



# Report on 2<sup>nd</sup> consortium meeting

Mark Sanders

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## EXECUTIVE SUMMARY

On October 4 to 6 2017, the FIRES 2<sup>nd</sup> Annual conference was held in Athens, Greece.

This three-day event was divided into two parts: A two-day focus on FIRES papers to provide input/comment from the consortia into the authors papers; and one-day to discuss and start to formulise the Reform Strategy document.

Researchers from across Europe attended the conference representing each partner of the FIRES consortium in addition to 2 Advisory board members and academic guests, external to the Consortia.

During these three days, the researchers discussed intensively all deliverables in the project that have submitted manuscripts attached. The respective authors received comments from two dedicated discussants and an actively engaged consortium. All authors indicated the comments were extremely useful and will help push the quality of the FIRES-deliverables in the academic literature up. This is of course crucial in building an effective stakeholder engagement strategy directed at our colleagues in academia.

On the last day of the conference we turned our attention to the last stage of the project, which is to draft and prepare our reform strategy for Europe in general and Germany, Italy and the United Kingdom, specifically. The Friday session was entirely dedicated to discussing the work in D2.1 and especially D5.12 and WP6, which will form the capstone to our project. In these deliverables, all the FIRES-work will culminate in a toolkit for developing a tailored reform strategy for a more entrepreneurial society in European regions. Based on a survey among the partners we selected the most contested and controversial proposals in our long list and discussed these with the partners.

Most of the discussions in the fringes and the executive board at the meeting had the organisation of the final six months as their focus. It was agreed that most of the 10 promised policy round tables would be organised in small groups and before the final meeting to increase their impact and effectiveness in reaching the right policy makers audiences. The meeting in Athens proved effective and productive on all fronts.

## INTRODUCTION

The 2<sup>nd</sup> Annual FIRES consortium conference was held in Athens, Greece between 4<sup>th</sup> & 6<sup>th</sup> October 2017, hosted at the Amarilia Hotel.

The conference was split into 2 distinct sections covering the 3 days.

The first 2 days were allocated and focused on paper sessions, where authors presented their FIRES papers to the consortia and received feedback, analysis and suggestions with respect to academic insight and potential revisions to boost impact and improve on content. Two discussants were identified, prior to the sessions, for each paper and were provided with the papers in advance of the session. The main purpose of the meeting was to engage the senior partners in the consortium to help the junior partners improve their work and get all manuscripts into good shape for submission at peer reviewed journals. This is an essential step in the academic engagement strategy. Several of the manuscripts discussed were already under review at relevant field or disciplinary journals.

The 3<sup>rd</sup> day was focused on developing the reform strategy that would be presented in Brussels at the final Project meeting in May 2018. It was decided that the reform strategy document (D5.12) will be a document that is co-authored by all partners in the consortium, but it was also clear that it is impossible to achieve 100% consensus on all proposals that would make up the strategy policy toolbox. Therefore, the proposals will be presented with an indicator that will label the proposals on a scale from consensual to contested, and all co-authors get the opportunity to explicitly opt out of proposals in an appendix to the full strategy document. That way policy makers can use the tool and be informed about the level of consensus in academia when deciding what proposals to adopt. It was also decided that the long list of proposals as presented to the consortium members via a survey, would have to be cleaned, curated and reduced to be more manageable. This effort will be coordinated by the coordinator in close collaboration with those members directly involved in D5.12.

Two guest keynote speakers presented to the Consortia, the first Natasha Apostolidi, Senior Political Advisor, The Netherlands Embassy to Greece, Athens and the second Dr Ioannis Kaplanis, Director General, Hellenic Industrial Property Organisation. Both keynotes were very interesting and could be related to the topics discussed in the policy and paper sessions.

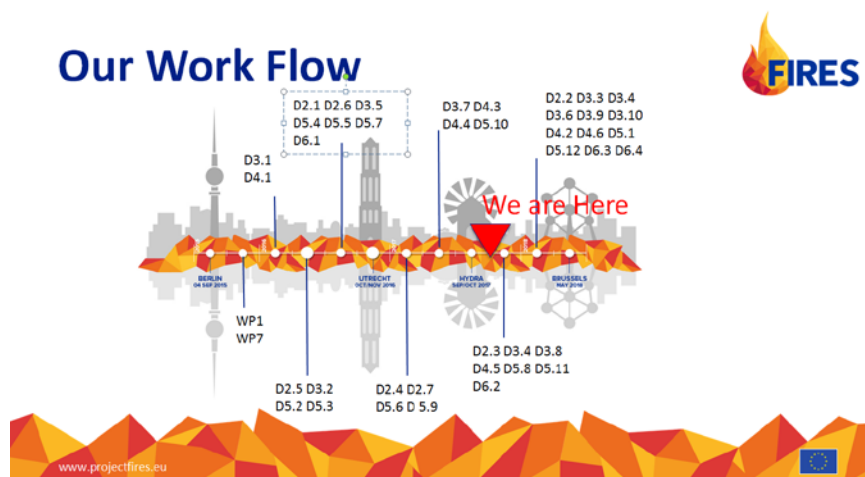
In the fringe of the meetings, as well as at the executive board meeting (see minutes attached), a lot of organisational issues were discussed and resolved, to make the final six months of our project effective in engaging our final stakeholder group: the policy makers. It

was decided to organize the series of 10 policy roundtables as per the grant agreement in part in the different partner institutions and relevant European member states, to maximize their impact.

### **Opening Plenary Session: Day 1**

MS welcomed FIRES

MS opened the conference, welcoming FIRES members, including guests, Friederike Welter and Alexander Kritikos, with an update as to how far the project had progressed, with 21 deliverables completed, to a high standard by M27.



The remaining deliverables are combinations, (directed by the Commission at award stage) incorporating Workshops, Manuscripts, Policy Briefs and Round Tables.



MS continued that FIRES was engaging stakeholders and Policy Makers on multiple fronts, with events such as those in Berlin and Utrecht, in addition to strong representation at both WINIR and IECER supporting the dissemination activities of FIRES.

In the next 6 months there are 18 deliverables to finish, culminating to the final event on 25<sup>th</sup> May in Brussels. These include 16 Policy Briefs and 10 Policy Round Tables.

MS summarised that the next 3 days were an opportunity to collaborate with one another on papers in the coming 2 days with the final day focused on the Reform Strategy.

### **PAPER SESSIONS: Day 1 & 2**

10 parallel sessions were allocated over the 2 days with 2 papers presented and discussed in each session. A summary of each session follows with respect to the papers presented.

