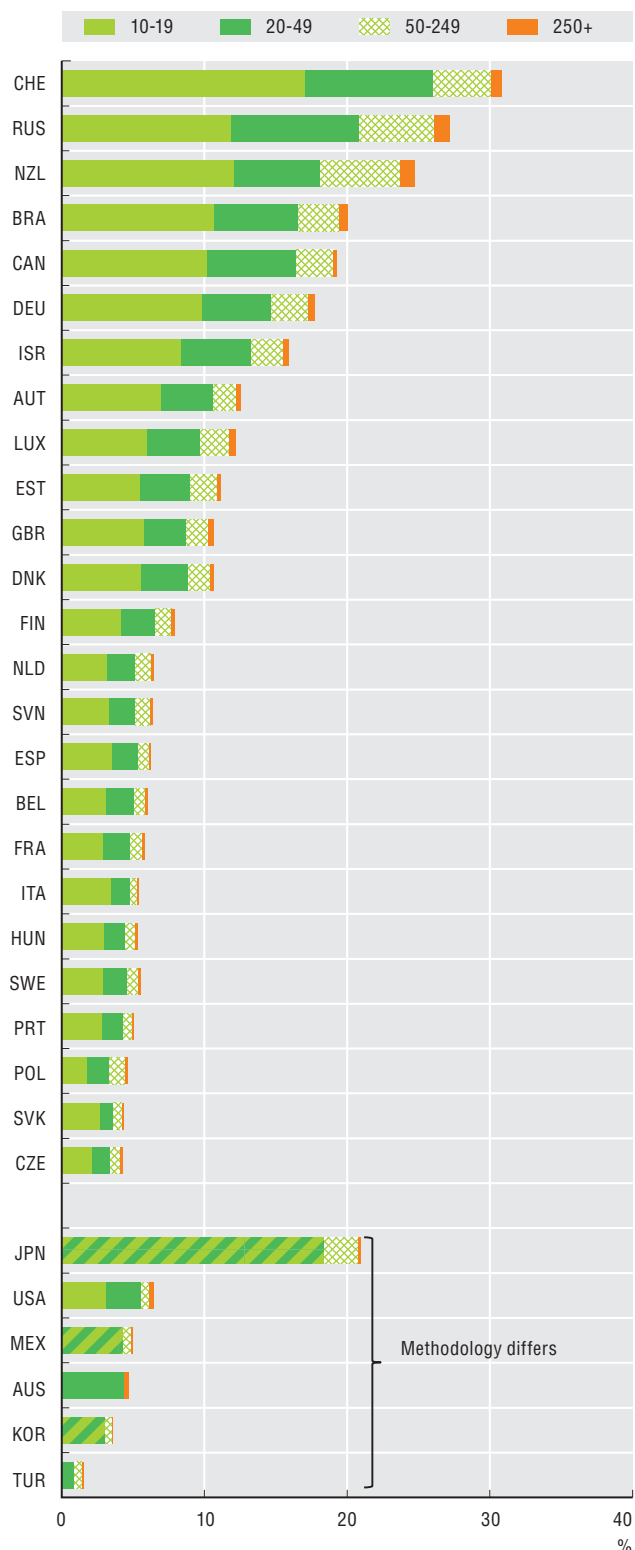


7. PARTICIPATING IN THE GLOBAL ECONOMY

3. Firm size

Number of enterprises by size class, 2010

As a percentage of all enterprises



Source: OECD (2013), *Entrepreneurship at a Glance 2013*, OECD Publishing. StatLink contains more data. See chapter notes.

StatLink <http://dx.doi.org/10.1787/888932904184>

Business dynamics have a significant impact on an economy's overall productivity growth. This in turn affects a country's ability to compete globally. While small businesses are important drivers of growth and innovation, larger businesses typically have competitive advantages owing to economies of scale, cheaper credit and direct access to global value chains. Measures of enterprise, employment and value added broken down by size class can provide valuable insights into structural factors that drive growth, employment and entrepreneurship. Understanding countries' characteristics in terms of firm size is important for developing a policy framework able to stimulate innovation and growth through appropriate labour market regulation, bankruptcy legislation or R&D support policies.

In all countries, most businesses are micro-enterprises. In half of OECD countries, these account on average for more than 90% of all enterprises.

Countries vary significantly in terms of the distribution of employment among enterprises of different sizes. In Greece, Italy, Mexico, Portugal and Spain more than 40% of enterprises have fewer than ten persons employed, while the share is less than 20% in Germany, New Zealand, Switzerland and the United Kingdom.

