

Reader's Guide

This publication presents indicators of entrepreneurship collected by the OECD-Eurostat Entrepreneurship Indicators Programme (EIP). Started in 2006, the programme develops multiple measures of entrepreneurship and its determinants according to a simplified conceptual framework that distinguishes between the manifestation of entrepreneurship, the factors that influence it, and the impacts of entrepreneurship on the economy or society. A set of **indicators of entrepreneurial performance** is proposed for understanding and comparing the extent and type of entrepreneurship that take place in different countries. This approach reflects the idea that analysts should go beyond enterprise creation or any other single measure to study entrepreneurship as entrepreneurs and entrepreneurial forces can be found in many existing businesses. Understanding the dynamism these actors exert on the economy is as important as understanding the dynamics of start-ups.

The indicators of entrepreneurial performance are presented for the following countries: Austria, Belgium, Brazil, Bulgaria, Canada, the Czech Republic, Denmark, Estonia, Finland, Germany, Hungary, Japan, Korea, Israel, Italy, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland and the United States.

A selection of **indicators of determinants of entrepreneurship** is also included in the publication: the choice of the indicators was based on their novelty, *i.e.* they were recently produced and/or updated. Annex A presents a comprehensive list of indicators of determinants and the corresponding data sources.

Each indicator is accompanied by a short text that explains what is measured and provides the policy context. A detailed description of the definition and explanations of the comparability of the indicator across countries are also included.

Data collection

The set of indicators that are part of the EIP framework have not all reached the same degree of development. Some of them are well established components of regular data collections, while others are only developed in a restricted number of countries and their harmonised definition forms the object of discussion. The indicators presented in this publication reflect this diversity:

- A) Enterprises by size class.
- B) Employment by enterprise size class.
- C) Value added by enterprise size class.
- D) Exports by enterprise size class.
- E) Birth rate of employer enterprises.
- F) Death rate of employer enterprises.

- G) Churn rate of employer enterprises.
- H) Survival rate of employer enterprises.
- I) Employment creation and destruction by employer enterprise births and deaths.
- J) Employment creation and destruction in surviving enterprises.
- K) High-growth enterprise rate.
- L) Gazelle rate.
- M) Employers and own account workers by gender.
- N) Share, size and industry of women-owned enterprises.
- O) Employment in women-owned enterprises.
- P) Birth and death rates of women-owned enterprises.
- Q) Survival and employment growth of women-owned enterprises .
- R) Women on company boards.
- S) Regulatory framework: Starting a business.
- T) Access to finance: Success rate in obtaining finance.
- U) Culture: Entrepreneurial perceptions and attitudes.

For indicators A, B, C, and E to L the source is the *OECD Structural and Demographic Business Statistics (SDBS) Database*. Indicators A to C refer to Structural Business Statistics, while Indicators E to L, i.e. the core indicators of entrepreneurial performance, consist of Business Demography data. Indicator D originates from the OECD Trade by *Enterprise Characteristics (TEC) Database*. SDBS and TEC data are collected annually via harmonised questionnaires to National Statistical Offices. Switzerland uses three additional criteria in the definitions. First, enterprises need to have at least one establishment operation more than 20 hours per week. Second, individuals are classified as persons employed or employees only if they work more than 6 hours per week. Third, the number of employees is calculated by subtracting an estimate of the number of working proprietors to the number of persons employed.

The indicators on women's entrepreneurship (Indicators M to R) present preliminary results from a new data collection started by the EIP. The data for Indicators N to Q have been produced by national statistical offices following definitions already in use for employer business demography. Not all countries, however, could use business registers to produce the indicators; representative business surveys and economic census data were thus used. Indicator R is based on company-level commercial data.

The remaining indicators represent a selection of determinants of entrepreneurship, chosen for their novelty. The sources of data are diverse and include both data from National Statistical Offices and other sources.

Size-class breakdown

Structural Business Statistics indicators usually focus on five size classes based on the number of persons employed, where the data across countries and variables can be most closely aligned: 1-9, 10-19, 20-49, 50-249, 250+. Not all country information fits perfectly into this classification, however, and divergence from these target size classes are reported in each chapter.