#### **I D3.3 : Content : Empirical analysis of drivers of related variety at national and regional level**

#### **D3.4: Content :Empirical analysis of the effects of related variety at national and regional level in EU**



In session 1 on Wednesday morning at 09:00, Jeroen Content presented the manuscripts corresponding to deliverables 3.3 'Empirical analysis of drivers of related variety at national and regional level in EU' and deliverable 3.4 'Empirical analysis of the effects of related variety at national and regional level in EU'.

Recent literature on the topic of related and unrelated variety teaches us that apparently regional and

national economies tend to diversify into directions related to activities already present. However, our knowledge on how and under what circumstances economies are able to develop into directions that are unrelated is still limited. Deliverable 3.3 concludes that the presence of KIBS can enable an economy to diversify into unrelated industries because they might serve as bridging actor between different firms located in unrelated industries and increase access to non-local knowledge. Similar to KIBS, activities in GVCs might induce the inflow of non-local knowledge. Additionally, being specialised in a certain task within a GVC makes an economy able to serve different (un)related industries. In order to improve the robustness of the results and overcome the possibility of endogeneity, some members of the audience suggested to split-up the sample into more than one period. Furthermore, a post crisis period could be setup in order to be also able to contribute to the resilience literature. As concluded in deliverable 3.1, economies endowed with more of related varieties experience higher rates of local knowledge spillovers, the Knowledge Spillover Theory of Entrepreneurship then predicts that because of that economies will experience higher rates entrepreneurship.

Deliverable 3.4 concluded that this hypothesis does not hold for all types of entrepreneurship. It is only those entrepreneurs that are motivated by perceived opportunities that are driven by related variety. Furthermore, unrelated variety seems to

negatively impact the rate of entrepreneurship, regardless of it being opportunity-driven or necessity-driven. Again, the audience suggested to instead of a cross-sectional analysis, use a panel analysis. However, considering the data collected in task 3.2 used for this study, this will not be very easy to accomplish. Both the manuscript of deliverable 3.3 and deliverable 3.4 are expected to be submitted to a peer-reviewed journal by the end of 2017

## II ***D2.7: Marx : Megatrends and the transition from a managed to an entrepreneurial economy in Europe***

In paper session II, on Wednesday at 10:00, Axel Marx presented the report submitted as Deliverable 2.7: *Megatrends and the transition from a managed to an entrepreneurial economy in Europe* (Ward Munters and Axel Marx). The report was submitted on 30 May 2017. This report aims to bridge the gap between history and the future by providing insights and considerations for connecting the more historical analyses under FIRES with its forward-looking institutional reform proposals to promote European entrepreneurship. First, the presentation introduced the idea of megatrends and briefly outlined a number of important caveats to be borne in mind while conducting megatrend analyses.

On the basis of a literature review, the presentation then provided an overview and a mapping of studies as well as of the megatrends contained therein that will have a global and, in particular, a European impact. The overview generated discussions on the importance of globalization. This was followed by a more in depth discussion of two megatrends – technological advances and ageing demographics – with a particular focus on their impact on entrepreneurship. Magnus Henrekson remarked that demographics was indeed an important trend together with the linked trend of migration and different types of migration which can influence labour market dynamics.



Saul Estrin noted that although ageing is an important trend there are also some studies which indicate a drop in life expectancy in developing countries and also in the US. The discussion then focused on the link with innovation. Zoltan Acs identified this as a key global issue and also referred to Japan where technological innovation provides some answers to consequences of a zero-growth population. As for the megatrend of technological advances, the discussion focused on the gig economy and the importance of very quick automation with specific reference to the automobile industry. Participants appreciated the report and recommended that it be submitted for publication to the journal *Futures* which deals with technology and forecasting.

### ***D5.6 : Grilli : Case Study on Italy's Young Innovative Companies Program***

In session II on Wednesday at 11:00 Luca Grilli presented the paper titled “Do the rules of the game determine who is playing? institutional change, entrepreneurship and human capital” which is based on the report submitted as deliverable D5.6 and entitled “Case Study on Italy’s Young Innovative Companies Program”.

The paper investigates whether institutional change can facilitate the transition from quantity toward quality of entrepreneurship by analyzing the effect of the Italian policy intervention targeting Young Innovative Companies on the human capital of entrepreneurs, and how that influences entrepreneurial performance. The study exploits a quasi-natural experiment setting by decomposing the impact of lowering entry and growth barriers. The findings indicate that the reform, and in particular, lowering growth barriers attracts founders endowed with the most valuable experience in the same sector and/or management functions, who are also able to capitalize on the introduced benefits the most.

The discussants and the participants of the session suggested to test our results with several robustness checks including controls for both a possible survivorship bias and the presence of confounding factors at the national level which may affect the findings. They also recommend to possibly increase the theoretical novelty of the study. All these suggestions have been carefully pondered by the author team and they are now considered for future improvements of the paper.

### **III D3.7: Sanders :Corporate Social Responsibility (CSR) in Small and Medium Sized Enterprises**

In session III on Wednesday at 13:00 Mark Sanders presented the manuscript submitted with D3.7: Corporate Social Responsibility (CSR) in Small and Medium Sized Enterprises. In the report it is concluded that little is known on the relationship between firm size and age and performance on CSR. What we know is that there is a lot of variation and a lot depends on the personal attitudes of the founder(s). This inspired the design and execution of a lab experiment to assess the social attitudes of entrepreneurs. The manuscript zooms in on the experiments that were conducted in Hamburg and Berlin in 2015 and 2016. Results from these experiments show that entrepreneurs are more inclined to share windfall gains and are more willing and able to sustain cooperation in strategic games. The paper contributes to the literature in a number of ways. First, it repeats existing experiments in a new subject pool that is of particular relevance to FIRES (entrepreneurs). Second, it tests how results may differ over stake sizes and subject groups. Especially the latter is a contribution also to the wider literature on experimental economics.

The paper was already submitted and rejected at Small Business Economics Journal. Discussants in the session suggested to focus the paper on these more general contributions. In its current form the paper lacks a clear focus on a single, but well developed, contribution, perhaps making it harder to publish. The suggestion was to not try to put all riches of the data in one paper, but to apportion the material. Discussants suggested that the results on entrepreneurs versus non-entrepreneurs warrant a paper in itself in an entrepreneurship journal.

The methodological contributions on the differences between entrepreneurs and students, across stake sizes and the ordering effects were considered relevant and interesting, but perhaps not for one single paper. These suggestions will be discussed in the author team and considered in the further development of the paper. We expect the paper to be submitted for review again towards the end of 2017.