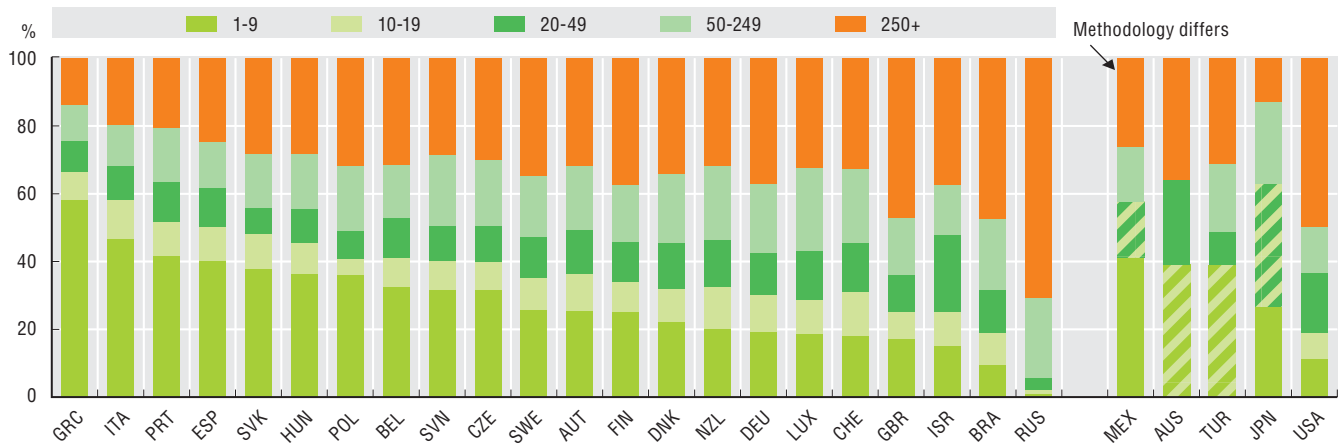
In most countries, enterprises with more than 250 persons employed account for an average of 42% of the value added of the business sector, although they represent less than 2% of businesses. The share of value added created by large enterprises varies significantly from more than 50% in Brazil, Japan, Korea and the United Kingdom to approximately 25% in Greece.

Definitions

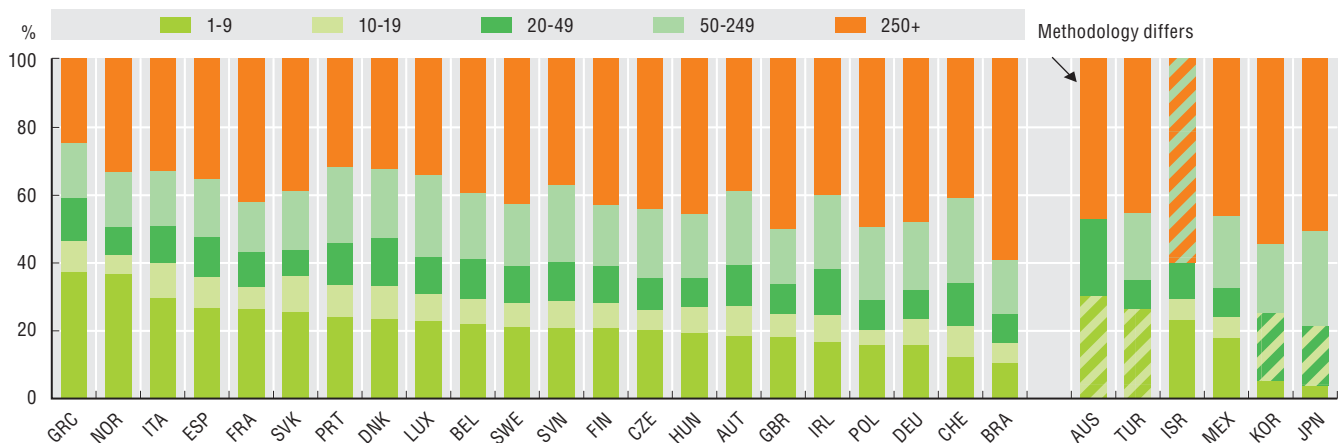
Micro enterprises are firms with fewer than ten persons employed. An enterprise is defined as the smallest combination of legal units that is an organisational unit producing goods or services and benefits from a certain degree of autonomy in decision making, especially for the allocation of current resources. An enterprise carries out one or more activities at one or more locations. The basis for size classification is the total number of persons employed, which includes the self-employed. The number of persons employed includes all persons who worked for the concerned unit during the reference year. Value added corresponds to the difference between production and intermediate consumption, where total intermediate consumption is valued at purchaser prices. Depending on the valuation of production and on the treatment applied to indirect taxes and subsidies of production, the valuation of value added is either at basic prices, producers' prices or factor costs.

Employment by enterprise by size class, 2010

As a percentage of total employment

Source: OECD (2013), *Entrepreneurship at a Glance 2013*, OECD Publishing. StatLink contains more data. See chapter notes.StatLink <http://dx.doi.org/10.1787/888932904203>**Value added by enterprise by size class, 2010**

As a percentage of total value added

Source: OECD (2013), *Entrepreneurship at a Glance 2013*, OECD Publishing. StatLink contains more data. See chapter notes.StatLink <http://dx.doi.org/10.1787/888932904222>**Measurability**

For most countries, the main sources of information used to compile the OECD Structural and Business Demography Statistics (SDBS) are economic censuses, business surveys and business registers. In spite of the goal of full coverage of existing businesses in a given country, countries differ in terms of coverage of business registers owing to national circumstances and data availability.

The Business Size Class (BSC) Dataset is a part of SDDBS and provides information by enterprise size class. To improve data harmonisation and enable country comparisons, the BSC focuses on five size classes for which the data across countries and variables can be most closely aligned. Countries with a different size class breakdown are shown separately in the figures.

The SDDBS, in combination with the BSC, provides an input to the OECD Entrepreneurship Indicators Programme (EIP).



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