A new knowledge infrastructure on SMEs and entrepreneurship

Designing sound SMEs and entrepreneurship (SME&E) policies can only be done with solid, new or augmented evidence, which requires tapping into additional data sources to complement existing statistics and enable more in-depth analysis. Under the aegis of the Committee on SMEs and Entrepreneurship (CSMEE), the OECD is developing a new knowledge infrastructure on SMEs and entrepreneurship, which will provide policy makers with quantitative indicators on SME&E performance and business conditions, along with qualitative policy information cutting across different policy domains.
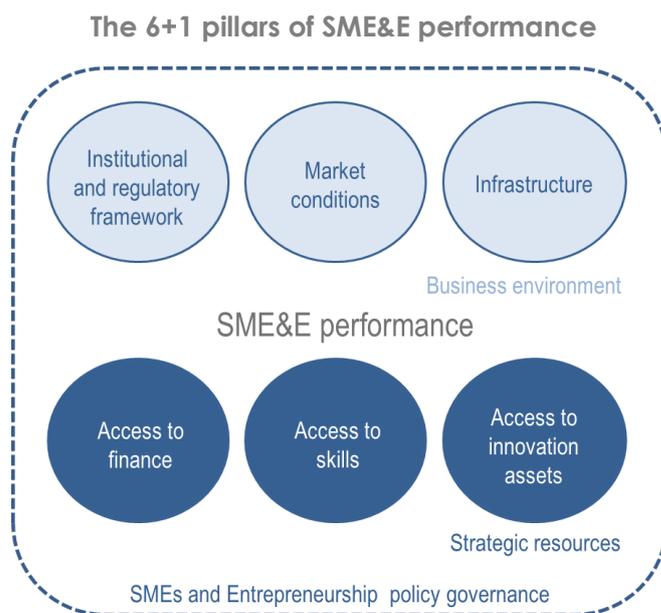
Rationale and background

The COVID-19 crisis has emphasised the need for more and better data to support SMEs and entrepreneurs. The urgency with which governments had to act while facing a very heterogeneous SME&E sector that typically requires adapting public intervention to specific contexts, **highlighted the limitations of existing statistical systems to provide the granular and timely data needed to inform policy decisions**. This is likely to remain an issue as countries begin to phase out support through a differentiated approach that might seek to maintain support for the most vulnerable segments of the SME&E population, i.e. the youngest and smallest firms, or women and young entrepreneurs, which have benefited less from rescue packages.

The **OECD Data Lake on SMEs and Entrepreneurship** is a knowledge infrastructure that will be developed incrementally in support of SME and entrepreneurship policy analysis. It aims to serve as a **"one-stop-shop" platform on SME&E performance, business conditions and policies**. As new data analytic techniques (e.g. artificial intelligence) permit to develop more elaborate models, using diverse data formats (structured, unstructured or raw), the development of such an infrastructure will provide **a framework to increase analytical capacity and access to relevant information and indicators**.
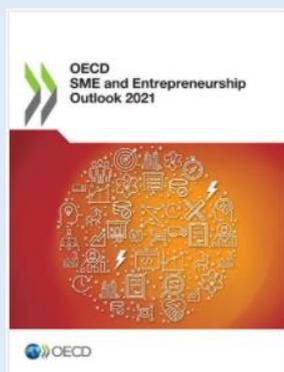
Conceptual framework

How SMEs and entrepreneurs perform is determined by their business environment; a range of institutional, regulatory, infrastructural and market conditions; as well as the conditions under which they can access strategic resources, such as finance, skills and innovation assets (including technology, data and networks).

The 6+1 pillars of SME&E performance

Source: *OECD SME and entrepreneurship Outlook 2019*

The OECD SME and Entrepreneurship Outlook

The **OECD SME and Entrepreneurship Outlook (SMEEO)** is a biannual flagship publication providing state-of-the-art knowledge on the performance of small- and medium-sized enterprises (SMEs) and entrepreneurship, and related business conditions. The report offers comparative evidence on SME business dynamics, their contribution to an increasingly digital and global economy, and how governments are addressing barriers that prevent SMEs from reaching their full potential. It includes 38 country profiles providing a concise overview of the SME sector's structure, performance and business conditions across the OECD, as well as of recent national policy initiatives.