### III D3.8 :Amaral :Entrepreneurship and inclusive growth in EU

The present paper proposes and discusses a preliminary research and policy agenda on senior entrepreneurship, with focus on the Portuguese case. The paper is organized into six key research questions, namely:

- (i) Why is Senior Entrepreneurship important?
- (ii) What is the current Knowledge & Academic Research available (and still lacking) on Senior Entrepreneurship?
- (iii) What are the key supporting initiatives available for Senior Entrepreneurs in the world?
- (iv) Are academics producing research on Senior Entrepreneurship with practical policy implications?
- (v) Are policies and supporting initiatives backed up by scientific knowledge? (vi) How can we produce and use adequate knowledge and policies towards Senior Entrepreneurship in Europe (particularly in Portugal)?

In order to address the previous questions and to shed light on how institutions may better support senior entrepreneurship, we draw on a number of research pieces developed/under development by the authors, specifically:

- a recent and comprehensive Systematic Review of Literature – working paper;
- analysis of international programs and initiatives for senior entrepreneurs based on secondary data – working paper;
- a thorough description of the Portuguese context based on primary data – published book;
- a study of firm entry and growth by senior entrepreneurs , based on secondary data – working paper
- a study on senior entrepreneurs’ satisfaction, based on primary data – under revision at a scientific journal.

Particular focus was put on Human capital, Social capital, Information and Communication, Research and Funding, in order to discuss the interplay between Academic Research / Available knowledge and Policymaking / Supporting Initiatives. Relevant suggestions were provided by the participants and will be incorporated in a new and improved version of the document.

### IV D4.5 :Szerb :Cross-sectional analysis of REDI and regional growth performance measures

In session IV on Wednesday at 14:00 László Szerb presented a paper submitted with D4.5, titled as “Cross-sectional analysis of REDI and regional growth performance measures”. This study analyses how the entrepreneurial ecosystem and different types of entrepreneurship—i.e., quantity (Kirznerian) and quality (Schumpeterian)



entrepreneurship—impact regional performance, in terms of gross value added per worker and employment growth. The results reveal a heterogeneous effect of quantity- and quality-based entrepreneurship on regional performance: quantity (Kirznerian) entrepreneurship negatively impacts regional performance, while this effect turns positive in case of quality (Schumpeterian)

entrepreneurship. The findings also suggest that regions with a healthy entrepreneurial ecosystem have a greater capacity to materialize the effects of high regional business formation rates, regardless of their quality level (Kirznerian entrepreneurship), while regions with weak entrepreneurial ecosystem may rely on Schumpeterian entrepreneurs—who channel new and more innovative resources to the economy—to compensate the absence of entrepreneurship policy-support instruments and increase their economic outcomes.

Discussants in the session as well as other commenters requested some clarification about the different types of entrepreneurship activity measures in particular that of the Kirznerian entrepreneurship. Stam criticized the Schumpeterian entrepreneurship measure as being fully quality related. According to the discussants, the clear differentiation between entrepreneurship and entrepreneurial activity is a good idea. These suggestions will be further discussed in the author team and considered in the further development of the paper.

#### **D4.6 :Varga : Report on GMR model for Europe linking Entrepreneurship, Institutions and Growth**



In my presentation entitled "Economic impact assessment of entrepreneurship policies with the GMR-Europe model" I highlighted that though the smart specialisation concept became rapidly popular and got integrated into the reformed EU Cohesion Policy of the 2014-2020 planning period one of the undesirable result of this rapid implementation was that it left several implementation issues unanswered. An important unanswered issue is economic impact

assessment of policies targeting regional entrepreneurship development. I highlighted that integrating entrepreneurship policies into an economic impact modeling framework is considered a prominent technical challenge.

Within the FIRES project my research group's task is to refresh and recalibrate the GMR-Europe model to apply it in FIRES policy impact simulations. In the presentation I introduced the GMR-Europe model and the way entrepreneurship policies are implemented in the model. Sample policy simulations demonstrated the economic impact assessment capabilities of GMR-Europe. The presentation is well received by session participants, I got several very interesting questions. It was decided that policy impact simulations with the GMR-Europe model will be presented in the FIRES final report.

#### **V D4.3 : Stam : Time series and panel data analysis of GEDI and growth performance indicators**

In session V on Wednesday at 15:30 Erik Stam presented the manuscript submitted with D4.3: Time series and panel data analysis of GEDI and growth performance indicators. The report provides the first analyses on how institutions affect entrepreneurship, and how both institutions and entrepreneurship affect economic growth in European countries. Even though there is a lot of research on how entrepreneurship and levels of economic

development are related, we do not know enough about how institutions – as a fundamental cause of economic growth – affects growth via entrepreneurship, and which types of entrepreneurship result in productive effects on the macro level. The paper was already submitted and rejected at Small Business Economics Journal. The paper was well received in the session. Discussants in the session suggested to make more clear why particular types of institutions do matter for explaining the relation of entrepreneurship with economic growth, and also suggested some refinements of the empirical analyses. These suggestions are taken into account in a revised version of the manuscript submitted to the Small Business Economics Journal



### **D3.9: Fritsch : Institutions, Entrepreneurship, and Wellbeing**

In session XI on Wednesday at 15:30 Michael Fritsch, Alina Sorgner and Michael Wyrwich presented a draft of Deliverable D3.9 “Institutions, Entrepreneurship, and Wellbeing”. Based on the EU-SILC data from Eurostat the authors find significant differences between self-employed persons and paid employees with regard to their work- and life satisfaction. Most important: the direction and the magnitude of these differences vary considerably across countries. Fritsch, Sorgner and Wyrwich provide empirical evidence that institutions play a crucial role in the relationship between entrepreneurship and well-being. They show that whether entrepreneurs are more likely to report higher levels of well-being as compared to paid employees or not depends strongly on the institutional environment in which they operate. The general trend in this respect is that countries with more favourable institutions for entrepreneurship exhibit higher levels of individual well-being among entrepreneurs and paid employees.

Discussants in the session suggested to focus on the differences in the effect of entrepreneurial institutions on entrepreneurs, as compared to paid employees. Moreover, they proposed to distinguish between different types of self-employed (e.g., with and without employees) and different types of paid employees (e.g., private vs. public sector). They also suggested further relevant literature that should be considered in a revised version of the paper.

### **VI D2.6 :Henrekson : Superentrepreneurship in Asia, Europe and the US**

In session VI on Wednesday at 15:30 Magnus Henrekson presented the manuscript (coauthored with Tino Sanandaji) submitted with D2.6: “Superentrepreneurship in Asia, Europe and the US”. The revised paper is now entitled



“Schumpeterian Entrepreneurship in Europe Compared to Other Industrialized Regions” and it is currently under review by a scientific journal. The study examines whether Europe has an “entrepreneurship deficit” compared to other industrialized regions relying on empirical measures that more closely tally Schumpeterian entrepreneurship. Western Europe is shown to underperform in all four measures of high-impact Schumpeterian entrepreneurship relative to the U.S. Once we account for Europe’s strong performance in technological innovation, an “entrepreneurship deficit” relative to China and East Asia also becomes apparent.

