



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



Determinants

Entrepreneurial Performance

Impact

Determinants						Entrepreneurial Performance	Impact
Regulatory Framework	Market Conditions	Access to Finance	Knowledge creation and diffusion	Entrepreneurial Capabilities	Culture	Firm based	Job Creation
Administrative Burdens for Entry	Anti-Trust Laws	Access to Debt Financing	R&D Investment	Training and experience of entrepreneurs	Risk Attitude in Society	Employment based	Economic Growth
Administrative Burdens for Growth	Competition	Business Angels	University/ Industry Interface	Business and Entrepreneurship Education (skills)	Attitudes Towards Entrepreneurs	Others	Poverty Reduction
Bankruptcy Regulations	Access to the Domestic Market	Access to VC	Technological Cooperation Between Firms	Entrepreneurship Infrastructure	Desire for Business Ownership		Formalising the Informal Sector
Safety, Health and Environmental Regulations	Access to Foreign Markets	Access to Other Types of Equity	Technology Diffusion	Immigration	Entrepreneurship Education (mindset)		
Product Regulation	Degree of Public Involvement	Stock Markets	Broadband Access				
Labour Market Regulation	Public Procurement						
Court & Legal Framework							
Social and Health Security							
Income taxes; Wealth/Bequest Taxes							
Business and Capital Taxes	Patent System; Standards						

Entrepreneurial performance: Indicators based on the SBSD database

Firm-based	Employer enterprise birth rates (manufacturing and services by industry, by size class)
Firm-based	Employer enterprise death rates (manufacturing and services, by industry, by size class)
Firm-based	One- and two-year survival rates (manufacturing and services)
Firm-based	Share of one- and two-year-old employer enterprises in the population (manufacturing and services)
Employment-based	Share of high-growth firms (employment)
Other	Share of high-growth firms (turnover)
Employment-based	Share of gazelles (employment)
Other	Share of gazelles (turnover)
Employment-based	Employment creation by enterprise births
Employment-based	Employment destruction by enterprise deaths

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)

CREATION AND DIFFUSION OF KNOWLEDGE

- 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)

ENTREPRENEURIAL CAPABILITIES

- 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 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)

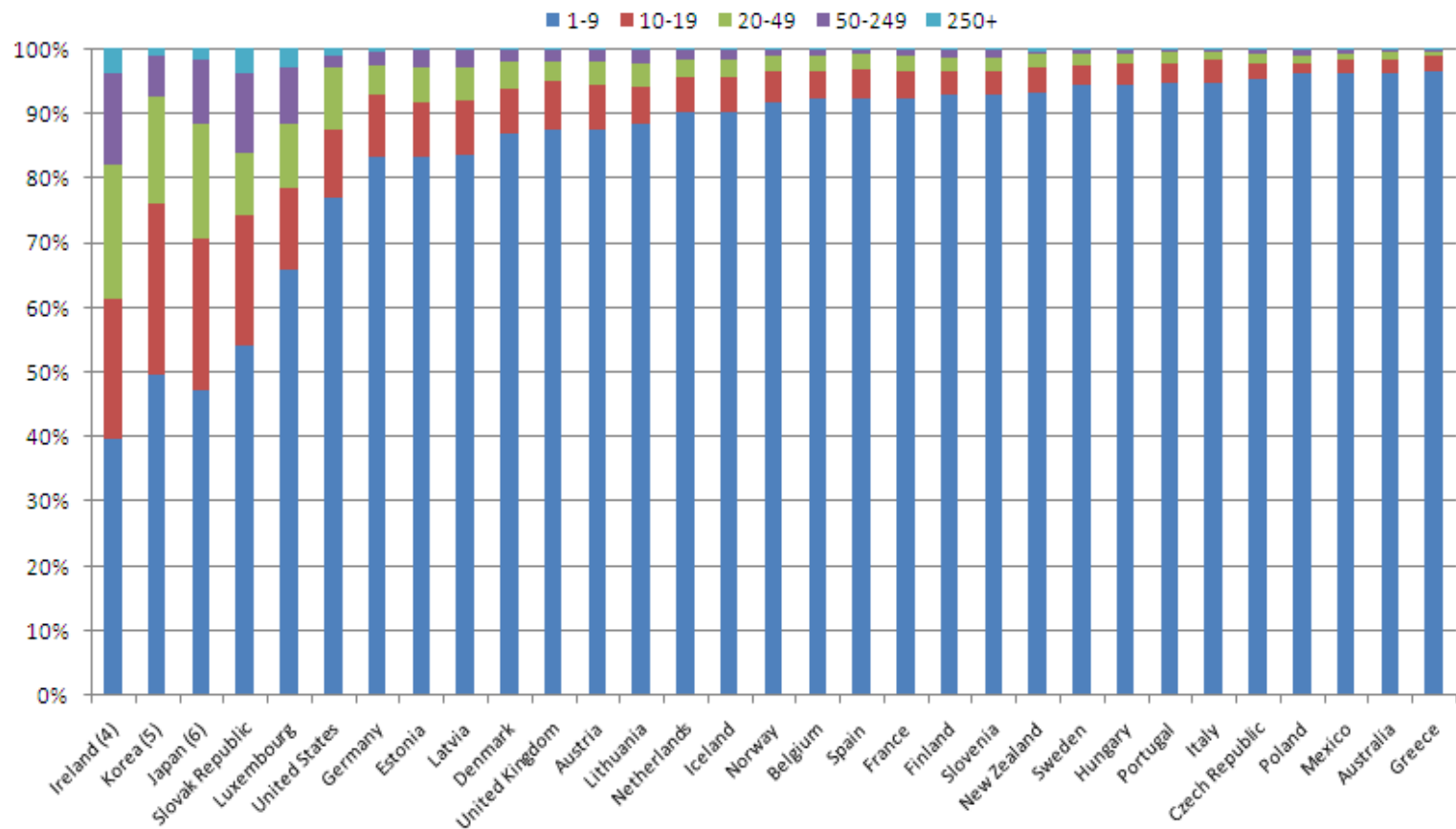
MARKET CONDITIONS

- 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)

