

5. EMPLOYMENT CREATION AND DESTRUCTION

Employment creation and destruction in surviving enterprises

The comparison of the employment share of one-year (two-year) old enterprises in their year of birth with their employment share after one year (two years) of existence, provides an indication of how rapidly the young surviving enterprises are increasing their number of persons employed beyond the initial level and contribute to overall employment changes in the economy.

Definitions

The *employment share at birth of one-year (two-year) old employer enterprises* refers to the number of persons employed in the year of birth by employer enterprises that will have survived one year (two years), divided by the total number of persons employed.

The *employment share of one-year (two-year) old employer enterprises* refers to the number of persons employed in one-year (two-year) old employer enterprises, divided by the total number of persons employed.

Comparability

Data refer to the whole population of employer enterprises. Data are classified according to ISIC Revision 4 for all countries except Israel for which data are in ISIC Revision 3.

Highlights

On average, the employment shares of one-year old enterprises in 2008 have shown an increase higher than 20% compared to their year of birth. The increase in the employment share of two-year old enterprises compared to their year of birth (about 43%) indicates the positive dynamic of employment in young, surviving enterprises.

Source/Online database

OECD Structural and Demographic Business Statistics (SDBS) Database, <http://dx.doi.org/10.1787/sdbs-data-en>.

For further reading

Ahmad, N. (2006), "A Proposed Framework For business Demography Statistics", OECD Statistics Working Papers, 2006/3, OECD Publishing, Paris, <http://dx.doi.org/10.1787/145777872685>.

Eurostat/OECD (2007), Eurostat-OECD Manual on Business Demography Statistics, OECD Publishing.

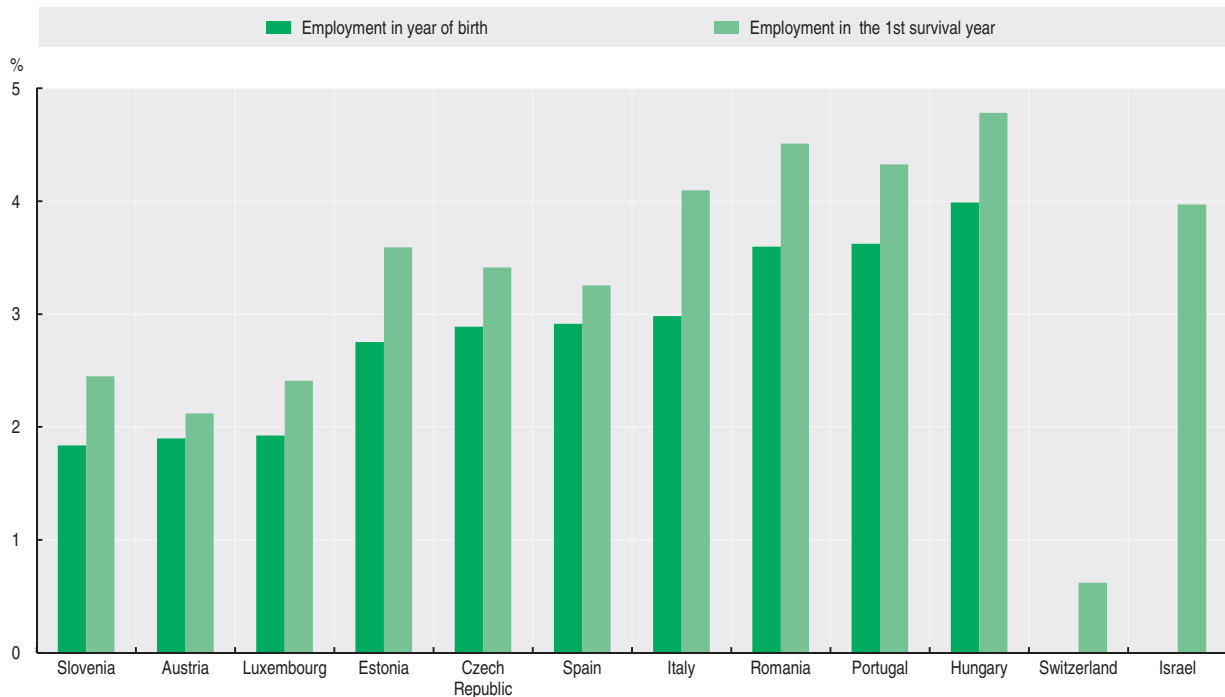
Haltiwanger, J., R.S. Jarmin and J. Miranda (2010), "Who create jobs? Small vs. Large vs. Young", Discussion Papers, US Census Bureau.