The presentation was followed by a fruitful discussion where several of the contributors stressed the importance of not using self-employment or closely related measures as proxies for Schumpeterian entrepreneurship.

### **D3.10 : Economidou : Mobility of Highly Skilled Individuals and Local Innovation and Entrepreneurship Activity.**

In session II on Wednesday at 15:00 Claire Economidou presented the manuscript submitted with D3.10, *Mobility of Highly Skilled Individuals and Local Innovation and Entrepreneurship Activity*. The report studies what moves highly skilled individuals across space as well as their impact for local innovation and entrepreneurship activity. It focuses on patent inventors as they are deeply involved in the production of innovation and are



important vehicle of knowledge transmission. Employing patent data to track their moves, we use a gravity model to examine whether geographic, technological, economic, and cultural proximities between countries and country level factors shape the flows of these talented individuals. As a comparison, in the same framework, we also analyze the flows of ordinary, less skilled migrants. Our evidence shows that proximity

matters for migration flows. Gravity emerges everywhere; in the mobility of the highly skilled workers as well as in the ordinary migrant worker. We find, however, that inventors are less geographically restricted and, therefore, their effective reach is beyond that of the average workers. Similarity in technological structure of production between countries is the main driver of inventor moves - especially for inventors from the most innovative countries, whereas social proximity matters more for the average migrant flows. Attractive country features for inventor mobility are the level of economic and financial development, the size of inventors’ community and the trade linkages between origin and host country. Most of these factors as well as the tertiary education level of the host country appear to be also important for the less skilled migrant flows. Finally, knowledge and skills that move

with the inventors have a positive impact on local innovation production as well as on entrepreneurship activity. The effect of ordinary migrant mobility on the latter is also important.

The paper is still a work in progress.

Discussants in the session suggested to stay more focus on what mobilize highly talented individuals and develop relevant and testable hypotheses. In its current form the paper lacks a clear focus on a single, but well developed, contribution, perhaps making it harder to publish. The suggestion was to not try to put so many different stories in one single paper. These suggestions will be discussed in the author team and considered in the further development of the paper. We expect the paper to be submitted for review towards the end of 2017.

## **VII D2.3 : Mrkajic : Venture Capital in Europe**

In session VII on Thursday at 10:00 Boris Mrkajic presented the report submitted with D2.3: Venture Capital in Europe. The report describes the study about the determinants of Venture Capital (VC) in Europe. The focus of previous studies has been rather limited and accounted almost exclusively for formal features of institutional environments, leaving the informal dimensions unexplored. On the contrary, the presented research endeavor tries to close that gap, and posits that informal institutions represent relevant determinants of VC activity in the EU. Based on longitudinal country-level data on 18 European countries, the study provides several implications.

On the one hand, the results indicated that informal and structural institutions do represent the most important drivers for VC and these have to be taken into account by policy makers, at least in the short- term, as “matter of facts”. The findings suggest that this awareness should lead European administrators to divert their exclusive attention to VC as the only best financial model, and instead push them to monitor with increasing interest (and probably regulate appropriately) all those different traditional and more recent financial mechanisms (e.g. government guaranteed bank loans, crowdfunding, blockchain) that may revolutionize in the near future the way start-ups finance themselves and that might be more favorable to the European landscape than VC.

On the other hand, the presented analysis also sets a precise order of priorities on which changeable formal institutions have to be modified for sustaining VC, at least in the short-term. In this respect, if a generalized reduction in the (capital gains or corporate income) taxation levels could simply be unfeasible in most European countries, the analysis suggests that also vertical ad-hoc policy interventions in this domain could be equally effective. For example, all those VC-specific policies which aim at removing tax obstacles for VCs across EU countries and offer specific tax deductions to selected typologies of equity investors and innovative investee start-ups should be particularly welcome.

The report contains two scientific papers – the structured literature review and an empirical paper. Both papers have been submitted to international peer-reviewed journals already – the former to the Journal of Economic Surveys, and the latter to the special issue on Institutions for the Entrepreneurial Society in Small Business Economics.

Discussants in the session suggested to strengthen and extend the discussion of the key findings, to use a more established terminology for key concepts, and provide more theoretically developed reasoning for the mechanisms through which formal institutions impact VC activity. Discussants also provided relevant advice on the empirical approach to testing one of the hypotheses.

These suggestions will be further discussed in the author team and considered in the further development of the papers.

### **VIII D3.5 Biesenbroek: Patterns in global trade and EU labour markets & D3.6 Biesenbroek : New job creation and entrepreneurship**

Jo Van Biesebroeck presented the manuscript submitted with D3.5: Patterns in global trade and EU labour markets. The main contribution of the paper is to show how a model where countries differ in the difficulty of reallocating workers between sectors can generate intuitive comparative advantage predictions. These predictions were tested and confirmed using data on international trade. Some countries, conceivably those where such reallocation costs are high, e.g. Indonesia and Costa Rica in the global sample and Italy and Bulgaria in the EU sample, specialize in sectors with a lot of occupations that are highly routine.



The most relevant part of the paper is the second step of the empirical exercise where these forms of country specialization are linked to institutional or cultural fundamentals. Such country-specific factors as extreme employment protection legislation, low rates of internal migration, or a short-term outlook are associated with specialization in routine-intensive tasks. The same type of

mechanism—adjustment difficulties—are also suggested as important impediments to entrepreneurship. The paper is already submitted to an academic journal, but the two discussions provided several ways in which the exposition could be improved when the paper is reviewed.

The broader discussion with the audience further suggested ways in which the link with entrepreneurship can be highlighted more. In the next round of revisions, special attention will be devoted to linking the conclusions more extensively to differential cross-country rates of entrepreneurship.

In session VIII on Thursday at 9:30am Jo Van Biesebroeck presented the manuscript

submitted with D3.6: New job creation and entrepreneurship. As this paper is already accepted for publication, only the principle findings were presented. The novel way of tracing the employment history of employees in new firms, allowed the authors to identify true “de novo” entrants better than any previous study. On this highly selected sample of firms two facts stand out: (1) almost all entrants enter at the same, very small size, and (2) conditional on age, larger firms grow more rapidly, but these growth differences by size gradually disappear as firms mature. In follow-up work, the theoretical foundations for these patterns are exploited. In particular, the passive learning model of Jovanovic (1982) can fit both facts, but it needs to be augmented with frictions. The ongoing work is trying to determine what type of frictions are most important to understand the positive size-growth relationship: frictions that firms face prior to entering, mostly finance frictions, or adjustment frictions that firms need to overcome when they expand, mostly related to employment.

