

Improving access to finance: which schemes best support the emergence of high- growth innovative enterprises?

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Introduction

Why focus on HGIE?

- **Creators of high-quality, persistent jobs**
- **Drivers of productivity and structural change**

HGIEs cannot be identified ex-ante so we don't concentrate on measures explicitly targeted at HGIEs but rather on measures that are targeting **growth** but mainly growth/internationalisation of young innovative companies

One common obstacle for young innovative companies to grow:
access to finance

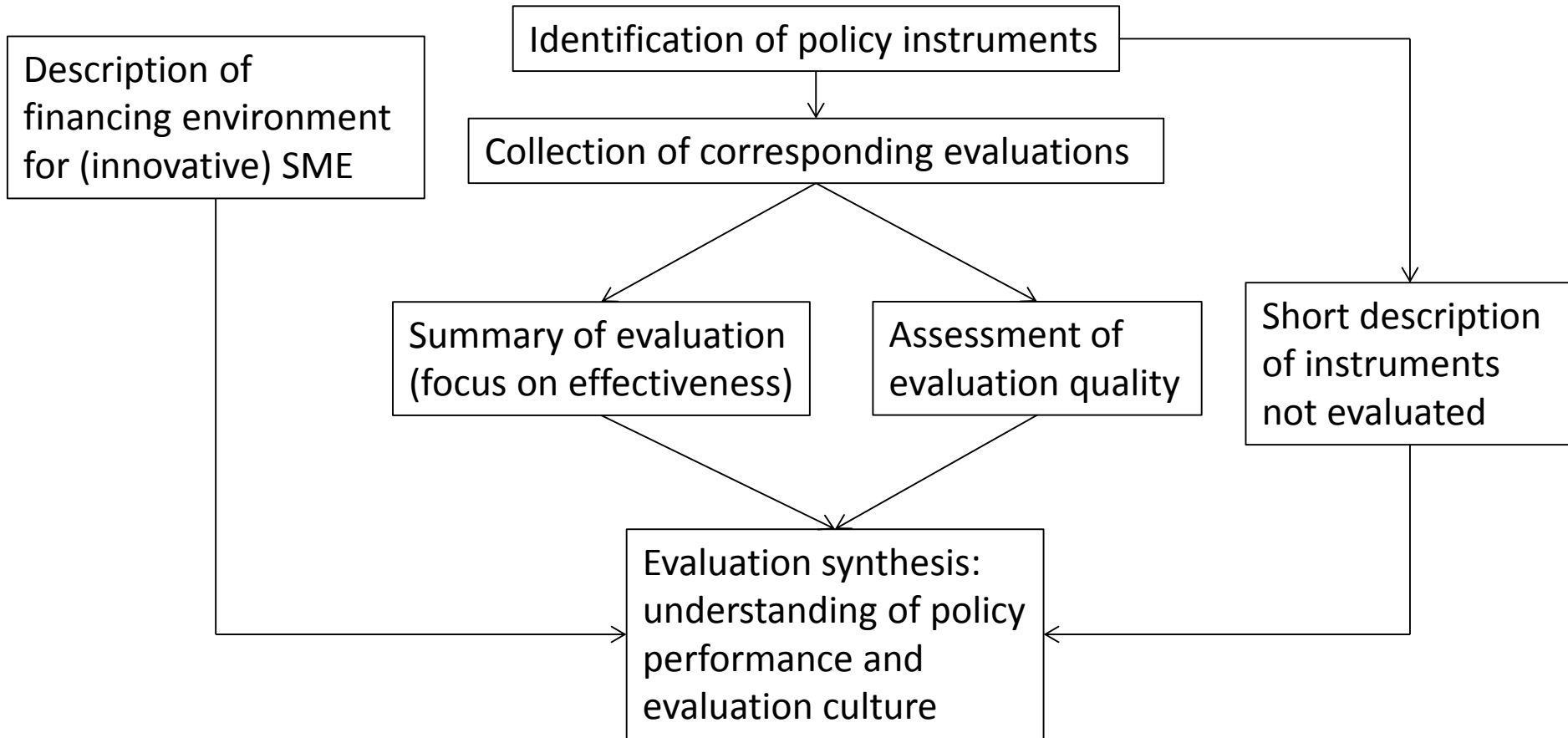
Research questions (1st part of the project)

- What policy instruments aiming to improve young innovative companies' access to finance exist in EU Member States?
- To what extent are these policy instruments evaluated, and what is the level of quality of those evaluations?
- What is the evidence for different policy instrument types' effectiveness in improving access to finance, and for their economic impact on beneficiary companies?

Types of policy instruments

	Public funding	Facilitation	Regulation
Direct support	<ul style="list-style-type: none"> • Direct grants for HGIE 	<ul style="list-style-type: none"> • Networking platforms 	
Equity	<ul style="list-style-type: none"> • Public VC funds • Fund-of-funds • Equity guarantees 	<ul style="list-style-type: none"> • Support for accelerators 	<ul style="list-style-type: none"> • Stock market entry regulation • VC tax treatment • Crowdfunding regulation
Debt	<ul style="list-style-type: none"> • Direct loans for HGIE • Loan guarantees 		<ul style="list-style-type: none"> • Crowdfunding regulation

Methodology



Adapted from Edler et al. 2008

Data sources and case selection

- RIO Country Reports
- Evaluation database SIPER
- Triangulation with existing recent studies on HGIE (e.g. OECD work on SME financing)
- Own web search

Country selection:

- Geographic and policy-based criteria
- Selected MS: FI, LT, PL, UK, DE (federal and state level)

Are the results of the evaluations comparable?

Our analysis does not permit to draw conclusions on instrument types' effectiveness that are independent from the national context but as Edler and other scholars point out the evaluation syntheses may give evidence on the overall efficiency of the schemes (as do a collection of case studies)

Main Findings

Limited evaluations available (12 for 41 measures)

Equity instruments appear to have a stronger effect on HGIE than debt and tax instruments

Co-funding accelerators: low cost, no regret policy option to complement financial instruments.

Coaching and networking supplements increase scheme efficiency

More (counterfactual) evaluations needed that assess broader economic impact: improved data collection and strengthening of evaluation culture in MS

Next steps

- Continuation of the analysis of the policy measures for other MS (May 2017)
- Success factors for HGIE policies based on qualitative analysis of policies and quantitative work on a selected European instrument targeting high-growth innovative companies (end of 2017)

Thank you for your attention!