



## MINISTRY OF TRADE AND INDUSTRY

### WORKSHOP ON MICRO POLICIES FOR FOSTERING *ENTREPRENEURSHIP*

Helsinki, Finland, April 10-11, 2003

#### Introduction

Entrepreneurship has been one of the policy priorities of the present government of Finland. An extensive project, the *Entrepreneurship Project*, was initiated two years ago. It was finished at the beginning of 2003, at a time when the term of the current government is approaching its end, with an evaluation report conducted by outside experts. This does not, however, mean that the policies on entrepreneurship have been finished. Finland will be highly active on enterprise policies in the near future.

In formulating its policies, Finland has found the OECD Growth project and its successor, the project on *Micro-Policies for Growth and Productivity* (see annex), very useful. Especially, *Entrepreneurship as a driver of growth* in the Micro-Policies project, the sub-project that has now been finished, provided the policy makers in Finland with valuable insights into other countries' concrete policy measures for enhancing entrepreneurship. However, there was all too little of time for thorough discussions at the meeting of the Committee on Industry and Business Environment (CIBE) in the fall. We feel that those discussions should be continued now that the Micro-Policies project is still on-going.

For us to benefit from more extensive discussions on the subject and at the same time to contribute to the synthesis report on the Micro-Policies project, **Finland will hold a workshop on entrepreneurship on 10-11 April 2003**. We believe that such a workshop could bring together the interests of the Finnish policy makers, other member states working on entrepreneurship and the Micro-Policies for Growth and Productivity project, thus, creating a win-win situation for everyone. The objectives of the workshop are twofold: to learn more on effective policy measures on entrepreneurship and to feed the lessons learned at the workshop to the Micro-Policies project. The delegation of Finland will be pleased to report the conclusions of the workshop discussion at the next CIBE meeting in the fall 2003.

We hope that our workshop stands out as an inspiration to other member states for arranging similar workshops on the other drivers of growth in the Micro-Policies project.

**Finland is glad to invite delegates who actively work on entrepreneurship policy to the workshop.**

## The workshop

The workshop will take place on April 10-11 in Helsinki, Finland, arranged by the Ministry of Trade and Industry. The workshop location is Ratakatu 3, Helsinki.

**Further information** of the workshop can be inquired from Mr. Matti Pietarinen (+358-9-16063603, matti.pietarinen@ktm.fi), Mrs. Annukka Lehtonen (+358-9-16064795, annukka.lehtonen@ktm.fi) and Mr. Petri Lehto (+33-145247217, petri.lehto@formin.fi). **Registration** will be handled by Mrs. Saini Kauppinen (saini.kauppinen@ktm.fi).

The tentative program is as follows:

### Micro-policies for fostering entrepreneurship

*Day 1 - Thursday, April 10*

20.00                      *Cocktails*

*Day 2 - Friday, April 11*

Chair of the morning sessions: Director General *Kalle J. Korhonen*, Ministry of Trade and Industry, Finland

Chair of the afternoon sessions: Chairman of the OECD Committee on Industry and Business Environment and Director of Research in the Danish Ministry of Economic and Business Affairs *Jörgen Rosted*

9.00 - 10.00              *What does the data tells us about entrepreneurship?*

Review of what we know about entrepreneurship in light of the existing statistical indicators.

Senior economist *Dirk Pilat* of the OECD presents the main conclusions of OECD's work on firm demographics and the co-operation with EU STAT on the development of international comparable indicators on entrepreneurship.

Discussion

10.00 - 10.45              *A policy framework for enterprise policies - what are the objectives and the measures?*

The OECD project on Micro-Policies for Growth and Productivity, among others, has initiated a discussion on the need for coherent policy frameworks on enterprise policy.

Senior economist *Anders Hoffmann* of the OECD presents the enterprise policy framework used in the Micro-Policies project.