The two discussants provided suggestions how to improve the proposed model and make the assumptions more realistic. Drawing on other FIRES working papers, it was suggested to underemphasize bank credit and rather focus on informal sources of equity finance. It was also suggested to add a third considerations to the list of explanations suggested: a lot of evidence in the FIRES program suggests that innovative firms can build on other innovations and in this way growth can be self-sustaining.

This could provide yet another explanation for the patterns discovered and the other research in the network could help identify in which sectors this last explanation could have the most explanatory power.

## **IX D2.4 Dilli : Human Capital, gender and entrepreneurship**

This paper is on deliverable D2.4 that aims to understand the long-term cross-national differences in knowledge institutions and their relevance for entrepreneurial activity. Previous studies offer evidence that human capital obtained through education is a crucial explanation for cross-national differences in entrepreneurial activity. Recently, scholarly attention has focused on the importance of the choice of subjects such as Science, Technology, Engineering and Math (STEM) for the promotion of entrepreneurial activity. However, to our knowledge, empirical evidence on this link is scarce, despite the policy makers emphasis on the choice of study at the tertiary level. Given that difference in STEM education are particularly large between men and women, we utilize data for 19 European countries and the United States from the Global Entrepreneurship Monitor and study the role of these differences at the country level for three stages of the entrepreneurial process: entrepreneurial awareness, the choice of the sector for entrepreneurial activity and entrepreneurial growth aspirations. We also test whether the balance of the effects of gender differences in the education field is moderated by the nature of the institutional environment in which entrepreneurs operate. The findings of the paper show that individual-level explanations including education account for the gender differences in all three stages of early-stage entrepreneurial activity. Moreover, countries with greater gender equality in science education are characterized by higher entrepreneurial activity in

knowledge-intensive sectors and high growth aspirations. Thus, next to individual-level education, closing the gender gap in science at the country level benefits the country as a whole by stimulating innovative entrepreneurial activity.



The discussion that followed the presentation of the paper, focused on the importance of closing the gender gap in entrepreneurial activity and how STEM subjects are relevant for entrepreneurial activity. The paper is re-submitted for Small Business Economics.

## **D2.5 Dilli: The Diversity of Labor Market Institutions and Entrepreneurship**

This paper is on deliverable 2.5 and re-evaluates the link between labor market institutions and entrepreneurial activity by considering the complementarity between institutions as advocated by the varieties of capitalism literature. We study the (co-) evolution of labor market regulations, wage setting institutions and social security along with their links to different types of entrepreneurial activity in 18 European countries and the United States. Three findings stand out. First, cluster analysis reveals five distinct bundles of labor market institutions in Europe, many of which have persisted since the mid-1980s. Second, these institutional constellations in labor market institutions support different forms of entrepreneurial activity. Third, the relationships between single labor market institutions and entrepreneurial activity change in each institutional constellation. Therefore, to promote entrepreneurship in Europe, there is a need for tailored reform strategies that consider the (long-term) diversity of the institutional constellations.

The discussion was on whether it is possible to draw causal claims based on a cross-sectional analysis. The paper is currently re-submitted to the Socio-economic review.

## **X Estrin :Equity Crowdfunding and Early Stage Entrepreneurial Finance: Damaging or Disruptive?**

Report on the FIRES Project Athens Conference; Presentation of Paper by S.Estrin (LSE), Danny Gozman (Henley) and Susanna Khavul (San Jose State University) Equity Crowdfunding and Early Stage Entrepreneurial Finance: Damaging or Disruptive?





This paper was presented by Saul Estrin in Session X of the Conference, at 2.30 on Thursday October 5th. The paper explored whether equity crowdfunding might address the acknowledged deficiencies in the provision of early stage

financing for entrepreneurs, thus relaxing a major constraint on entrepreneurial activity in Europe. Entrepreneurs have traditionally financed their new ventures in steps, often starting with personal savings, investments from friends and family, and then turning to private angel investors, before turning to Venture Capital, banks or equity markets. Equity crowdfunding (ECF) is an innovation in this space, using the power of social media to provide a new channel linking investors with entrepreneurs. In this paper, we use primarily qualitative methods to understand and evaluate this financial innovation.

We first quantified the evolution of the ECF market in the UK, the world leader before employing qualitative methods to analyse entrepreneurs' and investors' views of ECF, based on 64 structured interviews 2014-17. The paper reported that the large financial flows to entrepreneurs in the UK via the ECF platforms, nearly £450m since 2011, have largely been incremental to traditional sources of early stage entrepreneurial finance. Moreover, we argued that investors did understand and appropriately evaluate the risks in ECF. Their primary motivation was financial return but they also used ECF as a learning tool via their communication with peers and entrepreneurs.

On the entrepreneurs' side, ECF allows them to test their products, to develop their brand, to build a loyal customer base, and to turn customers into investors. Taken together, our findings suggest that, if seeking to stimulate entrepreneurial activity, other jurisdictions might benefit from imitating the British "principles based" regulatory framework. There were two discussants, Luca Grilli and Boris Mrkajic.

The discussion focused on whether investors were sufficiently informed to undertake ECF sensibly; Grilli raised the spectre of "addictive behaviour". Other European experiences, for example in Italy and Germany, were discussed and compared with the UK case. Differences in regulations in the UK and continental Europe were also explored. The discussion was lively, and while not everyone in the audience was convinced that ECF was a panacea for the problem of entrepreneurial finance, there was greater appreciation of the possibilities around the room at the end of the seminar. The paper is now submitted to Small Business Economics.

## XI D5 Held & Hermann :

In session XI on Thursday Oct. 5<sup>th</sup> Andrea Herrmann and Lukas Held presented two manuscripts associated with deliverable 5.1.

The first manuscript focuses on team formation in ventures and concludes: The sequence analyses demonstrate that team formation is 'order' rather than chaos as distinct temporal patterns of team formation exist with regard to the time commitment of founders as well



as the extent to which employees and service providers are hired.

Importantly, we are able to explore a finite number of approaches for each of these three team-formation dimensions.

Furthermore, correlation and regression analyses illustrate that the approaches in one dimension are only weakly correlated to the approaches of the two other dimensions: The hiring of employees is only weakly correlated with the time commitment of founders or the engagement of service providers. Finally, binary logistic regression analyses reveal that structural characteristics, in particular the country and degree of innovation of the new venture, influence which team formation approach is pursued.

This manuscript has already been submitted to the Small Business Economics Journal and was still under review. The discussants were largely very appreciative of the content and suggested minor changes to the regression models, while pointing out, that the method of the paper could be better explained as well as making the limitation clearer that come from a two country dataset. These comments are in line with the comments received previously from SBE reviewers and accordingly will be taken into account to finalize the paper.

