

Reader's guide

This publication presents indicators of entrepreneurship collected by the OECD-Eurostat Entrepreneurship Indicators Programme (EIP). Started in 2006, the programme develops multiple measures of entrepreneurship and its determinants according to a conceptual framework that distinguishes between the manifestation of entrepreneurship, the factors that influence it, and the impacts of entrepreneurship on the economy. A defining characteristic of the programme is that it does not provide a single composite measure of overall entrepreneurship within an economy. Rather, recognising its multi-faceted nature, the programme revolves around a suite of **indicators of entrepreneurial performance** that each provide insights into one or more of these facets. Perhaps most important is the recognition within the programme that entrepreneurship is not only about start-ups or the number of self-employed persons: entrepreneurs and entrepreneurial forces can be found in many existing businesses and understanding the dynamism these actors exert on the economy is as important as understanding the dynamics of start-ups or the self-employed.

Indicators of entrepreneurial performance, computed by National Statistical Offices (NSOs), are presented for the following countries: Australia, Austria, Belgium, Brazil, Canada, Chile, Colombia, the Czech Republic, Denmark, Estonia, Finland, France, Hungary, Germany, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Portugal, Romania, the Russian Federation, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States.

For each indicator, a short text explains what the indicator measures, how it is defined, and its policy relevance. Additional commentary is provided on the comparability of the indicator across countries.

Data are also presented for the entrepreneurial determinant “venture capital”, while a list of **indicators of determinants of entrepreneurship**, together with their data sources, is included in an Annex.

Indicators

The set of indicators that are part of the EIP framework are developed to different degrees. Some of them are well-established components of regular data collections, while others are only compiled in a restricted number of countries, and their harmonised definition forms the object of discussion and further work. The indicators presented in this publication reflect this diversity:

- A) New enterprise creations
- B) Bankruptcies
- C) Self-employment
- D) Outlook and prospects of job creation

- E) Enterprises by size
- F) Employment by enterprise size
- G) Value added by enterprise size
- H) Turnover by enterprise size
- I) Compensation of employees by enterprise size
- J) Labour productivity by enterprise size
- K) Birth rate of enterprises
- L) Death rate of enterprises
- M) Survival of enterprises
- N) Employment creation and destruction by enterprise births and deaths
- O) High-growth enterprises rate
- P) Concentration of trade
- Q) Exports and imports by enterprise size
- R) Market proximity
- S) Exports and imports by enterprise ownership
- T) Self-employment by gender
- U) Self-employment among the youth
- V) Earnings from self-employment
- W) Entrepreneurial attitude
- X) Venture capital investments

Indicators A and B are drawn from the *OECD Timely Indicators of Entrepreneurship (TIE) Database*. Annex A provides the list of sources that are used to compile the database. The source of indicator C is the *OECD Main Economic Indicators (MEI) Database*. Indicator D is based on the results of the *Future of Business Survey*, a monthly online survey designed by Facebook jointly with the OECD Statistics Directorate and the World Bank.

For indicators E to O the source is the *OECD Structural and Demographic Business Statistics (SDBS) Database*. Indicators E to J refer to Structural Business Statistics, while indicators K to O consist of Business Demography statistics, generally computed from business registers. Indicators P to S originate from the *OECD Trade by Enterprise Characteristics (TEC) Database*. The harmonised data of the SDBS and TEC databases are collected annually from National Statistical Offices.

The indicators on self-employment come from Labour Force Surveys and Census Population data (indicators T and U) and Surveys on Income (indicators V).

Indicator W is based on the results of the *Future of Business Survey*.

The source of Indicator X is the *OECD Entrepreneurship Finance Database*.

Size-class breakdown

Structural Business Statistics indicators usually focus on five size classes based on the number of **persons employed**, where the data across countries and variables can be closely aligned in most cases: 1-9, 10-19, 20-49, 50-249, 250+. Not all country information fits perfectly into this classification, however, and any divergence from these target size classes is reported in each chapter.