5. EMPLOYMENT CREATION AND DESTRUCTION

Employment creation and destruction in surviving enterprises

Figure 5.5 **Employment in year of birth and in the 1st survival year, total economy, 2008**

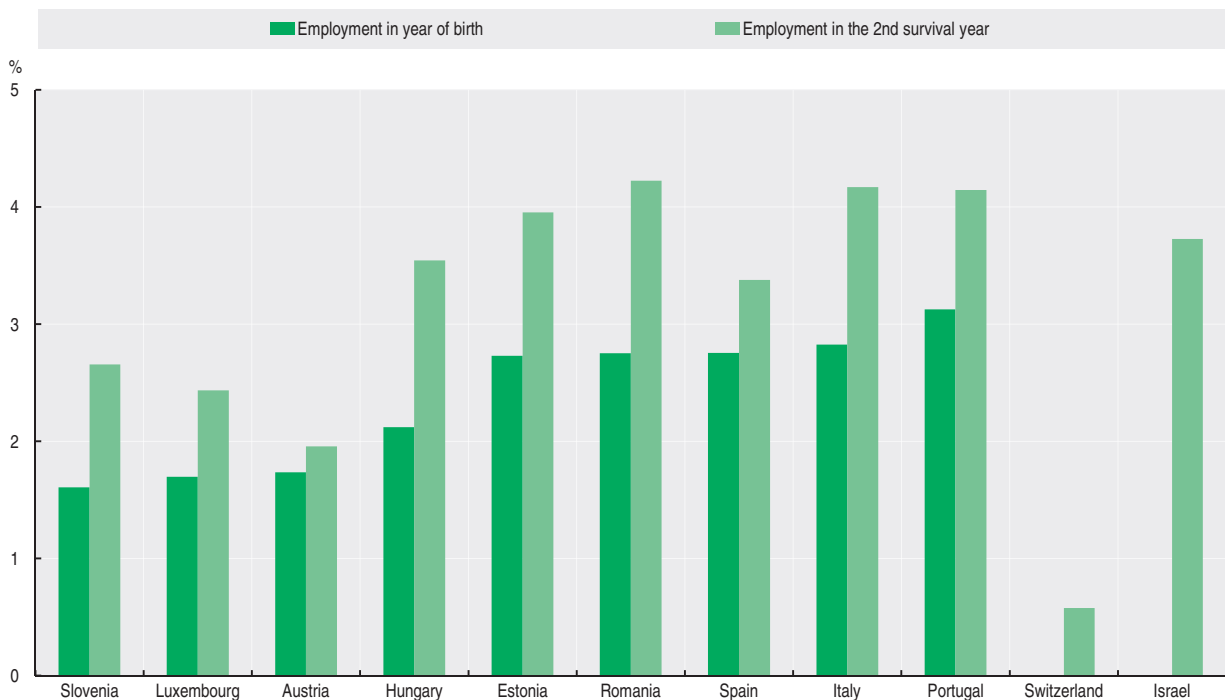
As a percentage of employment in the population of enterprises



StatLink  <http://dx.doi.org/10.1787/888932597505>

Figure 5.6 **Employment in year of birth and in the 2nd survival year, total economy, 2008**

As a percentage of employment in the population of enterprises



StatLink  <http://dx.doi.org/10.1787/888932597524>



From:
Entrepreneurship at a Glance 2012

Access the complete publication at:
https://doi.org/10.1787/entrepreneur_aag-2012-en

Please cite this chapter as:

OECD (2012), "Employment creation and destruction in surviving enterprises", in *Entrepreneurship at a Glance 2012*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/entrepreneur_aag-2012-15-en

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.