

Regional business demography

Key facts

- Within large economies, differences in the rates of births and deaths of enterprises can be as large as 10 percentage points, driven in large part by micro firms, although for France, Italy and Spain sizeable regional differences also exist in death rates.
- Significant regional disparities also occur in some smaller economies. In the Slovak Republic for example the difference in birth rates between the best and worst performing regions is 5 percentage points, while in Denmark, for micro firms, the difference is 7 percentage points.
- Birth rates of enterprises tend to be higher in the capital region compared to the national average, while death rates are typically closer to the average.

Relevance

Entrepreneurship statistics at the national level can hide disparities at the regional level and, so, may be imperfect in informing policies designed to address regional differences in income, employment and production. Entrepreneurship statistics at the regional level provide important insights to these differences and are able to inform, and highlight the efficacy of, national and regional entrepreneurship policies.

Definitions

The definitions of enterprise, enterprise birth and enterprise death follow the recommendations of the Eurostat-OECD Manual on Business Demography Statistics (2007). The indicators presented are defined as follows:

Enterprise birth rate at the regional level: Firms born in country y and region x / firms active in region x.

Enterprise death rate at the regional level: Firms that died in country y and last active in region x / firms active in region x. Firms that died are allocated to the region they were last active in or where they filed for bankruptcy or closure.

Comparability

Some care is needed in interpretation. Some large enterprises may have multiple local units that might be spread over multiple regions. To take this fact into account, the person employed by an enterprise are not assumed to be located in the same region, but only to be managed or controlled by an enterprise with its headquarters in the region. For this reason, the indicators presented in this section should be interpreted as reflecting the appeal or otherwise of regions for the creation/location of headquarters.

For the United States, the statistical unit is the establishment.

For the United Kingdom, data refer to non-employer business demography, therefore including also enterprises with no employees.

Data refer to the NUTS2 regional breakdown for EU countries, with the exception of the United Kingdom where NUTS1 is used; to regions for Australia and New Zealand; to provinces for Korea; and to states for the United States.

Source/online database

Eurostat, Structural business statistics, Business demography, http://epp.eurostat.ec.europa.eu/portal/page/portal/european_business/special_sbs_topics/business_demography.

Statistics Australia, www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/514D970AA18B6DE0CA2577FF0011E061?opendocument.

Statistics Korea, http://kosis.kr/statHtml/statHtml.do?orgId=101&tblId=DT_1BD0007&language=en&conn_path=I3.

Statistics New Zealand, <http://nzdotstat.stats.govt.nz/WBOS/Index.aspxDataSetCode=TABLECODE7603>.

United Kingdom Office for National Statistics, Statistical Bulletin: Business Demography 2012, www.ons.gov.uk/ons/rel/bus-register/business-demography/2012/stb-business-demography-2012.html#tab-Business-births-and-deaths-by-UK-region.

United States Census Bureau, <https://www.census.gov/econ/susb/index.html>.

