The OECD–Eurostat Entrepreneurship Indicators Programme

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Why the EIP?

- Entrepreneurship as a policy priority
- Fundamental definitions and concepts missing
- Few internationally-comparable measures
- Limited involvement of NSOs
- Basic business demography data incomparable
- Resistance to new firm surveys
EIP Approach to Entrepreneurship Measurement

-Definitions

- Framework for Indicators
  - Entrepreneurial determinants
  - Performance indicators
  - Impact of indicators

- Database

- Publication of a Digest of Indicators
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<td>Business and Capital Taxes</td>
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| Market Conditions                                |                            |        |
| Anti-Trust Laws                                  |                            |        |
| Competition                                     |                            |        |
| Access to the Domestic Market                    |                            |        |
| Access to Foreign Markets                        |                            |        |
| Degree of Public Involvement                     |                            |        |
| Public Procurement                               |                            |        |

| Access to Finance                                |                            |        |
| Access to Debt Financing                         |                            |        |
| Business Angels                                  |                            |        |
| Access to VC                                     |                            |        |
| Access to Other Types of Equity                  |                            |        |
| Stock Markets                                    |                            |        |

| Knowledge creation and diffusion                  |                            |        |
| R&D Investment                                   |                            |        |
| University/Industry Interface                    |                            |        |
| Technological Cooperation Between Firms          |                            |        |
| Technology Diffusion                             |                            |        |
| Broadband Access                                 |                            |        |

| Entrepreneurial Capabilities                     |                            |        |
| Training and experience of entrepreneurs         |                            |        |
| Business and Entrepreneurship Education (skills)  |                            |        |
| Entrepreneurship Infrastructure                   |                            |        |
| Immigration                                      |                            |        |

| Culture                                          |                            |        |
| Risk Attitude in Society                         |                            |        |
| Attitudes Towards Entrepreneurs                  |                            |        |
| Desire for Business Ownership                    |                            |        |
| Entrepreneurship Education (mindset)              |                            |        |

| Firm based                                       |                            |        |
| Employment based                                 |                            |        |
| Others                                           |                            |        |

| Impact                                           |                            |        |
| Job Creation                                     |                            |        |
| Economic Growth                                  |                            |        |
| Poverty Reduction                                |                            |        |
| Formalising the Informal Sector                  |                            |        |
## Entrepreneurial performance: Indicators based on the SBSD database

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<tr>
<th>Firm-based</th>
<th>Employer enterprise birth rates (manufacturing and services by industry, by size class)</th>
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<td>Employer enterprise death rates (manufacturing and services, by industry, by size class)</td>
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<td>Firm-based</td>
<td>One- and two-year survival rates (manufacturing and services)</td>
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<td>Share of one- and two-year-old employer enterprises in the population (manufacturing and services)</td>
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<td>Employment-based</td>
<td>Share of high-growth firms (employment)</td>
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<td>Employment-based</td>
<td>Employment creation by enterprise births</td>
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<td>Employment-based</td>
<td>Employment destruction by enterprise deaths</td>
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Entrepreneurial determinants: Examples of indicators

ACCESS TO FINANCE
- ease of getting bank loans (World Economic Forum)
- number and investments by business angels (OECD-STD)
- venture capital in % of GDP, by investment stage (OECD-STD)
- venture capital investments in high technology industries (OECD-STD)
- business R&D-intensity, by size class of firms (OECD-STI)
- new-to market innovating firms, by size class (OECD-STI)
- collaboration in innovation, by size class of firms (OECD-STI)
- ecommerce (OECD-STI)

CREATION AND DIFFUSION OF KNOWLEDGE
- tertiary attainment, 25-64 and 25-64 years old (OECD-EDU)
- self-employment, foreign and native-born population (OECD-ELS)
- international mobility of students (OECD-EDU)
- people having received training for starting up a business (GEM)

ENTREPRENEURIAL CAPABILITIES
Entrepreneurial determinants: Examples of indicators

**REGULATORY FRAMEWORK**
- ease of doing business (World Bank)
- barriers to entrepreneurship (OECD-ECO)
- top statutory personal income tax rate (OECD-CTP)
- corporate income tax rate, overall and for SMEs (OECD-CTP)

**MARKET CONDITIONS**
- Competition Law and Policy Indicator (OECD-ECO)
- Import Burden (World Bank)
- Export Burden (World Bank)

**ENTREPRENEURIAL CULTURE**
- choice of status; employee or self-employed (Eurobarometer)
- entrepreneurial perceptions: opportunities versus risk (GEM)
- positive image of entrepreneurship (Eurobarometer)
- negative image of entrepreneurship (Eurobarometer)
Number of enterprises\textsuperscript{1,2}