The first edition of the SME&E Outlook offered a starting point to deepen the OECD's work on SMEs, with the goal of developing coherent policies grounded on better data. The latest edition was released in June 2021, focusing on the impact of COVID-19 on SME operations, entrepreneurship and future SME&E business conditions.

The next edition of the SMEEO is currently under preparation and will be released in June 2023, on the margins of the CSMEE Ministerial Meeting. It will feature thematic chapters on SMEs engagement in international trade and female entrepreneurship; the role of SMEs in resilient, sustainable and circular supply chains; the role of network expansion for SMEs resilience, innovation and scaling up; and the role of the SMEs ecosystems in addressing upskilling and reskilling challenges.

Strategic objectives of a Data Lake

The OECD Data Lake on SMEs and Entrepreneurship Policy (SME&E data lake) aims to:

Create a holistic picture of – and easing access to – data on SME&E: serve as a one-stop-shop for accessing SME&E relevant data, from either OECD or other sources.

Increase capacity for SME&E policy analysis: reduce fragmentation and enable data concentration in a single digital space to enhance analytical capacity and promote experimentation of new data sourcing and data science techniques.

Provide a framework for a renewed data agenda and data partnerships: cultivate a smart data ecosystem by co-innovating and co-investing in (new) data commons with interested partners and organisations.
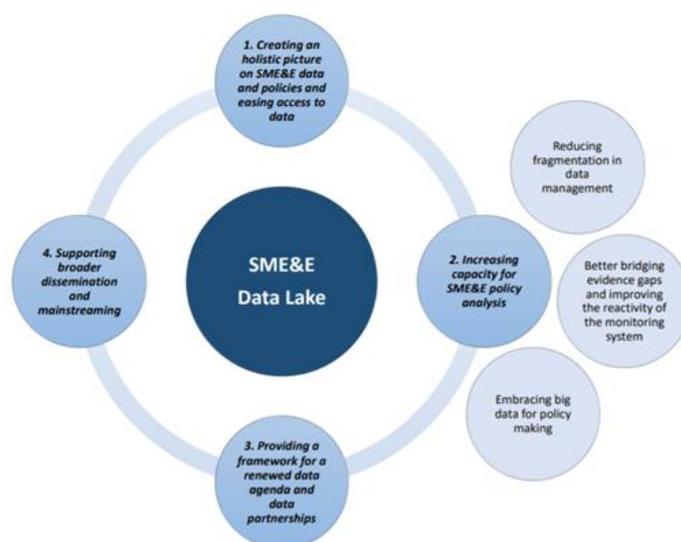
Support broader dissemination and mainstreaming: serve as a back-office for producing SME&E flagship reports, as well as country and thematic work, thereby bridging evidence across work streams and policy silos.

Beyond the SME and Entrepreneurship Outlook, the transversal nature of the data lake will support a broad set of SME&E related work streams and CSMEE outputs, including for example the OECD SME Strategy, the SME Finance Scoreboard, as well as the development of new entrepreneurship indicators.

Contents

The SME&E data lake will feature **quantitative indicators** on SME&E performance and business conditions, along with **qualitative policy information** cutting across different policy domains. In addition, it will provide **new analytical and visualisation tools** to consult and navigate contents, thus enabling an improved data exploration and the mobilisation of more complex analytical techniques compared to traditional data storage platforms.

The strategic objectives of the SME&E data lake

Next steps

► **Q3/4 2022**: Leverage infrastructure for the production of SME and Entrepreneurship Outlook 2023.

► **Q4 2022**: Launch of the policy dashboard developed for the EC/OECD SME Scale Up project, serving as a "proof of concept" for the OECD SME&E data lake.

► **2023-24**: Continued technical improvements and development of data and capacity partnerships

Joining the initiative

Countries, national statistical offices (NSOs), international organisations, data providers, chambers of commerce, business associations and the private sector are invited to join the SME&E data lake initiative and contribute to the renewal of the data agenda for SME&E policy by exploring opportunities for data and capacity partnerships.

CONTACT

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About the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE)

The OECD Centre for Entrepreneurship, SMEs, Regions and Cities supports member and non-member governments at the national, regional and local level with evidence, advice and peer-exchange on SME and Entrepreneurship Policy, Regional, Urban and Rural Policy, Local Labour Markets and Tourism.

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