For Business Demography data, the typical collection breakdown is 1-4, 5-9, 10+ to reflect the fact that a vast majority of newly created enterprises are micro enterprises.

Activity breakdown

For Business Demography indicators, a breakdown by activity is also proposed. Data are usually broken down into manufacturing and services industries.

Manufacturing comprises: mining and quarrying; manufacturing; electricity, gas and water.

Services comprise: wholesale and retail trade; hotels and restaurants; transport, storage and communications; financial intermediation; real estate, renting and business activities.


For the employer enterprise birth and death rates, data are also presented for the following industries: food products, beverages and tobacco; electrical and optical equipment; trade; other business services.

The EIP Framework

Entrepreneurship is defined by the EIP as the phenomenon associated with entrepreneurial activity, which is the enterprising human action in pursuit of the generation of value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets. In this sense, entrepreneurship is a phenomenon that manifests itself throughout the economy and in many different forms with many different outcomes, and these outcomes are not always related to the creation of financial wealth; for example, they may be related to increasing employment, tackling inequalities, or indeed, increasingly, environmental issues. The challenge of the EIP is to improve the understanding of these multiple manifestations. The programme recognises that no single indicator can ever adequately cover entrepreneurship, and it has therefore developed a set of measures that each captures a different aspect or different type of entrepreneurship; these measures are referred to as EIP indicators of entrepreneurial performance. There are currently some 20 performance indicators covered in the EIP.

The EIP takes a comprehensive approach to the measurement of entrepreneurship by looking not only at the manifestation of the entrepreneurial phenomenon but also at the factors that influence it. These factors range from the market conditions to the regulatory framework, to the culture or the conditions of access to finance. While some areas of determinants lend themselves more easily to measurement (for instance, the existence and restrictiveness of anti-trust law or the administrative costs to set-up a new business in a country), for other determinants the difficulty resides in finding suitable measures (*e.g.* venture capital and angel capital) and/or in comprehending the exact nature of their relationship with entrepreneurship (*e.g.* culture). The EIP aims to contribute to advance research on the less understood, less measurable determinants of entrepreneurship.

The EIP Framework

Determinants						Entrepreneurial performance	Impact
<i>Regulatory framework</i>	<i>Market conditions</i>	<i>Access to finance</i>	<i>Knowledge creation and diffusion</i>	<i>Entrepreneurial capabilities</i>	<i>Culture</i>	Firm based	Job creation
Administrative burdens for entry	Anti-trust laws	Access to debt financing	R&D investment	Training and experience of entrepreneurs	Risk attitude in society	Employment based	Economic growth
Administrative burdens for growth	Competition	Business angels	University/industry interface	Business and entrepreneurship education (skills)	Attitudes towards entrepreneurs	Wealth	Poverty reduction
Bankruptcy regulations	Access to the domestic market	Access to VC	Technological co-operation between firms	Entrepreneurship infrastructure	Desire for business ownership		Formalising the informal sector
Safety, health and environmental regulations	Access to foreign markets	Access to other types of equity	Technology diffusion	Immigration	Entrepreneurship education (mindset)		
Product regulation	Degree of public involvement	Stock markets	Broadband access				
Labour market regulation	Public procurement						
Court and legal framework							
Social and health security							
Income taxes; wealth/bequest taxes							
Business and capital taxes	Patent system; standards						

<i>Firms</i>	<i>Employment</i>	<i>Wealth</i>
Employer enterprise birth rates	Share of high growth firms (by employment)	Share of high growth firms (by turnover)
Employer enterprise death rates	Share of gazelles (employment)	Share of gazelles (by turnover)
Business churn	Ownership rate start-ups	Value added, young or small firms
Net business population growth	Ownership rates business population	Productivity contribution, young or small firms
Survival rates at 3 and 5 years	Employment in 3 and 5 year old firms	Innovation performance, young or small firms
Proportion of 3 and 5 year old firms	Average firm size after 3 and 5 years	Export performance, young or small firms



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