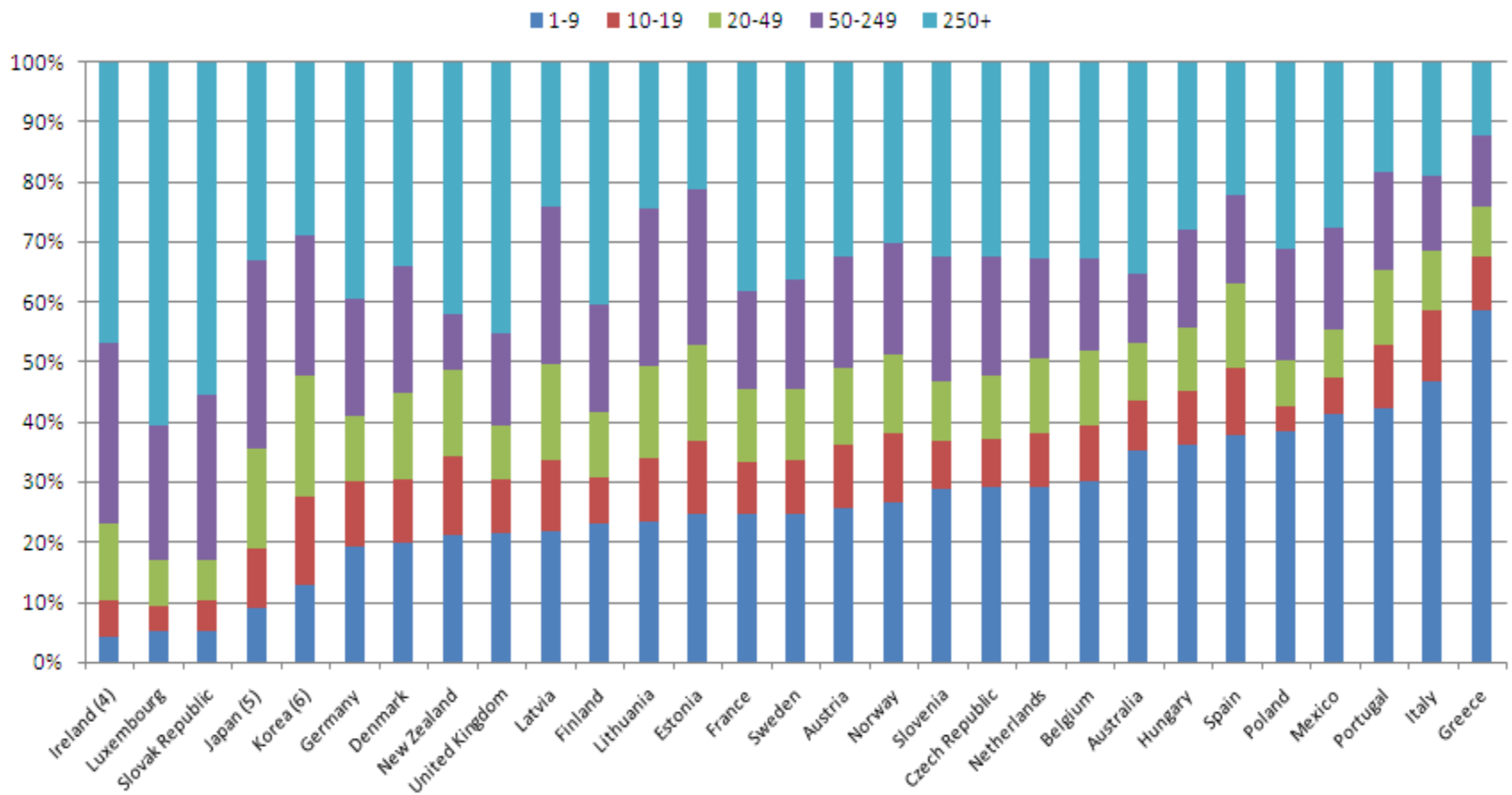
Number of enterprises^{1,2} By size class, 2006³



