

## **INPACT Priorities XIII, XIV**

### **Focus on people: young generation, entrepreneurs/start-ups, citizens**

Notes from 1<sup>st</sup> Working Group Meeting  
11 October 2016, European Parliament, Brussels  
Hosted by Victor Negrescu MEP (S&D, Romania)

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**Objective:** To gather interesting proposals on how to involve more youngsters in R&I

**Participants** see below

#### **Short summary**

The discussion was largely focused on entrepreneurship relevant issues. Issues related to (STEM) education may be added in the future

#### **Promoting entrepreneurship education**

The participants of the working groups identified the components of an effective entrepreneurship education:

- Fiscal education
- Training on how to establish a company
- Fund-raising training
- Legal background (ex: how to build a contract)
- Understanding of intellectual property rights

#### **Government support for entrepreneurship**

- It was agreed that the exchange of good practices has an essential role. Some good examples come from Denmark, where the State covers for the failure of start-up under certain circumstances, or from the UK, where creating a start-up entitles to substantial tax reductions.
- Public programmes are considered crucial for companies which aim at scaling-up of technology-based innovation to bring it through to manufacture at European level, and more is needed in this area.
- Cross-border legislation: we need tax incentives, VAT rules harmonization, and ideally common regulation to open a company within the EU.

#### **Promoting young entrepreneurship**

Several proposals were discussed:

- Create a culture of “giving back”: engaging successful entrepreneurs to coach start-up funders, and introduce them to their networks and market.
- Make space for training new entrepreneurs inside established companies and corporations.

## **Promoting high-technology, high-knowledge intensive entrepreneurship**

- A common framework for hubs and incubators and better interaction among them
- More focus on applied sciences and research

## **Presentation of the Performance Indicators**

Jacqueline Allan, Joint Institute for Innovation Policy, described the six already existing indicators brought together from several sources:

- Participations in Marie-Sklodowska-Curie actions / total regular students (eCorda/Eurostat)
- Sufficiency of Entrepreneurship Education (Global Entrepreneurship Monitor)
- Sufficiency of Government Entrepreneurship Programs (Global Entrepreneurship Monitor)
- Self-employed young people as percentage of total persons employed (EU Labour Force Survey)
- Self-employed young people by tertiary attainment level as percentage of total self-employed persons (EU Labour Force Survey)
- Share enterprise births in high-technology sectors and knowledge-intensive services in total enterprise births (EU Structural Business Statistics SBS)

## **EU Strengths and Weaknesses**

Strengths include:

- Fairly high level of education
- Creativity
- Multilingualism
- European programmes

The definition of “young generation” was discussed. For European programmes the age range sometimes goes up to 30, sometimes to 35. For the purposes of this working group “young generation” will be defined as under 35, including high school and university students.

Weaknesses/barriers include:

- Mentality, risk aversion and fear of failure
- Lack of entrepreneurial skills and entrepreneurial education
- Difficulties experienced by innovative company and start-ups in attracting young talent
- Legal and administrative barriers
- Lack of financial resources and difficulties in attracting venture capital to scale up
- Difficulties in finding a market for new products

## **Exploring the indicators**

The participants of the working group identified indicators that could be explored to see if they are already collected and are relevant to the topic, including:

- How open the market is to the creation of new businesses.
- The number of young people speaking multiple languages as a proxy for mobility.

- The number (and type) of tax measures to support start-ups.
- Key performance indicators for start-ups including:
  - The number of start-ups and closures;
  - The number of jobs created;
  - Amount of investment attracted;
  - Engagement with financial markets (e.g. number of start-up companies reaching the level of IPO (initial public offering));
- Key performance indicators of R&D hubs and incubators including:
  - The number across Europe (by type);
  - The number of people using them (compared to US);
  - The amount of venture capital funding they receive;
- The number of researchers that protect their intellectual property (this will need a clarification of 'researcher').

### Next steps

- Improving and adding more indicators.
- Prepare a document to submit to the EC.

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### Background and introduction

Human capital and innovation are strongly tied together. People are the source and medium of making dreams a reality and turning inspiration into innovation. Entrepreneurs, thinkers, creators, and scientists make it possible to access knowledge, bring innovation to the market and ensure growth. The effective use of human potential is thus the core of economic progress and the heart of innovation capacity. To secure its position in a global context in this century the EU must, as a priority, invest in young talent.

The structural problem is the cause of a dramatic talent loss. Covering several pivotal policy areas, the Working group will place a focus upon the "creation" of policies and programs that enable young innovators to take full advantage of their opportunities and potential.

The WG raises the following urgent questions for which we need answers:

- How to increase support and create more incentives for young researchers and innovators?
- How to develop research policies and programs that incentivize innovation and company creation?
- How to ensure Europe's future by enhancing young people's interest in STEM education and research and empower them with the relevant skills and competences through a variety of educational programmes and partnerships with schools and universities?
- How to enable and support cross-border mobility for young innovators?
- How to build an environment in Europe with a positive attitude towards risk and encourage the freedom to try and fail?

## Participants list

INPACT Working Group 3 - 11 October 2016			
Title	First Name	Last Name	Organisation
Ms	Jacqueline	Allan	JIIP
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