For Business Demography data, the typical collection breakdown is 1-4, 5-9, 10+ **employees** to reflect the fact that a vast majority of newly created enterprises are micro-enterprises.

For Trade by Enterprise Characteristics (TEC) data, the size classification is based on four classes: 0-9, 10-49, 50-249, 250+ **employees**; in addition, a class denominated “unknown” contains information on trade for enterprises for which the size could not be established.

In this publication, micro-enterprises are defined as firms with 1-9 persons employed; small enterprises: 10-49; medium enterprises: 50-249; and large enterprises: 250 and more. The term “small and medium-sized enterprises (SMEs)” refers to the size class 1-249 persons employed. In figures based on TEC data, SMEs refer to enterprises with 0-249 employees.

Activity breakdown

Data are presented according to the International Standard Industrial Classification of all economic activities Revision 4 (ISIC Rev. 4). Business economy covers: Mining and quarrying (05-09), Manufacturing (10-33), Electricity, gas, steam and air conditioning supply (35), Water supply, sewerage, waste management and remediation activities (36-39), Construction (41-43) and Services (45-82). Services include: Wholesale and retail trade, repair of motor vehicles and motorcycles (45-47), Transportation and storage (49-53); Accommodation and food service activities (55-56), Information and communication (58-63), Financial and insurance activities (64-66), Real estate activities (68), Professional, scientific and technical activities (69-75), and Administrative and support service activities (77-82).

For Structural Business Statistics (Chapters 2 and 3), the entire section of Financial and insurance activities (64-66) is excluded from Services, except for Canada and Korea; for Business Demography (Chapters 4 and 5), activities of holding companies (642) are excluded from Financial and insurance activities, except for Israel, Korea, Mexico and the United States.

In Chapters 4 to 6, the aggregate Industry is used and includes sectors 05 to 39. In Chapter 6, Total Economy covers all ISIC Rev. 4 sectors, from 01 to 99 (i.e. from agriculture to activities of extraterritorial organisations).

For some countries, data provided by the respective NSOs follow national classification systems that are subsequently converted to ISIC Rev. 4 for the following countries in this publication. The source data for Canada and Mexico follow the North American Industry Classification System 2012 at the level of 2-digit sections or higher. For Japan, 2013 structural data for the number of enterprises and the number of employees originate from the 2014 Economic Census for Business Frame and follow the Japan Standard Industrial Classification Rev. 13 at the level of 2-digit sections or higher. For Korea, 2006-2014 structural data for the number of enterprises and the number of employees are based on the Census of Establishments, which together with business demography data follow the Korean Standard Industrial Classification at the level of 2-digit sections or higher. The source data for European Union member states, Norway, Switzerland and Turkey follow the NACE Rev. 2 classification at the level of 3-digit groups and higher.

Business demography data for the United States and structural business data for the Russian Federation are compiled according to ISIC Rev. 3.

Data for the remaining countries are received from NSOs in ISIC Rev. 4.

Country codes

The figures in this publication use ISO codes (ISO3) for country names as listed below.

ARG	Argentina	LVA	Latvia
AUS	Australia	LTU	Lithuania
AUT	Austria	LUX	Luxembourg
BEL	Belgium	MEX	Mexico
BRA	Brazil	NLD	Netherlands
CAN	Canada	NZL	New Zealand
CHL	Chile	NOR	Norway
COL	Colombia	PER	Peru
CZE	Czech Republic	PRT	Portugal
DNK	Denmark	ROU	Romania
EST	Estonia	RUS	Russian Federation
FIN	Finland	SVK	Slovak Republic
FRA	France	SVN	Slovenia
HUN	Hungary	ESP	Spain
DEU	Germany	ZAF	South Africa
IND	India	SWE	Sweden
IDN	Indonesia	CHE	Switzerland
ISR	Israel	TUR	Turkey
ITA	Italy	GBR	United Kingdom
JPN	Japan	USA	United States
KOR	Korea	VNM	Viet Nam