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

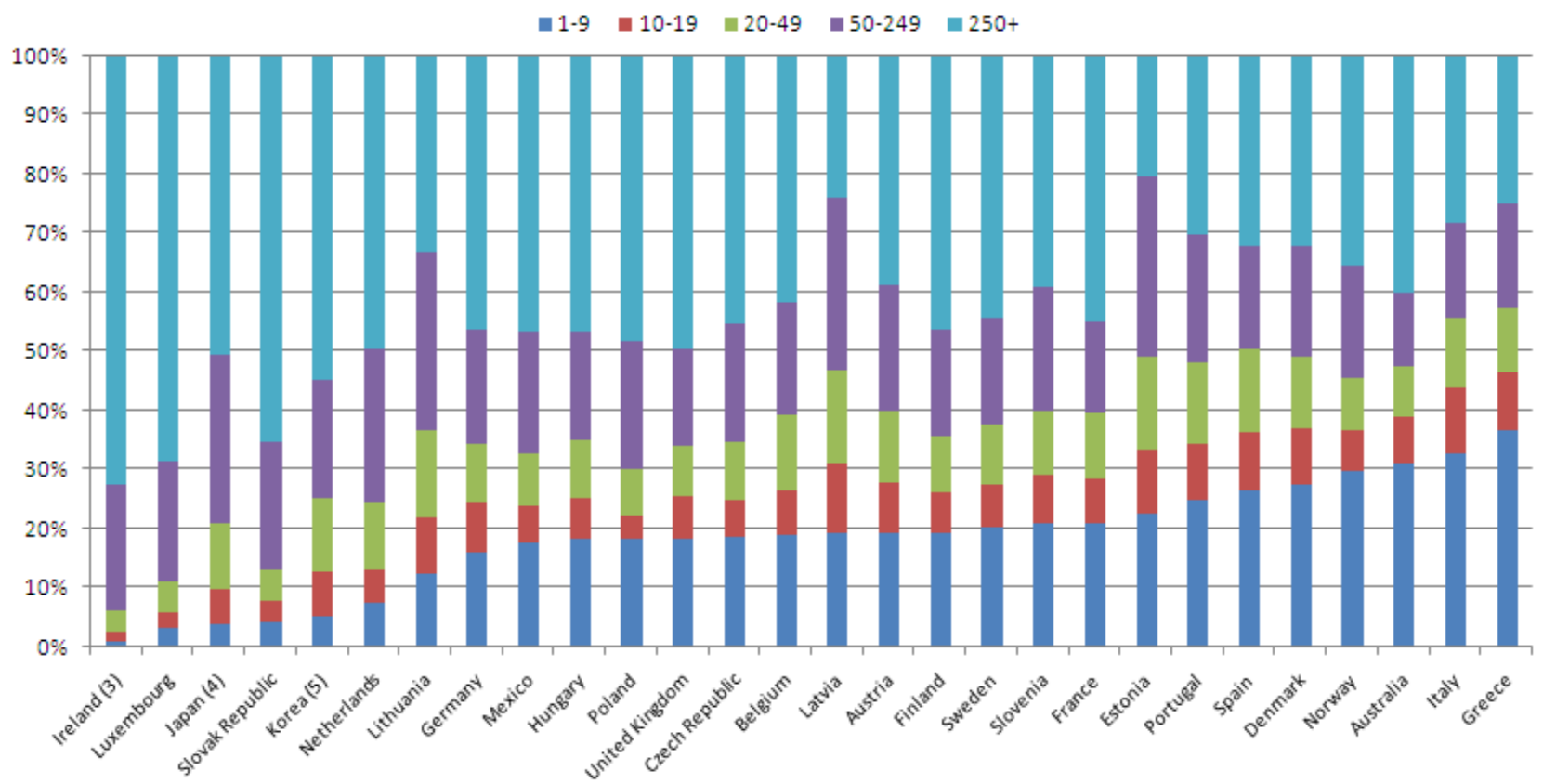
Employment^{1,2}

By size class, 2006³



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
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 4 or more persons engaged.
6. Establishments with 5 or more persons engaged