By size class, 2006\textsuperscript{3}

1. Market economy, excluding financial intermediation. Manufacturing sectors only for Ireland, Japan, Korea, Luxembourg and Slovak republic.
2. Number of establishments for Korea, Japan and Mexico
3. 2005 for Turkey and Iceland, 2004 for the United States, 2003 for Mexico
4. Enterprises with 3 or more persons engaged
5. Establishments with 5 or more persons engaged.
6. Establishments with 4 or more persons engaged
Employment\textsuperscript{1,2} 
By size class, 2006\textsuperscript{3}

1. Market economy, excluding financial intermediation. Manufacturing sectors only for Ireland, Japan, Korea, Luxembourg and Slovak republic.
2. Number of employees for New Zealand and the United States.
4. Enterprises with 3 or more persons engaged.
5. Establishments with 4 or more persons engaged.
6. Establishments with 5 or more persons engaged.
Value added

By size class, 2006

1. Market economy, excluding financial intermediation. Manufacturing sectors only for Ireland, Japan, Korea, Luxembourg, Netherlands and Slovak Republic.
2. 2005 for Turkey, 2003 for Mexico
3. Enterprises with 3 or more persons engaged
4. Establishments with 4 or more persons engaged.
5. Establishments with 5 or more persons engaged
Export performance: Total export by size class¹
2003, as a percentage of total value

1. Total economy
Source: Eurostat, OECD TEC database
Employer enterprise birth and death rates in manufacturing\(^1\)

As a % of the population of active enterprises with at least one employee

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1. Mining and quarrying; Manufacturing; Electricity, gas and water.
2. Employer enterprises with less than 250 employees.
3. Data are based on the Establishments & Business Frame of the Regional Statistical Institute of Andalucia (IEA).
Employer enterprise birth rates in manufacturing\(^1\) by size class

As a % of the population of active enterprises with at least one employee

1. Mining and quarrying; Manufacturing; Electricity, gas and water.
2. Employer enterprises with less than 250 employees.
One-year and two-year survival rate in manufacturing for 2004 cohort as a percentage of the 2004 population of employer enterprise births

1. Mining and quarrying; Manufacturing; Electricity, gas and water
2. Employer enterprises with less than 250 employees
3. Data are based on the Establishments Business Frame of the Regional Statistical Institute of Andalusia (IEA). The data refer to establishments and enterprises with 4 or more persons engaged carrying an economic activity in Andalusia; they contain active enterprises with headquarters in Andalusia as well as active establishments with headquarters outside Andalusia. Birth (death) rates include also enterprises and establishment coming (leaving) Andalusia from (to) another region in Spain.
One-year and two-year survival rate in services\(^1\) for 2004 cohort as a percentage of the 2004 population of employer enterprise births

1. Wholesale and retail trade; Hotels and restaurants; Transport, storage and communications; Financial intermediation; real estate, renting and business activities
2. Employer enterprises with less than 250 employees
Share of high-growth enterprises (employment definition), 2006
as a percentage of all enterprises with ten employees or more

1. Mining and quarrying; Manufacturing; Electricity, gas and water
2. Wholesale and retail trade; Hotels and restaurants; Transport, storage and communications; Financial intermediation; real estate, renting and business activities
3. Employer enterprises with less than 250 employees
Young high-growth firms - Gazelles

Share of gazelles (employment definition)
As a percentage of all enterprises with 10 or more employees

1. Mining and quarrying; Manufacturing; Electricity, gas and water.
2. Wholesale and retail trade; Hotels and restaurants; Transport, storage and communications; Financial intermediation; Real estate, renting and business activities.
3. Employer enterprises with fewer than 250 employees.
Developments

- Data collection: broader coverage
  – Countries, years, indicators

- Timely indicators of entrepreneurship
  Using additional sources, accessible through internet
  (administrative data, Chambers of Commerce, Business Associations)

- Entrepreneurial performance indicators:
  - Women entrepreneurs, migrant entrepreneurs, green entrepreneurs, social entrepreneurs

- Entrepreneurial determinants:
  - Access to finance: further development of data on venture capital; collection of data on business angels
Timely indicators of entrepreneurship

FIRM ENTRY

- Australia
- Austria
- Belgium
- Denmark (1)
- Finland (2)
- France (3)

- Germany
- Italy (4)
- Netherlands
- Spain
- United Kingdom (4)
- United States (5)
Timely indicators of entrepreneurship

FIRM EXIT

Graphs showing firm exit rates for various countries from 2005 to 2009 (1st half), with different countries represented by different colors and markers.
Developments

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