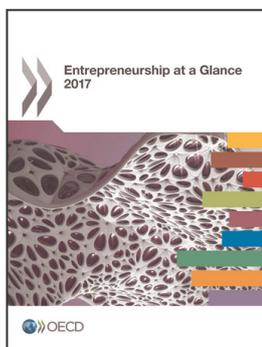
EIP Framework

Entrepreneurship is defined by the EIP as the phenomenon associated with entrepreneurial activity, which is the enterprising human action in pursuit of the generation of value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets. In this sense, entrepreneurship is a phenomenon that manifests itself throughout the economy and in many different forms with many different outcomes, not always related to the creation of financial wealth; for example, they may be related to increasing employment, tackling inequalities or environmental issues. The challenge of the EIP is to improve the understanding of these multiple manifestations. The programme recognises that no single indicator can ever adequately cover entrepreneurship, and it has therefore developed a set of measures that each captures a different aspect or type of entrepreneurship; these measures are referred to as EIP indicators of entrepreneurial performance. There are some 20 performance indicators covered in the EIP.

The EIP takes a comprehensive approach to the measurement of entrepreneurship by looking not only at the manifestation of the entrepreneurial phenomenon but also at the factors that influence it. These factors range from the market conditions to the regulatory framework, to the culture or the conditions of access to finance. While some areas of determinants lend themselves more readily to measurement (for instance, the existence and restrictiveness of anti-trust laws or the administrative costs of setting-up a new business in a country), for other determinants the difficulty resides in finding suitable measures (e.g. business angel capital) and/or in comprehending the exact nature of their relationship with entrepreneurship (e.g. culture). An objective of the EIP in this instance is to

contribute to advancing research on the less understood and less measurable determinants of entrepreneurship. Annex B presents a comprehensive list of indicators of determinants and the corresponding data sources.

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	Wealth	Poverty reduction																					
Bankruptcy regulation	Access to the domestic market	Venture Capital	Technological co-operation between firms	Entrepreneurship infrastructure	Desire for business ownership		<table border="1"> <thead> <tr> <th>Firms</th> <th>Employment</th> <th>Wealth</th> </tr> </thead> <tbody> <tr> <td>Employer enterprise birth rates</td> <td>Share of high growth firms (by employment)</td> <td>Share of high growth firms (by turnover)</td> </tr> <tr> <td>Employer enterprise death rates</td> <td>Share of gazelles (by employment)</td> <td>Share of gazelles (by turnover)</td> </tr> <tr> <td>Business churn</td> <td>Ownership rate start-ups</td> <td>Value added, young or small firms</td> </tr> <tr> <td>Net business population growth</td> <td>Ownership rates business population</td> <td>Productivity contribution, young or small firms</td> </tr> <tr> <td>Survival rates at 3 and 5 years</td> <td>Employment in 3 and 5 year old firms</td> <td>Innovation performance, young or small firms</td> </tr> <tr> <td>Proportion of 3 and 5 year old firms</td> <td>Average firm size after 3 and 5 years</td> <td>Export performance, young or small firms</td> </tr> </tbody> </table>	Firms	Employment	Wealth	Employer enterprise birth rates	Share of high growth firms (by employment)	Share of high growth firms (by turnover)	Employer enterprise death rates	Share of gazelles (by employment)	Share of gazelles (by turnover)	Business churn	Ownership rate start-ups	Value added, young or small firms	Net business population growth	Ownership rates business population	Productivity contribution, young or small firms	Survival rates at 3 and 5 years	Employment in 3 and 5 year old firms	Innovation performance, young or small firms	Proportion of 3 and 5 year old firms	Average firm size after 3 and 5 years	Export performance, young or small firms
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Safety, health and environmental regulations	Access to foreign markets	Crowdfunding	Technology diffusion	Immigration	Entrepreneurship education (mindset)																							
Product regulation	Degree of public involvement	Access to other types of equity	Broadband access																									
Labour market regulation	Public procurement	Stock markets																										
Court and legal framework																												
Social and health security																												
Income taxes : wealth/bequest taxes																												
Business and capital taxes	Patent system standards																											



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