Harmonize EU-regulation to facilitate peer-to-peer lending	- Set up a EU wide Euro denominated crowd funding platform as EIB and poor in matching funds
Equity/Debt	- Equity investments in start-up firms entirely tax exempt	- Achieve tax neutrality between debt and equity	- Make equity tax preferred
Public-sector	- Increase funding for SBIR programs	- Organize information exchange - Support business development by entrepreneurs	- Complete tax exemption for start-ups
Institutional Investors	- Substitute private for institutionalized savings	- Allowing pension fund to invest more in equity	- Allowing pension fund to invest in venture capital
Banks	- Publicly guarantee(d) bank loans (up to max)	- Higher (10-15%) equity requirements	- Full Reserve banking - Nationalize money, privatize banking





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Knowledge	No Regret	Debatable	Wild Idea
Knowledge generation	-Blue Card	-Force NSFs to open grants for EU competitors	-Triple funding for basic research
Knowledge Diffusion	-Entrepreneurial knowledge observatory	-International public-private partnerships for innovation	-Open eligibility criteria in H2020 on basis of reciprocity
Geographic Distribution /Mobility	-Abolish confidentiality agreements	-English second language	-Let funding follow knowledge.
Intellectual Property/Access	-License fees covered by public funds -Differential license fees	-Abandon the patent box -Reform patent system	-Abandon patents
Universities /Education	-Entrepreneurship education for (STEM) students -Platform to diffuse knowledge on E'ship at U's - Improve use of digital infrastructure	-Don't stimulate scientist entrepreneurs/patents but team startups -Creativity in primary education	-Allow for private donations -More market competition in universities
R&D	-More EU funding for basic research	-Limit support to new to the market activities	-State funded entrepreneurial leave for R&D workers.
Specialization Patterns		- Do not specialize - Stimulate user innovators to share	





Labour	No Regret	Debatable	Wild Idea
Inclusive Society	<ul style="list-style-type: none"> -Youth entrepreneurship programs -Activate mature women 	<ul style="list-style-type: none"> -Allow refugee entrepreneurship 	<ul style="list-style-type: none"> -Clausulated globalization and trade treaties -Redistribute gains from globalization
Digitalization & globalization	<ul style="list-style-type: none"> -Free wifi -Act on global opportunities -Self-sufficiency and circular economy 	<ul style="list-style-type: none"> -Open regulation of digital platforms -Embrace digitalization and globalization 	
Social security, employment protection & flexibility	<ul style="list-style-type: none"> -More flexible working hours 	<ul style="list-style-type: none"> -Equal access to welfare -Flexicurity -Employment protection 	<ul style="list-style-type: none"> -Basic Income -Tax exempt profits startups
Attracting & Fostering Talent	<ul style="list-style-type: none"> -Modern skills education -Blue card -Student visa -Mentoring programs by elderly 	<ul style="list-style-type: none"> -Provide human capital investment incentives -Promote Intrapreneurship 	<ul style="list-style-type: none"> -Increase slack -Startup visa
Mobility of Labour	<ul style="list-style-type: none"> -Enable hybrid entrepreneurship -Abolish non-compete clauses 	<ul style="list-style-type: none"> - Guaranteed return to job after startup 	<ul style="list-style-type: none"> -State funded "maternity" leave for startups
Unemployment	<ul style="list-style-type: none"> -Active elderly entrepreneurship campaign 	<ul style="list-style-type: none"> -Unemployed entrepreneurship program 	<ul style="list-style-type: none"> -Job guarantees

