

Expert workshop

Policies in support of
high-growth innovative enterprises

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Findings from a survey of 600 HGIEs in seven countries

A discussant's view

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RESEARCH & INNOVATION

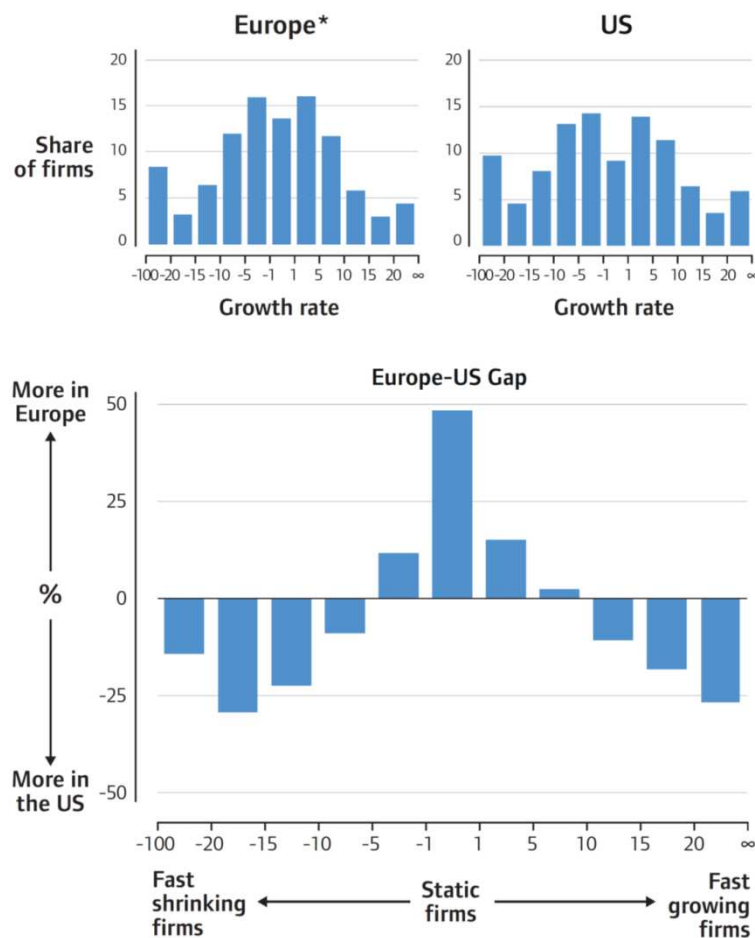


Overall comments

- **Interesting and useful findings, consistent with what we know from country-level studies**
- **It would be useful to consider how HGIE differ from non-HGIE**
 - Barriers to growth are different: skills (both managerial and staff) as well as recruitment more important for hgf – Nesta WP 11/01
- **Not convinced that old age is such a good thing**
 - E.g., a majority of UK hgf older than 5 years, not 10 (and young firms more likely to be hgf than old firms)
 - Shares (“majority” vs. likelihood (“rate”) vs. impact (“importance”). E.g., micro-firms vs, large firms. Targeting becomes more challenging the lower the rate...
- **Ambition and skills key**
 - Nesta research shows that hgf have a more skilled workforce and invest more in training prior and during their growth (since they experience more skill gaps as well) – Nesta WP12/12)
- **Acknowledgement of importance of looking at full picture**



Need to look at the distribution to get the full picture



Business growth distribution in Europe and the US

- Europe has a much larger share of 'static' firms, while the US has more fast growing and fast shrinking firms
- Growth and contraction are correlated
- Faster reallocation of resources in the US
- 5pp increase in the share of static firms is associated with 1pp lower annual TFP growth (effect stronger closer to the technology frontier)

Source: Bravo-Biosca (2011).



Other minor comments

- **Sample size:**
 - 565 firms: 36 industries in 8 countries (ca. 16 hgf per industry and 70 hgf per country or ca 4-5 hgf per sector-country pair) – how valid is statistical inference if we slice the data too much? (authors restrict to 15+ companies cells).
 - Focus analysis more on “survey questionnaire” info than mapping age-size-sector (which can be done in a more representative way with administrative data – we have some data we can share)
- **Sample selection**
 - Survey of “successful” companies
 - Different criteria on hgf than standard OECD-Eurostat definition
 - “Innovative sectors” (innovation can happen in all sectors!!)
 - Growth in employment vs. sales vs. value added
 - Pros and cons of excluding M&A-based growth
- **Productivity**
 - Large differences in productivity within hgf category
 - Can you look at how it relates to other survey responses?
- **Country review**
 - Quite systematic reviews of policies but some gaps , particularly on evidence. E.g., large body of work on UK HGF, including how this is linked to innovation.



Final comment

- **Recommendations focused on framework conditions and “system-level” barriers to growth key!**
- **Active support schemes that target HGIE can be a helpful complement (even if targeting is challenging), but **need experimentation and rigorous evaluation**.**