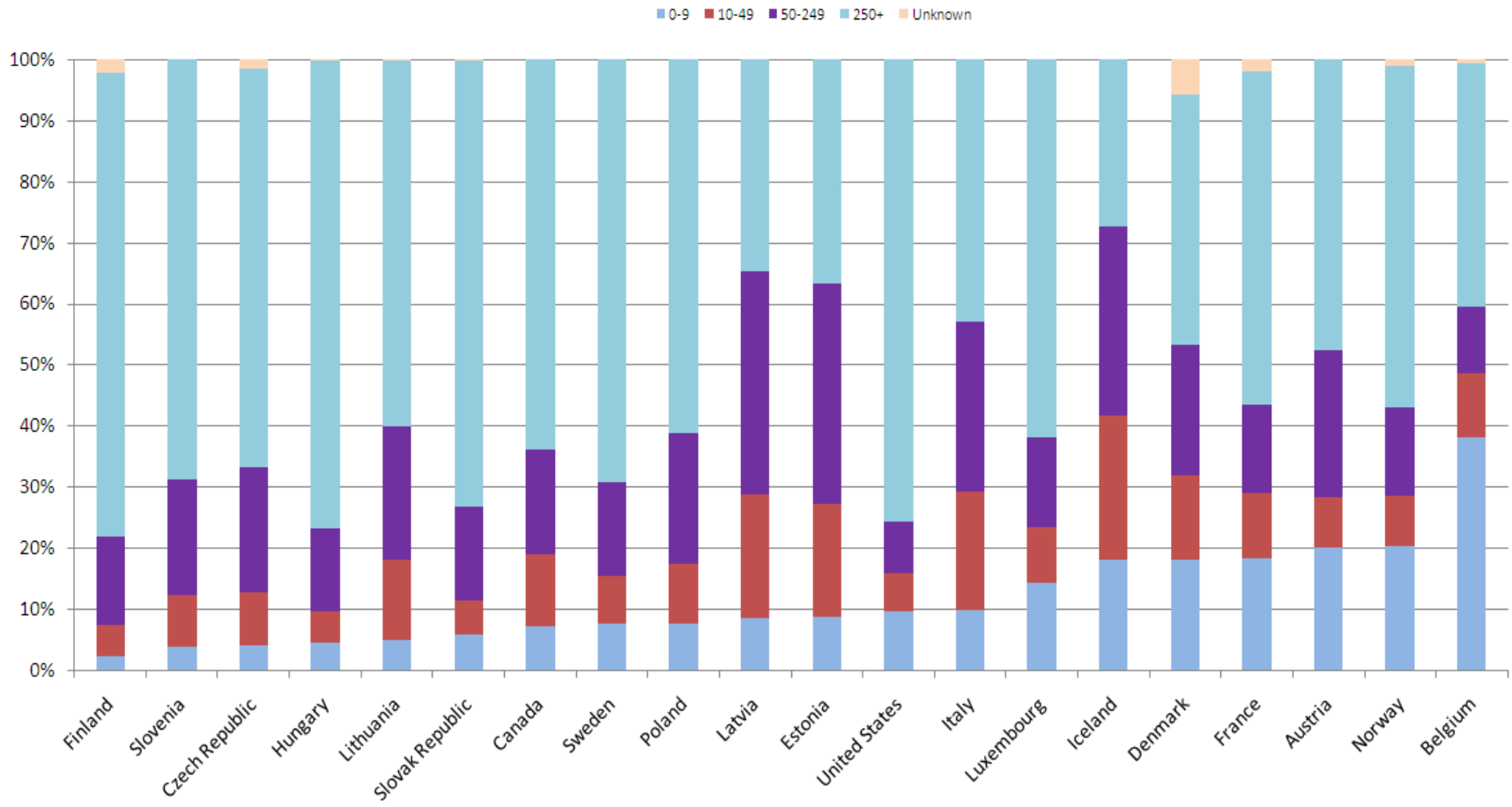
Value added¹ By size class, 2006³



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

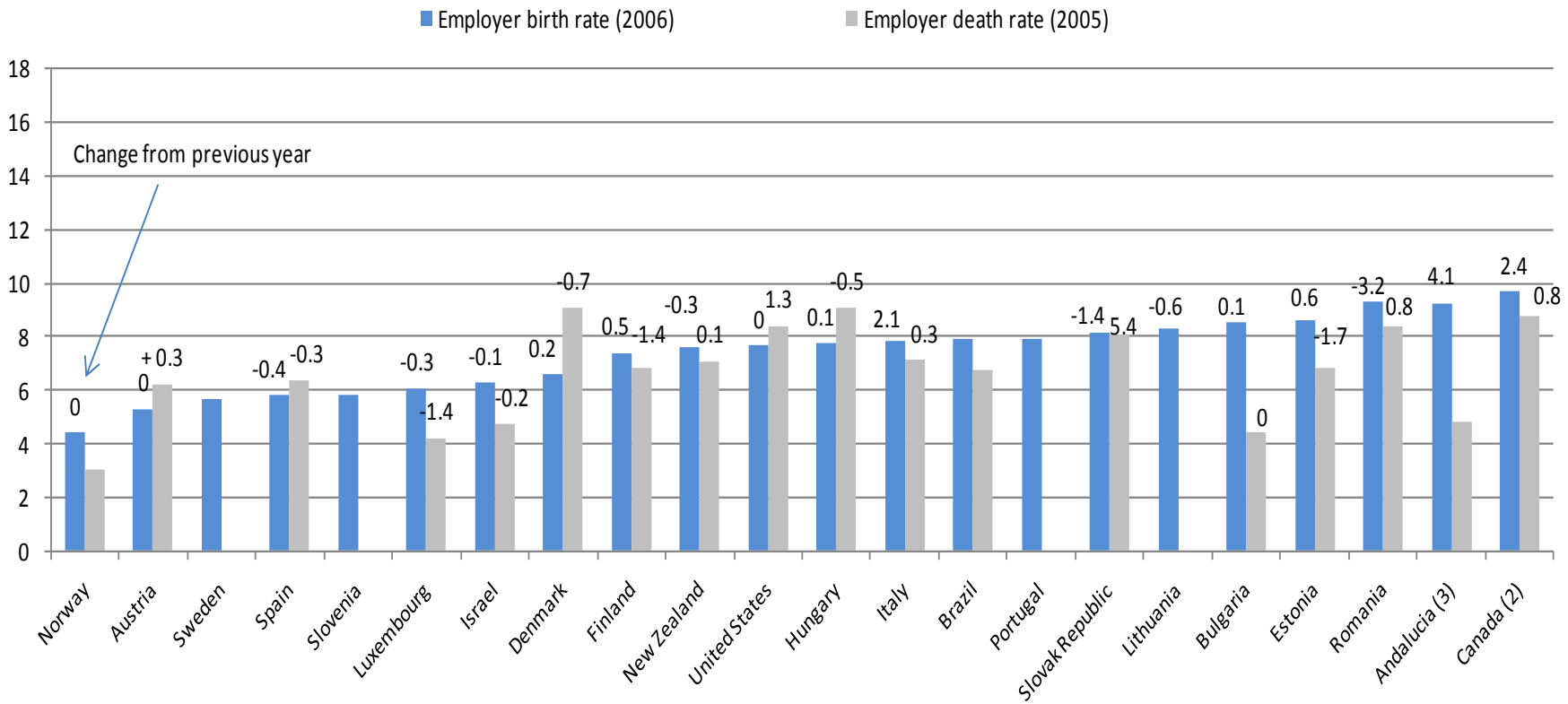


1. Total economy

Source: Eurostat, OECD TEC database

Employer enterprise birth and death rates in manufacturing¹

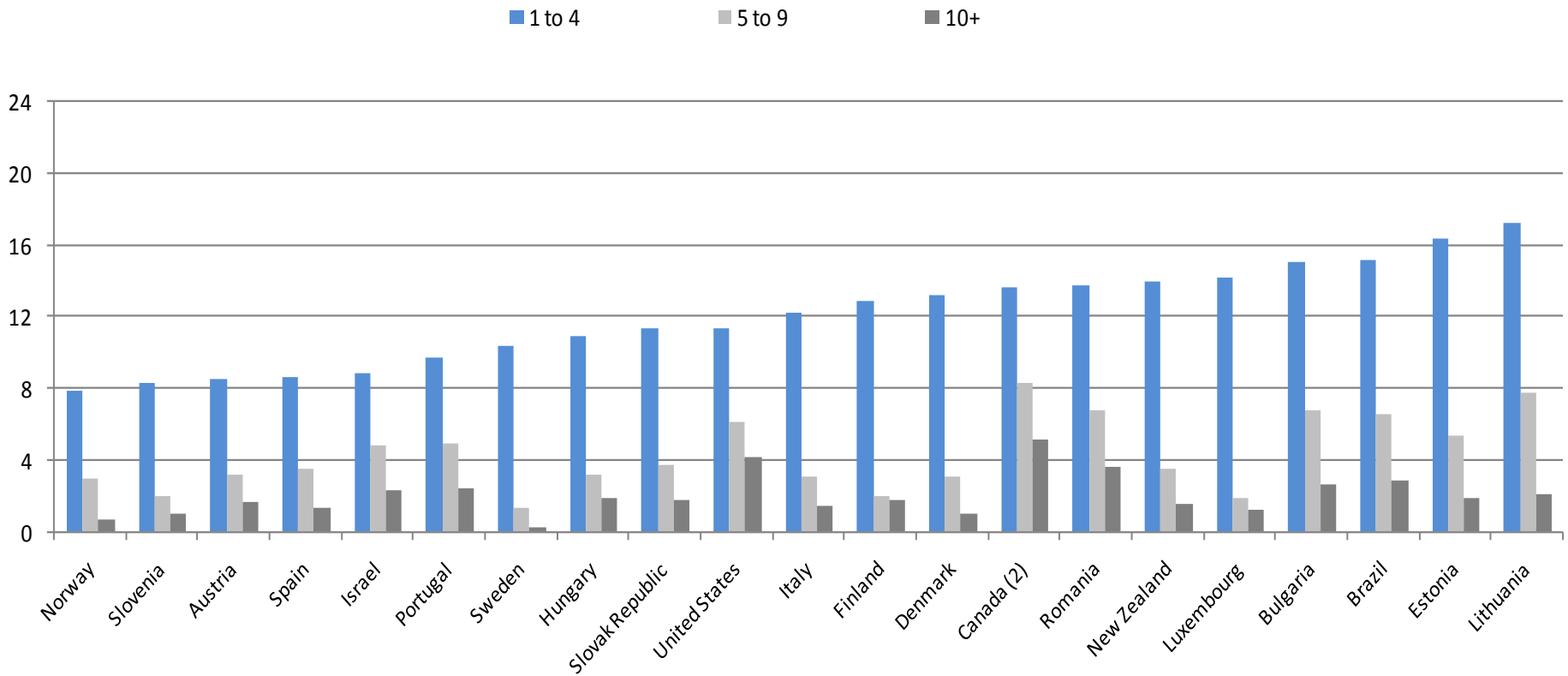
As a % of the population of active enterprises with at least one employee



1. Mining and quarrying; Manufacturing; Electricity, gas and water.
 2. Employer enterprises with less than 250 employees.
 3. Data are based on the Establishments & Business Frame of the Regional Statistical Institute of Andalucia (IEA).