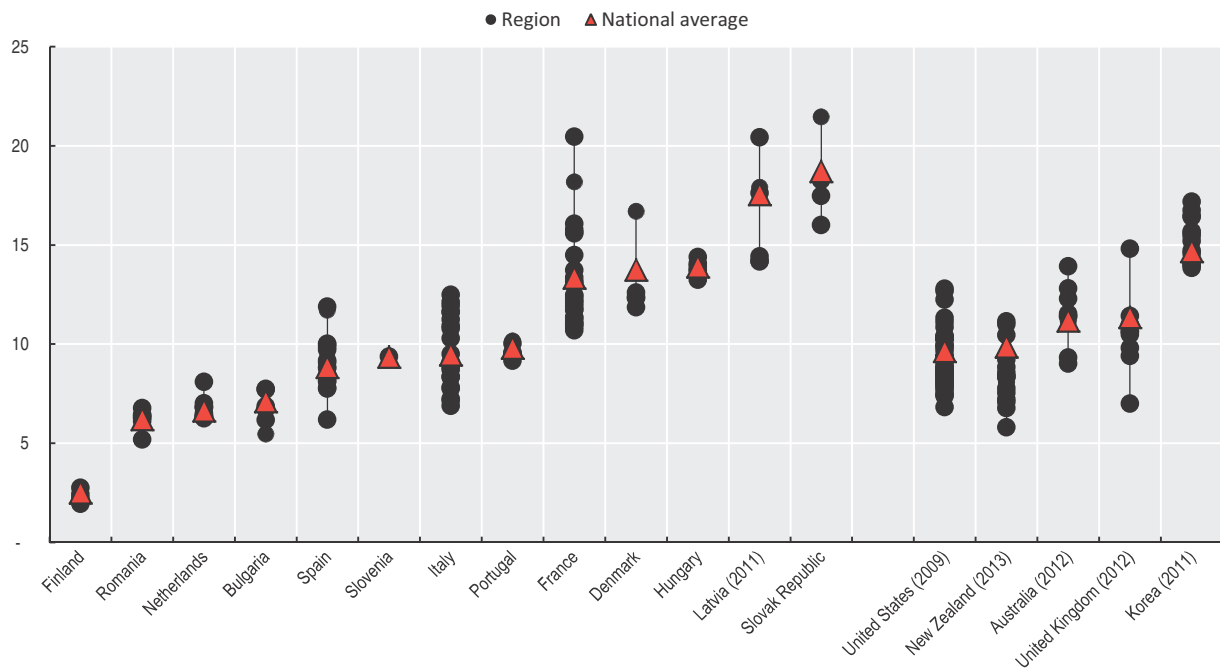
For further reading

European Commission (2014), Regional Business Demography. Data collection 2012, Directorate-General Regional Policy.

Eurostat/OECD (2007), Eurostat-OECD Manual on Business Demography Statistics, OECD Publishing, www.oecd.org/std/39974460.pdf.

Figure 3.29. **Enterprise birth rate at the regional level**

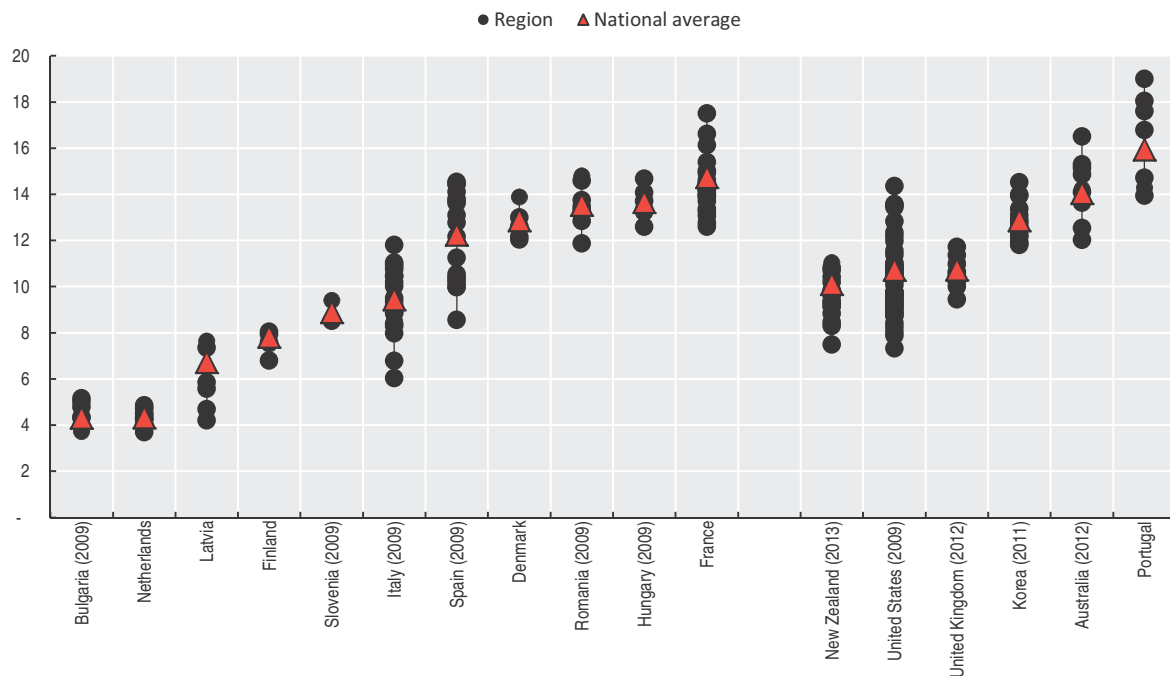
Percentage, 2010 or latest available year