Discussion

10.45 - 11.00

*Coffee*

11.00 - 12.00

*Can policies affect the entrepreneurial culture?*

A culture for entrepreneurship has been suggested to be among the critical determinants for high level of entrepreneurship. Among its key factors, the level of taxation has been pointed out to have the effect of either strengthening or lessening the incentives for becoming entrepreneurs. Also, for people who have acted as entrepreneurs but failed, bankruptcy legislation can have a punishing effect on their willingness for a second try.

*Jeannine de la Bursi* of the Ministry of Economic Affairs, Netherlands, discusses the role of bankruptcy regulation in the creation of entrepreneurs in Netherlands

(tba) ... presents the evidence on the effect of the level of taxation on entrepreneurship

Discussion

12.00 - 13.00

*Lunch*

13.00 - 14.00

*How can policies facilitate entry and exit of firms?*

Several factors affect the choices of people to become entrepreneurs - what can we learn from the data available?

*Isabel Grilo* of the European Commission presents the paper "Entrepreneurship in the EU: to wish and not to be"

(tba) ... comments the presentation

Discussion

14.00 - 15.00

*How can policies facilitate the growth of new firms?*

The impact of entrepreneurship on the overall economic performance depends to a great extent on whether the new enterprises grow or not. It has been observed that the European enterprises, for instance, do not obtain a similar growth path as their U.S. counterparts even though the ability of the economies to produce new enterprises seems to be quite similar.

Professor *Erkko Autio* of the Helsinki University of Technology presents "What drives entrepreneurial growth? Discussion of the issues surrounding the growth ability and willingness of entrepreneurial firms."

(tba) ... comments the presentation

Discussion

15.00 - 15.15

*Coffee*

15.15 - 16.30

*What can we learn from top-performing countries' successes and failures?*

Enterprise policies can be either effective, non-effective or even affect entrepreneurship negatively. There are good examples of any of these. Yet, further knowledge on the effectiveness of the policy measures would be highly valuable to the policymakers. The Micro-Policies project pointed out good examples on well-performing policies. However, the evidence on ill-working practices were not yet discussed. Also, in Finland, the evaluation of the Entrepreneurship Project shed some light on the overall effectiveness of policy through the numerous measures undertaken in the project. Finally, the policy practitioners usually have an opinion on the relative ranking among the policy measures available.

Chief counsellor *Annikka Lehtonen* of the Ministry of Trade and Industry, Finland, presents the main findings of the evaluation of the Finnish Entrepreneurship Project.

Chairman of the OECD Committee on Industry and Business Environment and Director of Research in the Danish Ministry of Economic and Business Affairs *Jørgen Rosted* and Consultant *Charlotte Kjeldsen* present the findings of the Danish Entrepreneurs Project aimed at learning from the best.

Discussion

16.30 - 17.00

*Chairman's conclusions from the workshop*

Discussion

**ANNEX: The OECD Growth Project and its successor, Micro-Policies for Growth and Productivity**

The OECD Growth follow-up project, Micro-Policies for Growth and Productivity, has proceeded into separate studies on the main drivers of (new) growth (*seizing the benefits of ICT, fostering innovation and technology diffusion, enhancing human capital and realising its potential and fostering firm creation and entrepreneurship*). Entrepreneurship, innovation and ICT policies are currently being analysed.

The project was initiated in response to the OECD Council Ministerial in 2001, where Ministers asked the OECD to strengthen benchmarking as part of the follow-up to the Growth Project and to strengthen its peer review of structural reforms (OECD, 2001). It also responds to the 2002 Council Ministerial request to “*monitor the implementation of the policy recommendations of the Growth Study*”.

The Micro-Policies project’s objective is to go beyond the general policy conclusion in the Growth Project and identify effective *micro-policies* for harnessing the potential of innovation and technology. The policies are identified on the basis of an analysis of the policy environment. The analysis of the project involves in-depth investigation into member states' policy domains. This is among the first times such concrete steps are taken to put light on on-going policies and their effectiveness. Papers will be written for each of the drivers of new growth and a final synthesis report will be drafted based on these papers and presented to the three main OECD committees in the Directorate for Science, Technology and Industry in 2004 and subsequently to the Ministers.