Employer enterprise birth rates in manufacturing¹ by size class

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

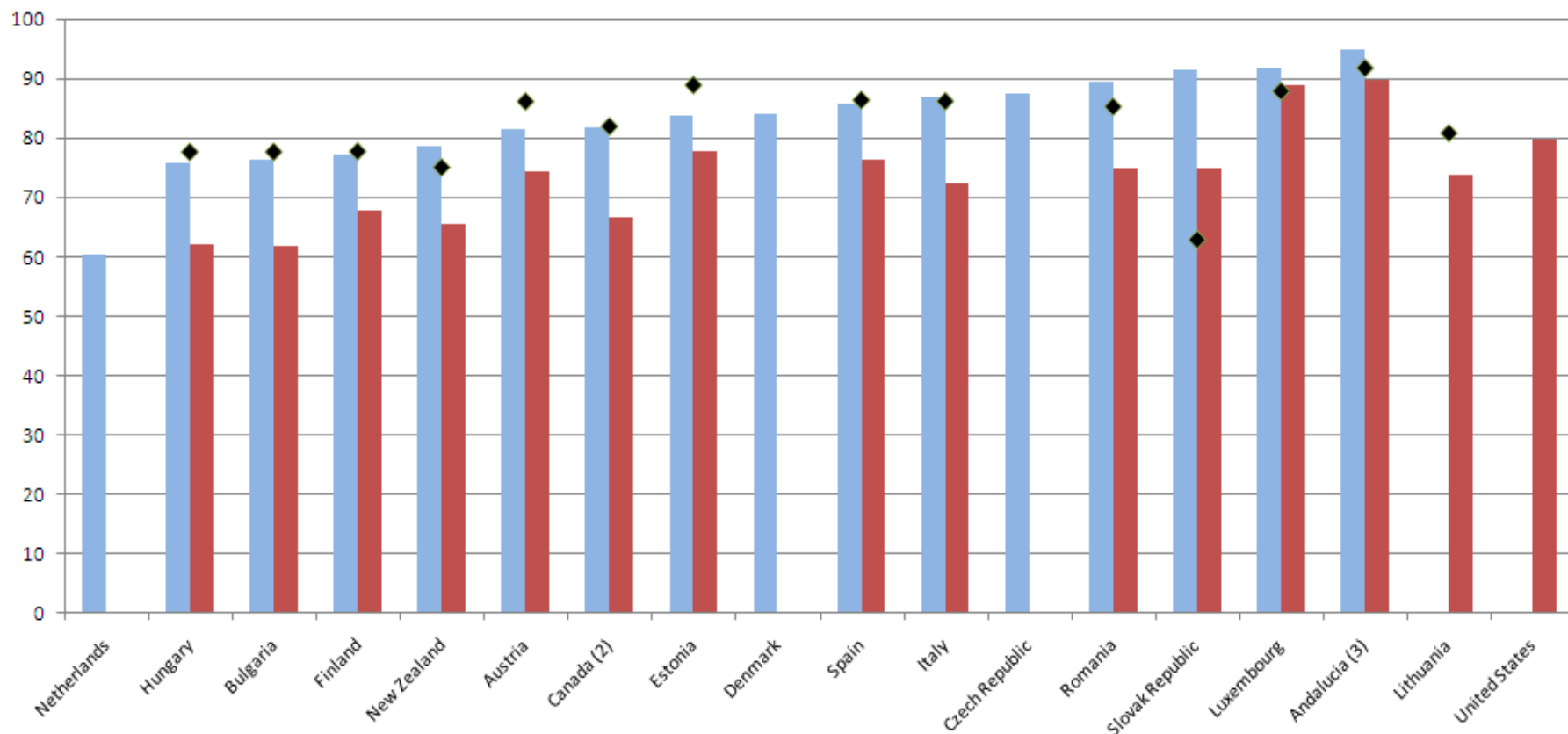


1. Mining and quarrying; Manufacturing; Electricity, gas and water.

2. Employer enterprises with less than 250 employees.

One-year and two-year survival rate in manufacturing¹ for 2004 cohort as a percentage of the 2004 population of employer enterprise births

■ 1-year survival rate (2004 cohort) ■ 2-year survival rate (2004 cohort) ◆ 1-year survival rate (2005 cohort)



1. Mining and quarrying; Manufacturing; Electricity, gas and water

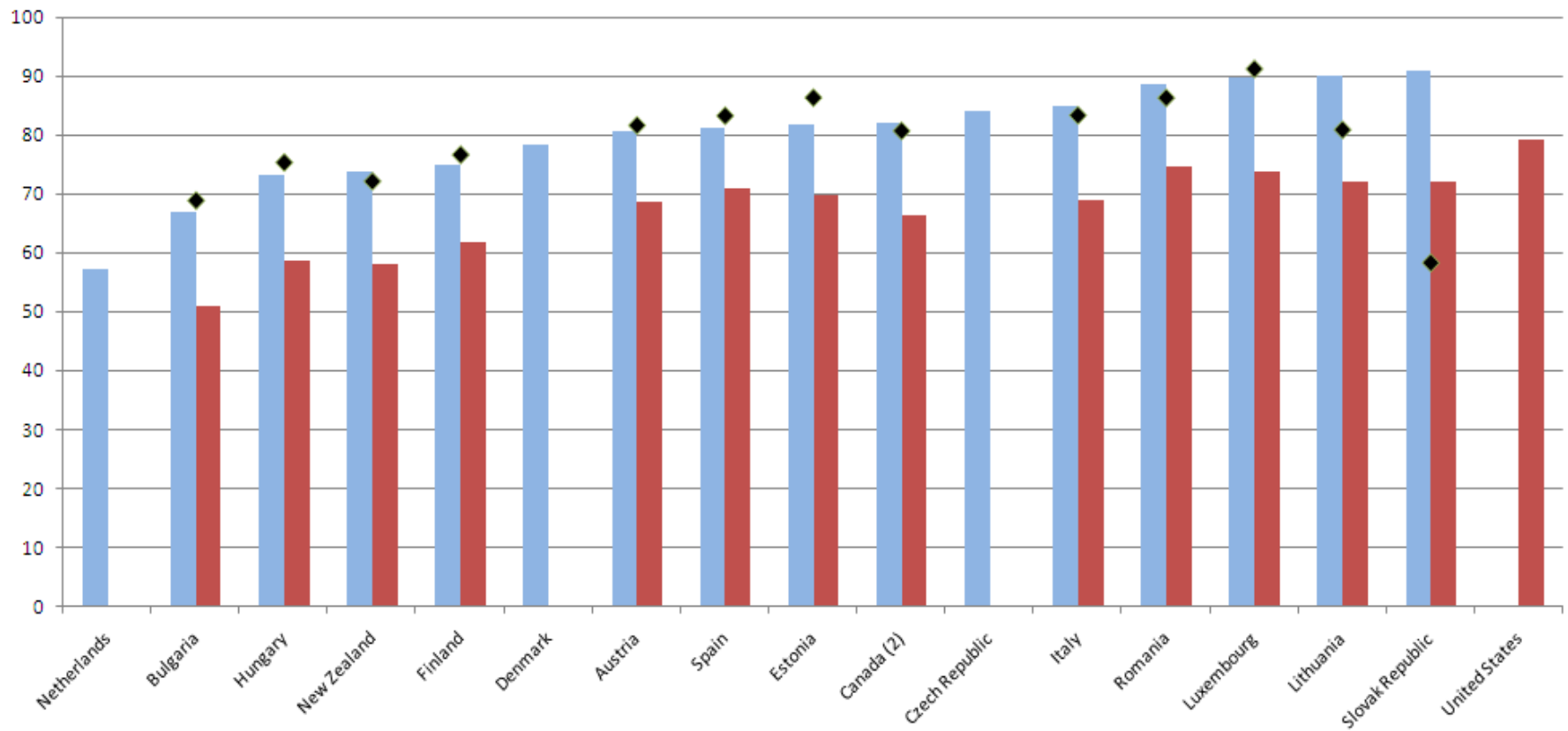
2. Employer enterprises with less than 250 employees