StatLink <http://dx.doi.org/10.1787/888933064145>

Figure 3.30. **Enterprise death rate at the regional level**

Percentage, 2010 or latest available year

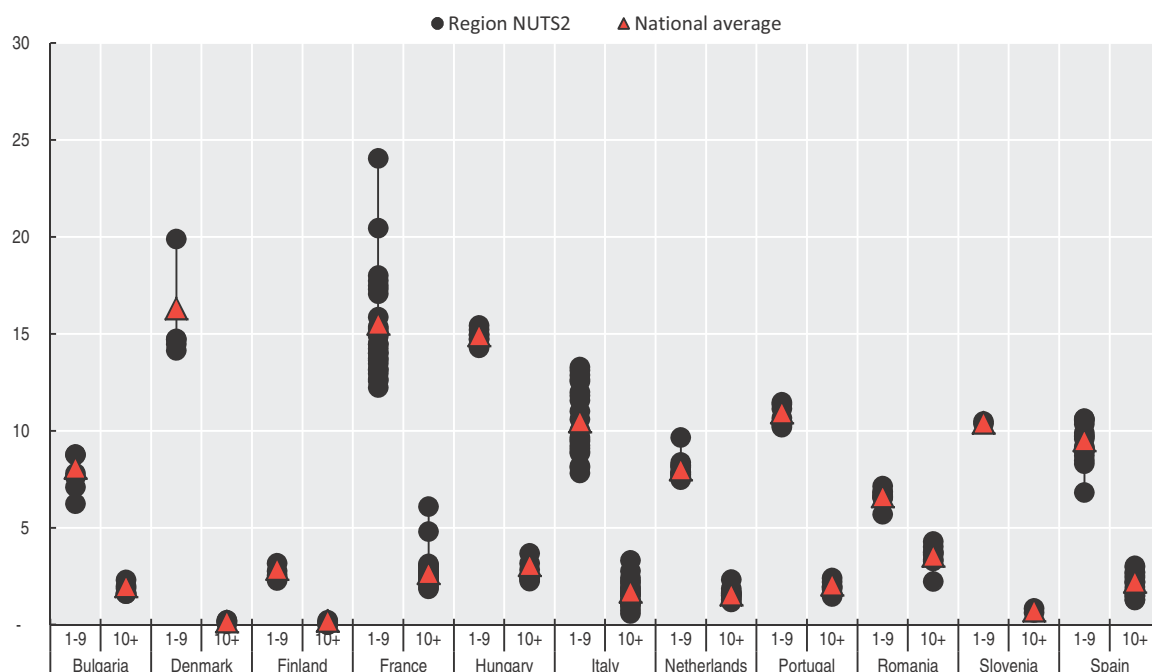


StatLink <http://dx.doi.org/10.1787/888933064164>

3. ENTERPRISE BIRTH, DEATH AND SURVIVAL