The second manuscript presented centers on the capital acquisition process of ventures. This manuscript is in working paper stage, hence was the focus of the discussion less the results and more the theoretical positioning of the paper as well as methodological challenges. In particular it was discussed in how far the time invested into acquiring different types of capital is reflected via an indicator that divides the acquired amount of money by the time it required to generate this capital. The idea would be test whether certain capital type are more attractive in this regard and hence tapped earlier in the venture creation process. Other ideas are to pitch the observed capital acquisition processes against an assumed ideal type of capital acquisition. The comments will play a

large part in the further development of the paper. We expect to submit this paper at the end of 2017 or early 2018.

## **XII D6.1 : Marx : Entrepreneurship policy: A multi-dimensional and multi-level assessment**

In paper session XII, on Wednesday at 15:00, Axel Marx presented the paper submitted as Deliverable 6.1: *Entrepreneurship policy: A multi-dimensional and multi-level assessment* (Philip De Man, Ward Munters and Axel Mars, with the cooperation of Kolja Raube and Dylan Geraets). The report was submitted on 30<sup>th</sup> November 2016. This study gives an account on the current state of play of EU policy on the promotion of entrepreneurship, as reflected in the various policy documents and related legislation adopted by EU institutions. Apart from avoiding overlap and ensuring innovative approaches where possible, this overview is also necessary in order to identify the key actors and stakeholders involved in EU entrepreneurship policy.

The report is a very lengthy document which provides a detailed overview of EU entrepreneurship policy from a multi-actor and multi-level perspective. Understanding entrepreneurship policy in this multi-level and multi-actor context is important to understand the policy space for making reforms. The presentation focused mostly on the different types of instruments the EU is currently using and the different objectives it is trying to achieve. In addition, the session focused on what were the implications for the FIRES project, and in particular on whether the EU should continue/expand current policies or whether it should develop other types of policies.

The discussion focused on some of the core activities the EU is developing in terms of knowledge sharing, network creation, but also major investments. Most participants agreed that these EU policies are useful but not sufficient to create an entrepreneurial society. For this one needs more substantial institutional changes. The report attracted positive feedback from the discussants and several participants stated that it was informative and useful since most economists in the consortium were not fully aware of the different initiative taken.

## **D6.2 : Suse : Identification and assessment of the legal implications of an entrepreneurial reform agenda**

In paper session XII, on Wednesday at 16:00, Andrei Suse presented a working paper submitted as Deliverable 6.2: *Identification and assessment of the legal implications of an entrepreneurial reform agenda* (Andrei Suse and Nicolas Hachez, with the cooperation of Axel Marx). The overarching objective of this study was to analyze the legal implications of the FIRES agenda to reform the EU's entrepreneurship policy, as laid out in Deliverable 2.1 – *Institutional Reform for Enhanced Innovation and Entrepreneurship: An Agenda for Europe* (Niklas Elert, Magnus Henrekson and Mikael Stenkula).

The aims of the study were threefold: (1) to determine whether the regulatory powers needed for implementing the recommendations made in Deliverable 2.1 lied at the EU level or at the national level of government; (2) to assess whether the recommendations were consistent with existing EU law and policy, as well as with international law; and (3) to determine if the recommendations should be addressed primarily to the EU institutions or primarily to the Member States, or to both levels government equally. Based on the division of powers between the EU and the Member States, the authors concluded that the latter were the best placed to implement the majority of the analyzed recommendations, as the EU had limited competences in most of the concerned policy areas. They further found that the recommendations were consonant with existing EU law and policy, and that, in many of the concerned policy areas, the EU has already been pursuing, or at least advocating for policy objectives similar to those underlying the FIRES recommendations proposed in Deliverable 2.1.

They did not identify any international legal instrument that would significantly constrain the implementation of the proposed recommendations. The presentation of the draft report first aimed to provide a concise summary of the main findings and tried to identify those policy areas where more precise reform recommendations could be formulated and pursued.

The presentation generated several specific questions, especially related to the recent development in corporate taxation and some recent Commission state aid investigation into harmful tax rulings given by certain Member States. Another topic discussed in some detail was the EU's competence to regulate goods and services markets.

In general, the discussants were positive on the report especially since it framed the proposed reform agenda in a detailed assessment of the current policies and plans of the EU. The paper was submitted for review on 25 October 2017. The final version is expected to be submitted by 30 November 2017.

### ***Day 3 Reform Strategy Discussion***

First MS introduced the purpose and format of the day and sketched out the process to develop the reform strategy (see slideshow "OpeningFridayMS.pptx" attached). The discussion on reform proposals was then kicked off by Prof. Magnus Henrekson, who, based on the work done in D2.1, could already discuss a set of carefully documented and researched proposals. Moreover, in the survey that was distributed among the session participants some two weeks in advance of the meeting, it proved that these proposals by and large met with agreement and consensus among the partners. The often more radical proposals and more fundamental reforms discussed at the Utrecht meeting of 2016 and developed over the course of 2017 were met with more discussion and disagreement.

Based on the survey the moderator had identified the most contested proposals in the long

list and these were subsequently discussed, first in a small group of 5 and then in a plenary session where the groups reported back. Because these proposals were selected to be most contested, the discussion was intense and many counterarguments were proposed. Based on the discussions it was decided for most of the proposals, that they should not be kept in the final reform strategy.



The proposals selected for discussion can be found on the slides in the slideshow “OpeningFridayMS.pptx” on slides 10-19. The notes per proposal discussed are listed in Annex 1.

It was clear from the discussions, however, that the survey before the event was too long and perhaps not focused enough, to allow the consortium members to offer their insights, arguments and suggestions for improvement. Having tested the survey tool for this



purpose, it was decided that a shorter, cleaner and more focused survey would be useful to send out a second time and all participants in the conference now realize this survey is to then be taken very serious. The same, more focused, survey can also be sent out to our stakeholders and will provide the data to label proposals on a scale

from consensus to highly contested (as we also decided to eliminate proposals that do not at least get majority support).

Moreover, in discussing how to structure the first part of our reform strategy, the gross list of proposals in Finance, Knowledge and Labour, it was suggested that labelling the proposals along the 10 dimensions identified in D2.1 and adopted in D6.2 is useful, while a classification along the 14 pillars in the GEI/REDI ecosystem quality assessment tool developed in WP4 also allows for a connection of the reform strategy to the diagnostic tools developed in FIRES. This inspired us to shape the final reform strategy in stages. We first develop a policy menu with available treatments that the literature and our project has suggested. Then we apply the diagnostic tools developed in the FIRES-project. To do so

effectively, one needs a careful analysis of the deep historically rooted institutions that characterise a region or country under evaluation and a broad-spectrum analysis of the most relevant aspects of the entrepreneurial ecosystem. Cross referencing the policy menu with the diagnostic tools then results in a treatment or reform strategy our project would propose. We will illustrate how this reform strategy formulation works out for three cases in the remaining months of the project and present the results as well as the toolbox to policy makers at different levels of policy making in the European Union.