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 services¹ for 2004 cohort as a percentage of the 2004 population of employer enterprise births

■ 1-year survival rate (2004 cohort) ■ 2-year survival rate (2004 cohort) ◆ 1-year survival rate (2005 cohort)

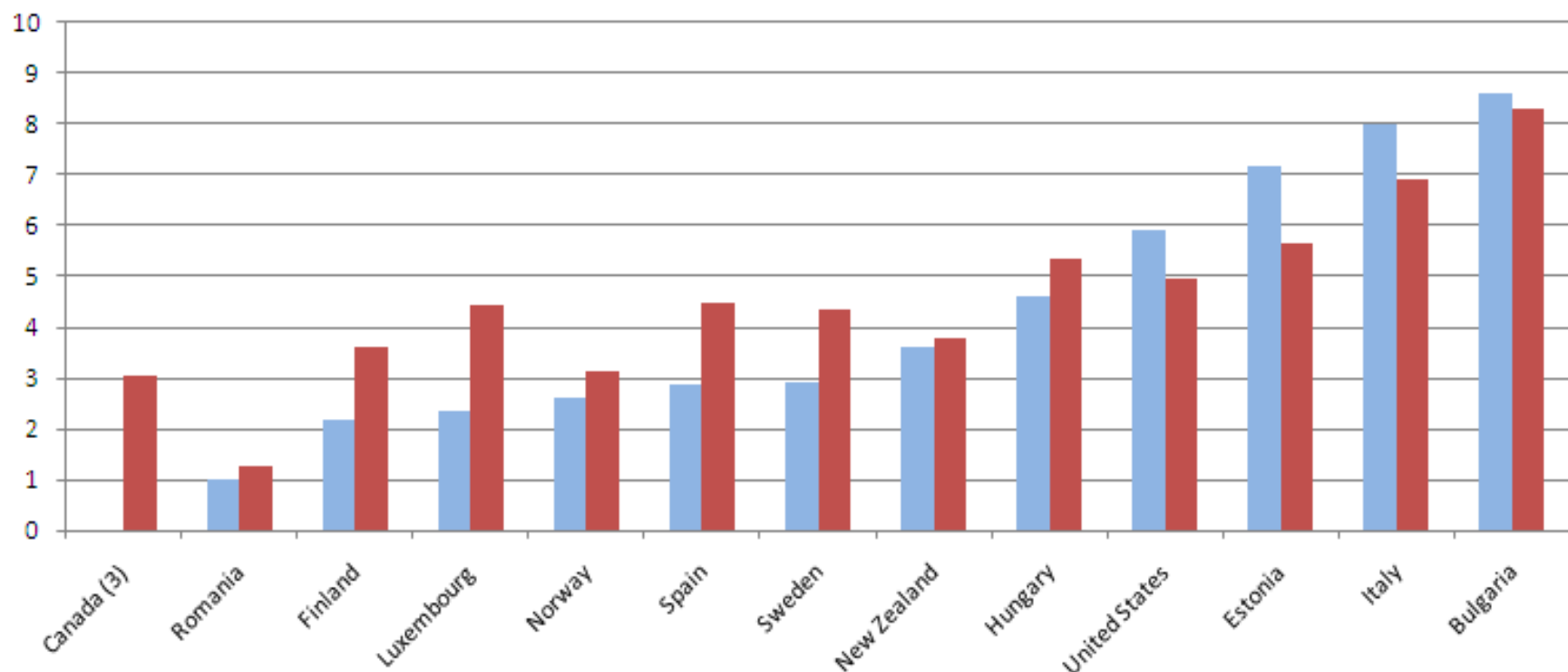


1. Wholesale and retail trade; Hotels and restaurants; Transport, storage and communications; Financial intermediation; real estate, renting and business activities

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

■ Manufacturing(1) (2006) ■ Services(2) (2006)