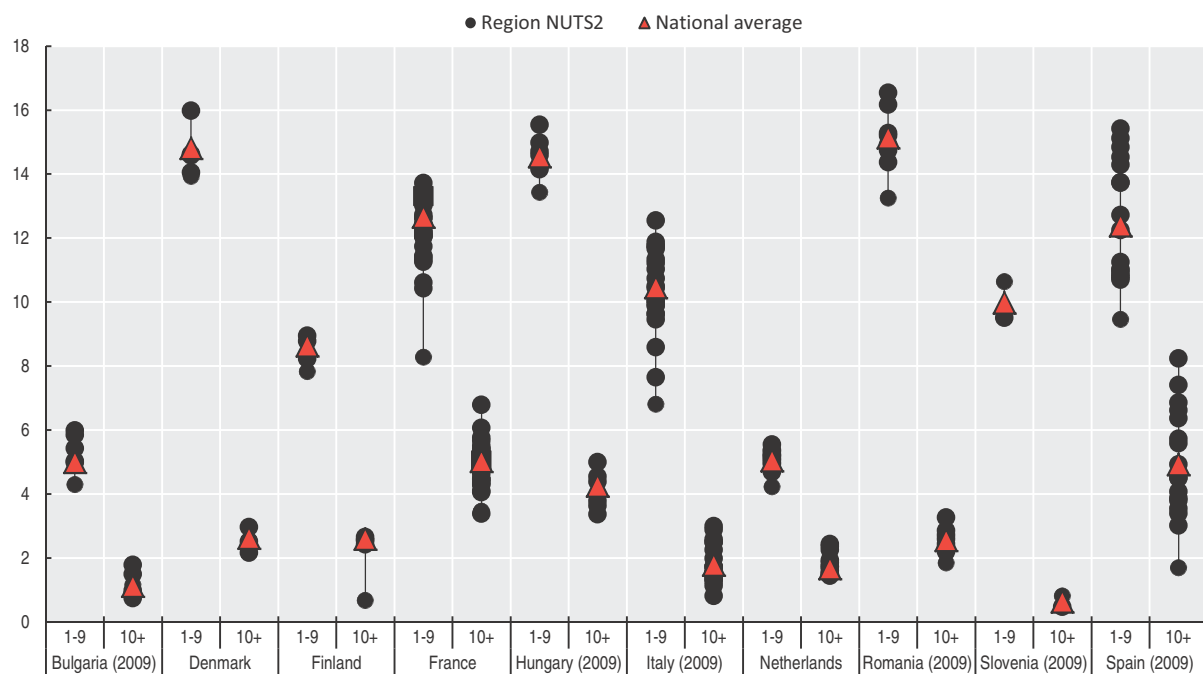
Regional business demography

Figure 3.31. **Enterprise birth rate at the regional level, by enterprise size**
Percentage, 2010



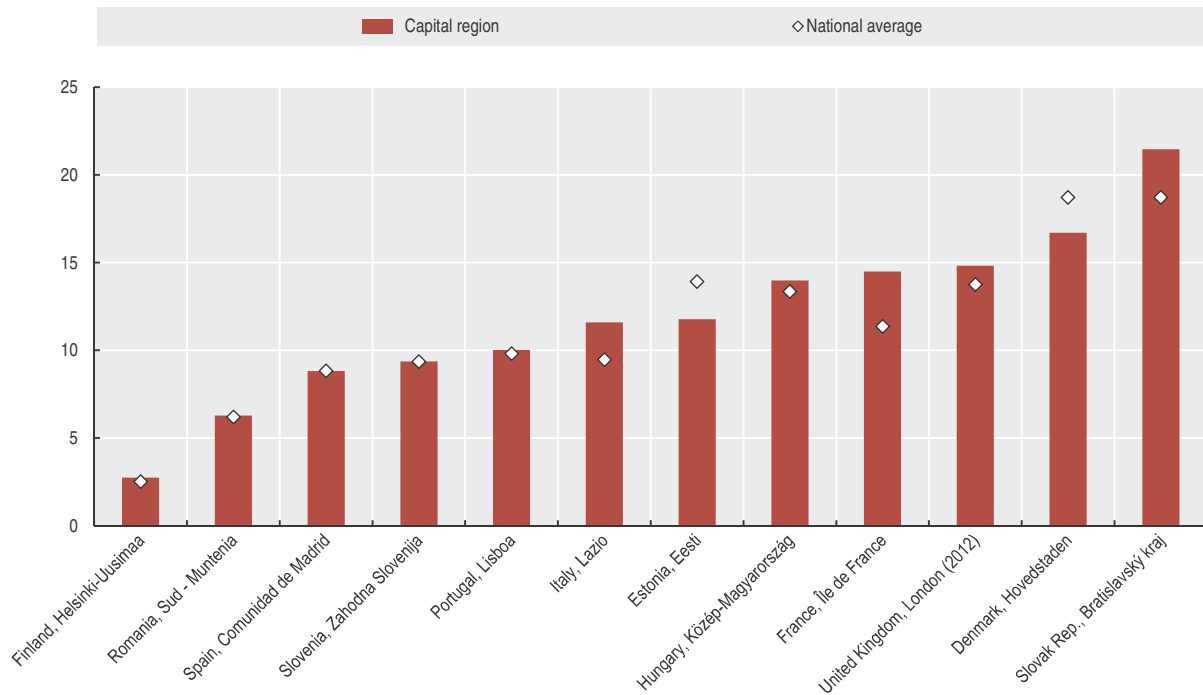
StatLink <http://dx.doi.org/10.1787/888933064183>

