

**FOLLOW UP TO THE IN-DEPTH REVIEW OF
ENTREPRENEURSHIP STATISTICS**

Note prepared by OECD, Eurostat and the Secretariat

*As a follow-up to the in-depth review of entrepreneurship statistics, this note informs the Bureau about the outcome of the Workshop organised by the OECD-Eurostat Entrepreneurship Indicators Programme (EIP) in May 2014. The note includes proposals for possible future work to be carried out under the auspices of CES. **The Bureau is invited to discuss and decide on the possible follow-up to the in-depth review of entrepreneurship statistics.***

I. BACKGROUND

1. Following the in-depth review of entrepreneurship statistics (document ECE/CES/BUR/2013/OCT/3) in October 2013, the Bureau asked the Secretariat, in cooperation with OECD and Eurostat, to draft a proposal for possible further work with concrete objectives and outcomes. The Workshop of the joint OECD-Eurostat Entrepreneurship Indicators Programme (EIP) organised in May 2014 provided input to the proposal. The aim of the EIP is to develop policy-relevant and internationally comparable indicators on entrepreneurship in cooperation with National Statistical Offices (NSOs).

2. This note informs the Bureau on the outcome of the EIP meeting and presents proposals for possible future work to be carried out under the auspices of CES, taking into account the need to broaden this work to non-Eurostat/non-OECD countries.

**II. WORKSHOP OF THE OECD-EUROSTAT ENTREPRENEURSHIP
INDICATORS PROGRAMME (EIP)**

3. The Workshop of the OECD-Eurostat Entrepreneurship Indicators Programme (EIP) took place on 12 May in Luxembourg, back-to-back with the annual meeting of the Business Demography Working Group of Eurostat. Participants included 18 European countries, as well as Canada, Turkey and the United States. Several experts from the EU institutions also attended the meeting, namely from the Directorate-General for Regional Policy, Directorate-General for Enterprise and Industry, Directorate-General for Research and Innovation, European Central Bank and European Investment Fund. The purpose of the Workshop was to take stock of the work accomplished by the programme since its creation and reflect about future developments.

3. **Work completed.** The experiences showed that the EIP provides relevant input to analysis and policy making. The indicators produced by the programme are used in analytical and policy reports on entrepreneurship and SMEs across Eurostat and OECD, and are progressively becoming a reference set of statistics also elsewhere. The analysis of the characteristics of other international collections of entrepreneurship data (e.g. soundness of data, type of variables, country coverage), done on the occasion of the in-depth review of entrepreneurship statistics, confirmed the uniqueness of the EIP database and its value as support for analysis and policy.

4. The workshop reviewed the current “core set” of EIP indicators, which is composed of business demography statistics on the creation, survival, growth and death of enterprises. The main challenges associated with this set are poor timeliness (e.g. the reference year is typically t-2 or t-3) and limited country coverage (e.g. indicators are available for about 20 countries).

5. **Future developments.** The workshop explored the feasibility of producing new indicators to respond to emerging demands by policy makers and analysts. To that purpose, the discussion was organized around three areas:

- **Social dimension**, covering questions such as: demographic characteristics of entrepreneurs; attitudes and ambitions of individuals; access to finance and knowledge for different sub-groups of the population.
- **Regional dimension**, focusing on the entrepreneurial performance at the sub-national level.
- **Global dimension.** A broad range of policy questions were considered under this heading, including the international activities of young and small firms, their participation in global value chains and contribution to employment creation and destruction.

6. Also, in the context of the discussion on future developments, it was reminded that the in-depth review of entrepreneurship statistics by the CES Bureau recommended to develop longitudinal datasets and indicators from linked data.

III. CONCLUSIONS

7. The following general conclusions emerged on the feasibility of developments in different areas:

- Despite widespread interest by countries, **progress on indicators of the social dimension of entrepreneurship seems difficult** in the short term, due to the non-availability of, and problems with, data allowing to identify the entrepreneur/business owner.
- **There are concerns about the relevance of the regional dimension for small countries;** also, there are definitional issues regarding the suitable statistical business unit for meaningful analysis at the sub-national level (in particular, establishment *versus* enterprise).
- **Data on (self-)employment are helpful** and their use should remain part of EIP, as a complement to the historical focus of EIP on business demography statistics.
- **Timeliness of data is critical:** all efforts to improve timeliness should be continued.

IV. PROPOSALS FOR FURTHER WORK

8. **The Bureau is invited to discuss and decide upon possible further work on entrepreneurship based on the proposal below.**

9. The joint OECD/Eurostat EIP should retain two areas for developing indicators in the short term, in light of their importance for analytical purposes and because results should be achievable across many countries:

- *Producing more statistics with breakdown by firm age and size* to unveil essential information on firm heterogeneity.
- *Developing business demography statistics by foreign or domestic ownership and by participation in international trade* (as exporter, importer or both), to address the international dimension of entrepreneurship. This work would build on the experience of linkages between business registers with trade statistics completed by Eurostat and the OECD for the Trade by Enterprise Characteristics Database (TEC).

10. The Secretariat in coordination with OECD and Eurostat should involve non-Eurostat and non-OECD countries in work on entrepreneurship statistics by inviting these to participate in future work of the EIP.

11. The Guidelines on Statistical Business Registers will address issues relating to entrepreneurship statistics, as suggested by the Bureau during the in-depth review. The Guidelines are proposed to be presented to the CES plenary session in June 2015 for endorsement. The Secretariat proposes to discuss possible further work on entrepreneurship statistics in relation to business registers after finalisation of the Guidelines.

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