1. Mining and quarrying; Manufacturing; Electricity, gas and water

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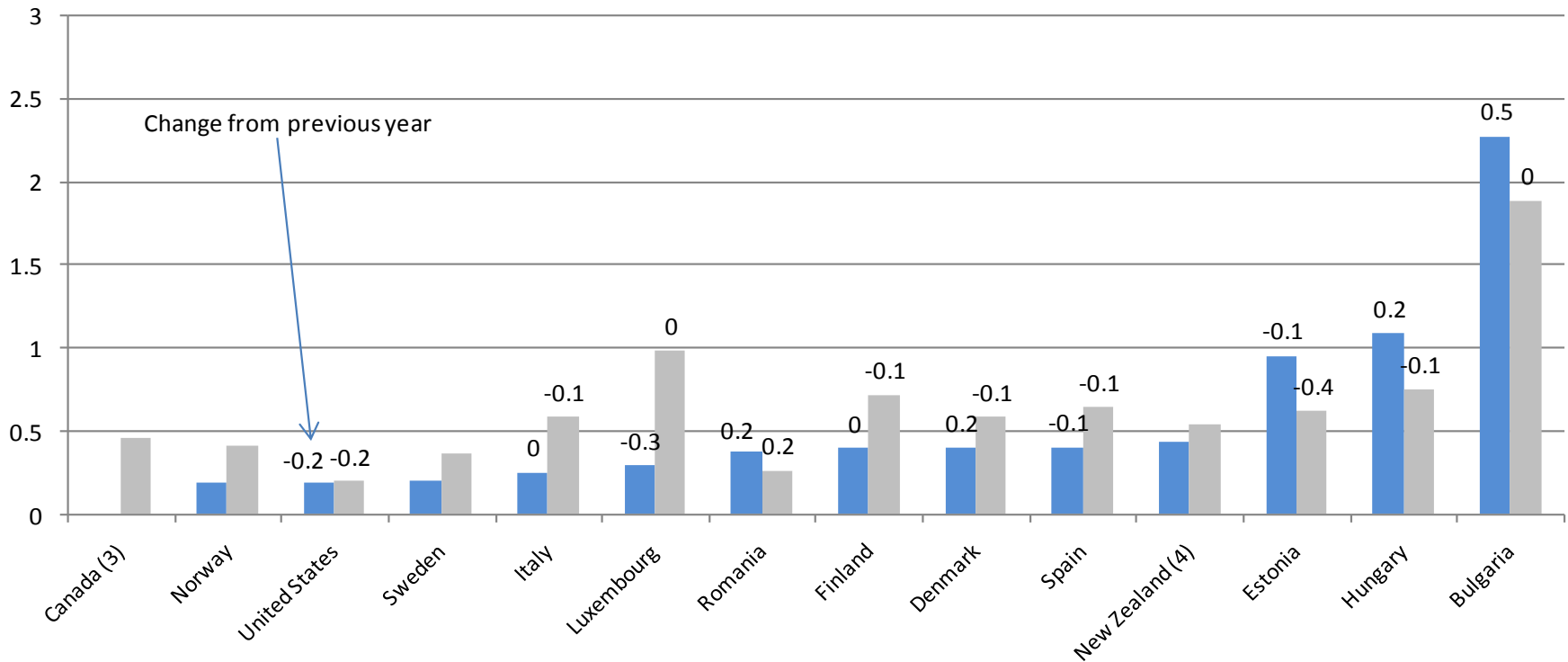
3. Employer enterprises with less than 250 employees

Young high-growth firms - Gazelles

Share of gazelles (employment definition)

As a percentage of all enterprises with 10 or more employees

■ Manufacturing (1) (2006) ■ Services (2) (2006)



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.

4. 2008.

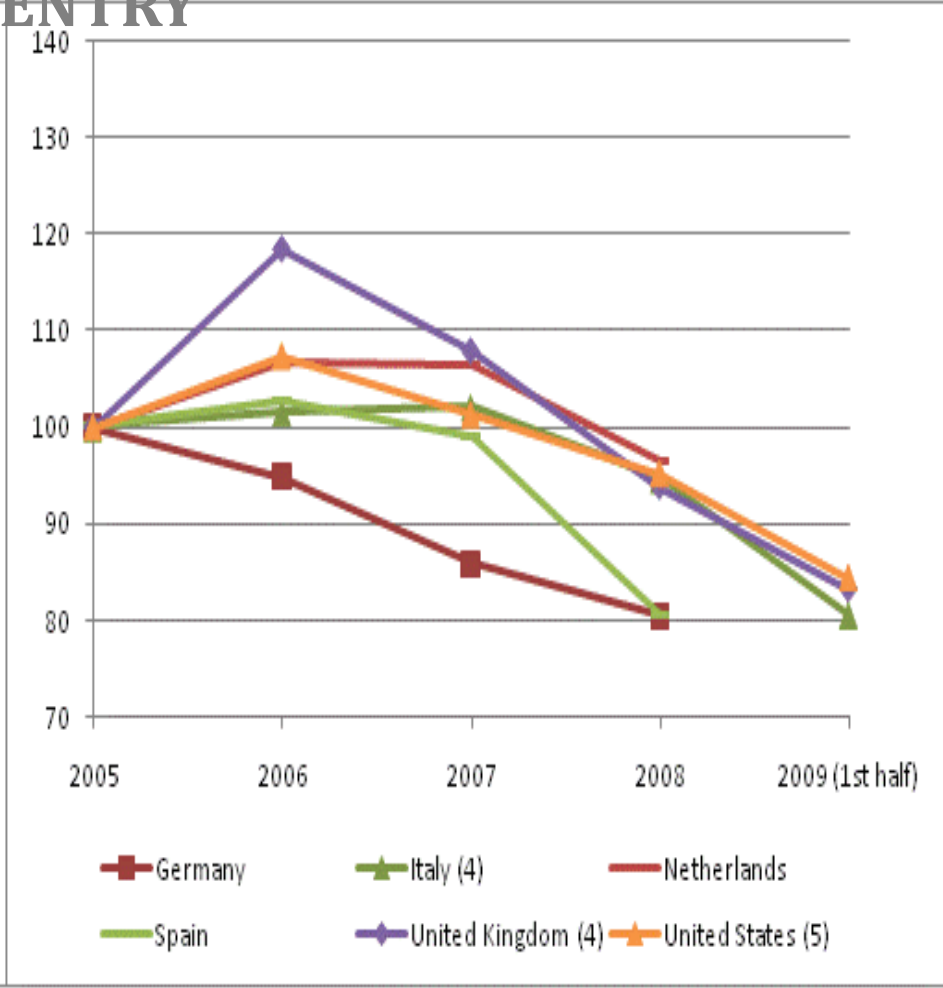
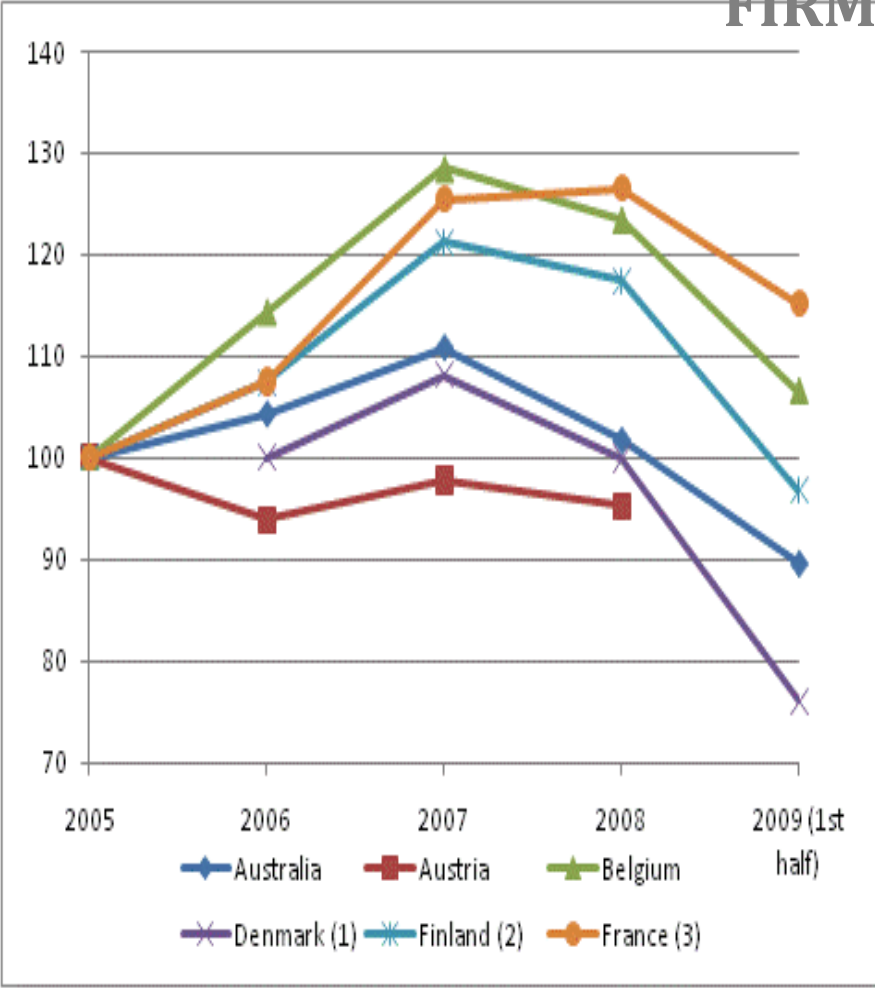
Developments