***Closing the conference: Mark Sanders***

In closing, MS thanked all the participants and guests for their hard work and constructive participation in the conference. The authors of manuscripts indicated they were all very happy with the feedback received and expected the resulting academic output of the FIRES-project would benefit greatly from the conference. Moreover, the conference was instrumental in communicating the sense of urgency to the partners and calling all to action for the final 6 months of the project in which the all important engagement of policy makers is to take shape. The conference left all participants fully charged and energized to engage that final challenge and conclude the FIRES-project in the spirit in which it was started.

**Annex 1**

<b>Proposal 1</b>	
General	None
Arguments in support	<ul style="list-style-type: none"> <li>• You cannot pursue further liberalization without taking into account people’s views. Thus, process cannot proceed too rapidly (Brexit, Trump)</li> <li>• Not to meet disruptive and very costly resistance would be possible if social policies are implemented that facilitate transition and alleviate negative effects for people losing their jobs</li> <li>• Empirical evidence for trickle down mechanism is very limited</li> <li>• Free trade promotes a race to the bottom</li> <li>• Less competition for MNE, lowers barriers to entry</li> <li>• Creates opportunity for European alternatives (fb, google, etc.)</li> </ul>
Arguments against	<ul style="list-style-type: none"> <li>• As such restrictions on trade are not a good idea</li> <li>• We already have instruments in place (anti-dumping...)</li> <li>• There is consensus that these measures are being abused</li> <li>• Trade adjustment programs are domestic matter</li> <li>• Politically infeasible</li> <li>• Too broad</li> <li>• Not well under government control</li> <li>• Would require too intensive actions</li> <li>• Would damage our credibility to propose such “far out” proposals</li> <li>• Restricts economic options</li> <li>• Entrepreneurs with global ambitions/born global are prohibited to grow fast</li> </ul>

<b>Proposal 2 (L8)</b>	
General	<ul style="list-style-type: none"> <li>• 1<sup>st</sup> sentence off → focus on externalities</li> <li>• More IT OK, more IT against hospital or education no</li> <li>• 2 ideas actually</li> <li>• Pros: More investments on IT → opportunities for entrepreneurs</li> <li>• Cons: Private sector operates better Monopoly → decreases consumer choice Complicated proposal Missing connection with entrepreneurs and how they can understand the consumers’ needs and way of thinking</li> </ul>
Arguments in support	<ul style="list-style-type: none"> <li>• Positive externalities coming from free ICT infrastructure do reduce regional inequality concerning the access to internet (which potentially inhibits entrepreneurship in rural areas, especially those enterprises that rely on digital technologies)</li> <li>• Liberalize market for internet in the EU, more competition</li> <li>• Internet is a prerequisite circular economy and ICT infrastructure could have additional positive externalities in that respect</li> <li>• In favor C.E.</li> <li>• ICT infrastructure limit asymmetric info</li> <li>• An informative database creation of new services/products</li> </ul>

	<ul style="list-style-type: none"> <li>• Question entrepreneurship can answer: where the waste is, how to get it, what the cost is, the capacity to deal with it</li> <li>• Regulatory content should support genius innovations</li> </ul>
Arguments against	<ul style="list-style-type: none"> <li>• Private sector provision is more efficient</li> <li>• Different whether relevant in the group</li> <li>• ICT infrastructure is important and valuable. It would need a proposal but not necessarily wrapped in with circular economy</li> <li>• Circular economy: hot topic, certainly important for innovation, but this affects all the economy, not specifically the entrepreneurs</li> <li>• Can we come up with a specific policy proposal for entrepreneurs?</li> </ul>

### Proposal 3 (L15)

General	<ul style="list-style-type: none"> <li>• Missing context</li> <li>• Implementation of basic income/implications</li> <li>• The provision of safety net is not consistent</li> <li>• Linkage between basic level income and low/high productivity-entrepreneurs (not generic but design)</li> <li>• Cons: <ul style="list-style-type: none"> <li>• difficult to generalize</li> <li>• The scheme already exists in Belgium</li> <li>• Safety net for risk taking than basic income evidence in developed economies</li> <li>• Why not adopt new technologies</li> </ul> </li> </ul>
Arguments in support	<ul style="list-style-type: none"> <li>• More creative entrepreneurial potential</li> <li>• More free time</li> <li>• It is unclear whether enough new jobs will be created (more than digitized)</li> <li>• Less bureaucratic solution (less costly than e.g. matching of unemployed and available jobs)</li> <li>• Small income could work as safety net for talented people who would like to create their own company and increase their income (but no empirical evidence is available)</li> <li>• Digitalization likely to destroy jobs in the near future</li> <li>• Has to show that this is an efficient measure to ease the effects of that</li> <li>• Has to be very small</li> </ul>
Arguments against	<ul style="list-style-type: none"> <li>• Too expensive. What are the appropriate ways to finance this?</li> <li>• More experimental evidence is needed to see how motivating change</li> <li>• Basic income is dangerous in countries with informal economy</li> <li>• Financed via taxation of productive sectors</li> <li>• Destroys jobs (simplify the security system instead)</li> <li>• Subsidizing low productivity employment</li> <li>• Risk that shadow economy increases even more</li> <li>• Needs to be financed through taxation on the formal economy</li> <li>• We already have a social security system to deal with effects of digitalization</li> <li>• Too broad and costly</li> <li>• Social policy is complex, cannot be replaced by a single measure</li> </ul>



	<ul style="list-style-type: none"> <li>• Free-rider problems</li> </ul>
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<b>Proposal 4</b>	
General	<ul style="list-style-type: none"> <li>• Not discussed for limited time</li> </ul>
Arguments in support	<ul style="list-style-type: none"> <li>• Might be productive</li> <li>• More flexible relationship(s) among research institutions/universities and firms</li> <li>• Parallel opportunities for workers in academia/business</li> </ul>
Arguments against	<ul style="list-style-type: none"> <li>• Too broad application, should be focused on groups with relevant ability and motivation</li> <li>• We think it is difficult to drive any policy implication</li> <li>• Challenging translating this into public policy</li> <li>• How would this be implemented</li> </ul>