Figure 3.32. **Enterprise death rate at the regional level, by enterprise size**
Percentage, 2010



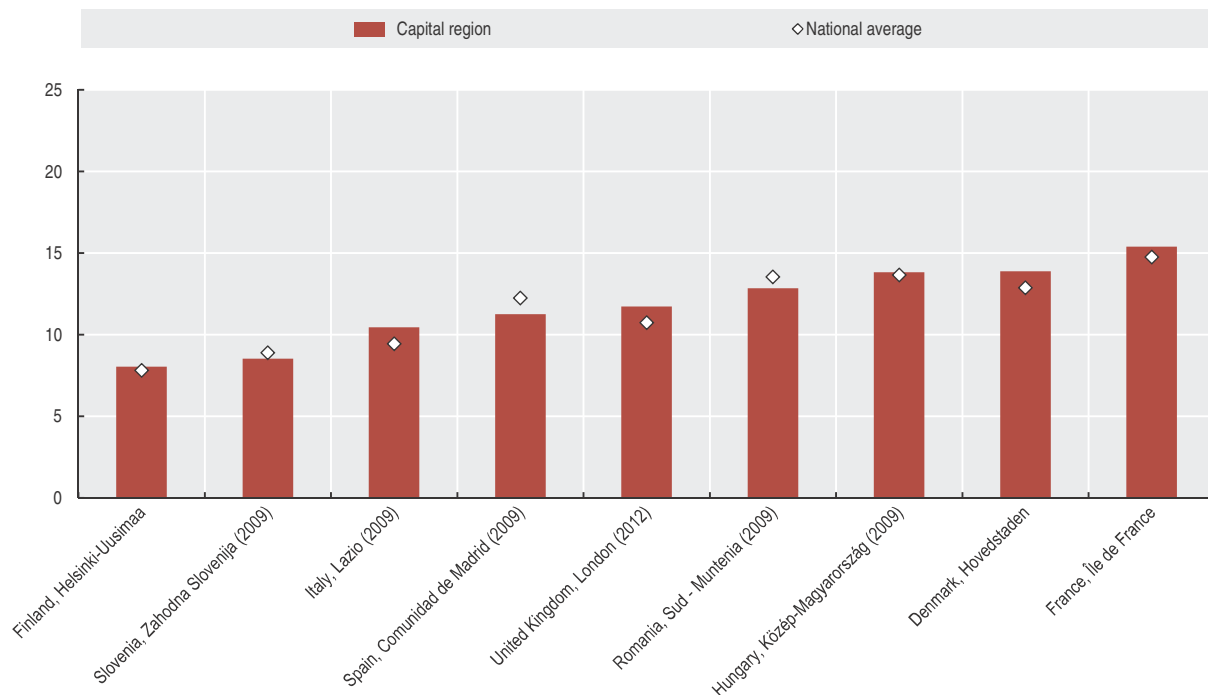
StatLink <http://dx.doi.org/10.1787/888933064202>

Figure 3.33. **Enterprise birth rate, capital regions**
Percentage, 2010

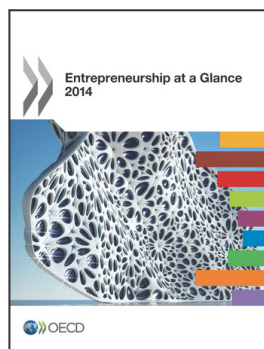


StatLink <http://dx.doi.org/10.1787/888933064221>

Figure 3.34. **Enterprise death rate, capital regions**
Percentage, 2010



StatLink <http://dx.doi.org/10.1787/888933064240>



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