

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 amount and type of entrepreneurship that take place in different countries. This approach reflects the idea that analysts should not focus only on enterprise creation or any other single measure to study entrepreneurship: entrepreneurs and entrepreneurial forces can be found in many existing businesses and 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, Hungary, Israel, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Sweden 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 originally compiled and harmonized by the OECD or were recently produced and or/updated by other international sources. The reader will find in an Annex a comprehensive list of indicators of determinants, which draws from the report *Quality Assessment of Entrepreneurship Indicators* prepared annually by the International Consortium for Entrepreneurship (ICE).

Each indicator is preceded by a short text that explains what is measured and that provides the policy context, followed by a detailed description of the definition and by clarifications concerning the cross-country comparability of the indicator.

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 some 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:

1. Enterprises by size class
2. Employment by size class
3. Value added by size class
4. Exports by size class
5. Birth rate of employer enterprises
6. Death rate of employer enterprises

7. Churn rate of employer enterprises
8. Survival rate of employer enterprises
9. Employment creation and destruction by employer enterprise births and deaths
10. Employment creation and destruction in surviving enterprises
11. High-growth enterprises rate
12. Gazelles rate
13. Distribution of enterprises by growth rate
14. Number of new enterprises
15. Distribution of new enterprises by industrial activity
16. Number of bankruptcies
17. Entrepreneurial activity by gender
18. Obstacles to entrepreneurship by gender
19. Share of foreign enterprise owners
20. Regulatory framework: Starting a business
21. Access to finance: Venture capital
22. Culture: The image of entrepreneurs

Indicators 1 to 13 are based on harmonised definitions. Their source is the *OECD Structural and Demographic Business Statistics (SDBS) Database*, with the exception of Indicator 4 which originates from the *OECD Trade by Enterprise Characteristics (TEC) Database*, and Indicator 13 which is based on a FORA-NESTA research report. SDBS data are collected annually via harmonised questionnaires. Data on Indicators 1 to 3 refer to Structural Business Statistics, while Indicators 5 to 13, i.e. the core indicators of entrepreneurial performance, consist of Business Demography data.

Indicators 14 to 16 are the result of a new data collection process. They are designed to complement the harmonised business demography indicators from SDBS as their main purpose is to provide timely information, although this involves limitations in terms of cross-country comparability.

Data on women entrepreneurship (Indicators 17 and 18) and migrant entrepreneurs (Indicator 19) are presented for illustrative purposes; data collection in these two domains is underdeveloped and the EIP has started work to fill the gap. Data presented are drawn principally from national statistics offices, although in one case a non official source is used.

The remaining indicators represent a selection of determinants of entrepreneurship, chosen either for their novelty or because they are the results of an original collection/harmonisation process by the OECD. The sources of data are diverse and include both official and non official sources.

Size-class breakdown

Structural Business Statistics indicators usually focus on 5 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 system however and divergence from these target size classes are reported in each session.

For Business Demography data, because a vast majority of newly created enterprises are micro enterprises, the analysis is usually even more focused on these very small enterprises and the typical collection breakdown is 1-4, 5-9, 10+.


Activity breakdown

For business demography indicators, a breakdown by activity is also proposed in Part II. 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.

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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