<b>Proposal 5 (L27)</b>	
General	<ul style="list-style-type: none"> <li>• Good only for public sector</li> <li>• Like academia sector</li> <li>• Unfeasible for small business</li> <li>• Part time leaves</li> <li>• Large-small business problem → 1<sup>st</sup>, 2<sup>nd</sup> benefits</li> <li>• In the same market the competition grows</li> <li>• Public sector and academics don't link with entrepreneurship</li> </ul>
Arguments in support	<ul style="list-style-type: none"> <li>• Big concern for entrepreneurs</li> <li>• Could work, might not in all countries (Belgium already has this leave from your job)</li> <li>• Easy to implement</li> <li>• Good experience with part-time leaves</li> </ul>
Arguments against	<ul style="list-style-type: none"> <li>• The skilled people who have the potential of becoming successful entrepreneurs don't really need it</li> <li>• Needs to be weighed against the cost imposed on the firm</li> <li>• Odds of increasing labors mobility</li> <li>• Might work for non-profit public sector</li> <li>• Model on maternity leave</li> <li>• A limit in time</li> <li>• Experience with maternity leaves in Germany: does not work in SMEs, too dependent on small number of employees</li> <li>• Larger firms can offer more expensive packages, leaves small firms at a disadvantages in the war of talent</li> </ul>

<b>Proposal 6 (I3 + I13)</b>	
General	<ul style="list-style-type: none"> <li>• Make things less conditional, more flexibility</li> <li>• There is no consistency</li> <li>• Different conditions by country → General benefit?</li> <li>• Different taxation, individualization for several groups (i.e. women)</li> <li>• Evidence for Germany-Sweden (10% increase)</li> </ul>
Arguments	<ul style="list-style-type: none"> <li>•</li> </ul>

in support	
Arguments against	•

<b>Proposal 7</b>	
General	• Not discussed because of limited time
Arguments in support	• Inverse U-shaped relation between competition and innovation/entrepreneurship
Arguments against	

<b>Proposal 8 (K7)</b>	
General	<ul style="list-style-type: none"> <li>• Massive empirical evidence (US) in favor</li> <li>• EU level data only from surveys</li> <li>• Patents are not the same thing</li> <li>• The fear of knowledge production did now come true in the US (non-compete law)</li> <li>• It might be upon each country to choose</li> </ul>
Arguments in support	<ul style="list-style-type: none"> <li>• Marx</li> <li>• Sorenson</li> <li>• Gilson</li> </ul>
Arguments against	• Only US evidence

<b>Proposal 9 (F5 + F16)</b>	
General	<ul style="list-style-type: none"> <li>• VC is focusing on radical innovation</li> <li>• Change the way things are working in order to capture incremental innovation instead of accepting the current situation</li> <li>• Deeply institutionally based problem</li> <li>• Not easy to fix the absence of VC</li> <li>• Taxation is a small remedy but not enough</li> <li>• More efficient incentives (contracts) could be a solution</li> <li>• Pension funds and other arrangements could allow the existing institutions to take more risk</li> </ul>
Arguments in support	• Highlighting the importance of demand and supply of VC
Arguments against	<ul style="list-style-type: none"> <li>• Many countries/regions are lagging regarding VC supply. It is not a pure demand problem, it is a supply problem</li> <li>• No one knows if a start-up works or not. Even if the new firm fails, the effect is still important (supply-side effects)</li> </ul>

<b>Proposal 10 (F13) → move to the knowledge table, instead?</b>	
General	<ul style="list-style-type: none"> <li>• Observatory = institution</li> <li>• Depends on the bank (financial sector you are looking at)</li> <li>• Different source of funding</li> <li>• Who will observe? (state, stakeholders)</li> <li>• Ultimate goal is to help others</li> <li>• Evidence on open innovation (small businesses) → entrepreneurship → competitiveness (funding)</li> <li>• More IT OK, more IT against hospital or education no</li> <li>• 2 ideas actually</li> <li>• Pros: more investments on IT → opportunities for entrepreneurs</li> <li>• Cons: private sector operates better Monopoly → decreases consumer choice Complicated proposal Missing connection with entrepreneurs and how they can understand the consumers' needs and way of thinking</li> </ul>
Arguments in support	<ul style="list-style-type: none"> <li>• Open innovation literature</li> <li>• Literature on innovation sources in SMEs: ideas from customers and suppliers</li> </ul>
Arguments against	<ul style="list-style-type: none"> <li>• Observatory needs to have ownership of this service (not a government agency)</li> <li>• Benefits itself from its success</li> </ul>

## Annex 2: Keynotes

### Keynote 1: Natasha Apostolidi, Senior Political Advisor, The Netherlands Embassy to Greece, Athens



Natasha Apostolidi works at the Dutch embassy in Athens and is involved in the setup of an incubator for young Greek entrepreneurs in Athens, called Orange Grove. The incubator was setup to help the Greek economy and to make sure that high potential people would stay in the country and setup local businesses instead of abroad. The incubator has place for about 75 entrepreneurs, for which it organizes all sorts of workshops and networking events in collaboration with Greek and Dutch

universities and companies. The incubator's 3 design principles are connectivity, mobility, and flexibility. [www.startupmanifesto.gr](http://www.startupmanifesto.gr)

One of the main issues that young entrepreneurs in Greek face are tax and legal issues, as well as red tape. If you fail as an entrepreneur in Greek is has severe something on you for sometimes the rest of your life. This discourages individuals to startup these firms. Another problem that creates barriers for entry are the low levels of trust in Greece in general. Suggested is to make it more transparent (by creating a tax observatory) what taxes are used for. Trust should be increased in order to also create loyalty.



## Keynote 2: Dr Ioannis Kaplanis, Director General, Hellenic Industrial Property Organisation

Greece, according to EIS is a moderately innovate country and, however, R&D intensity is increasing, it still is below the OECD average. Greece has lack of venture capital and since the economic recession a big brain drain has caused a substantial outflow of human resources in the field of science and technology.

IPR-intensive industries account for about 31% of European industries. In Greece, IPR-intensive industries contribute for about 26% to employment and about 40% to GDP. On average regions with a higher number of patents seem to experience higher rates of economic growth as well. Athens by far has highest number of patents relatively to other regions in Greece, however, this number has been decreasing during recent years. During the crisis patent activity seems to be redistributed to some extent it is however unclear why and what the driving force behind this is.

The top-5 technologies in terms of the number of patents during the last 10 years are: computers, heating, wind turbines, food, agriculture, building, and medical. Software is eligible for patenting when it has a technological effect (for instance software in mobile phones that will make the battery last for longer)

Structural reform policies are focused: (1) Investment in creating and disseminating new knowledge (2) investment in research and innovations (3) Development of culture and institutions for interconnections between research, technological development and innovation with society.