- 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

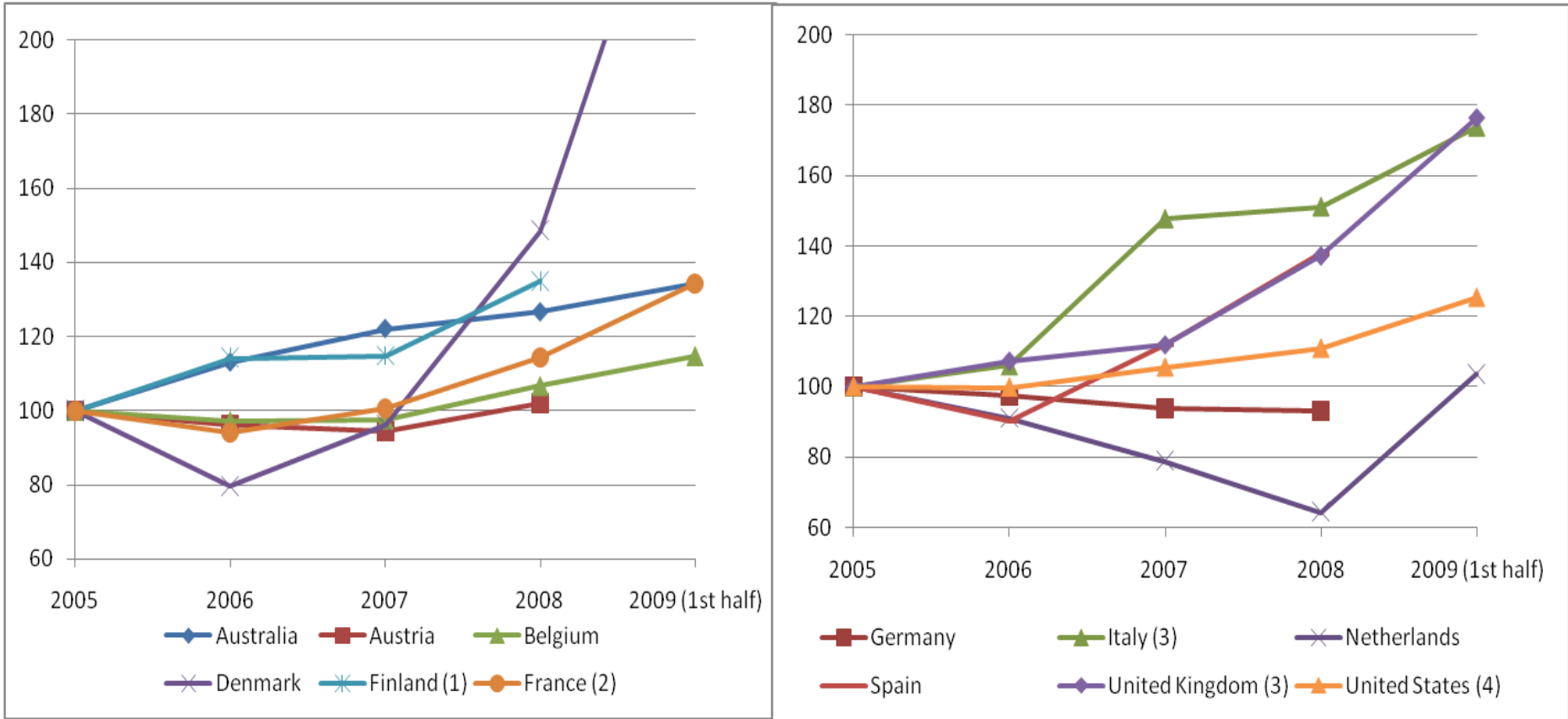
Timely indicators of entrepreneurship

FIRM ENTRY



Timely indicators of entrepreneurship

FIRM EXIT



Developments

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