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# Motivating new business demography indicators

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# Background - the early 2000s

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- Supporting entrepreneurship and entrepreneurial dynamism became a key element of ***policies to ensure sustainable growth, job creation and social cohesion***
- The policy interest in entrepreneurship was reflected in ***interest in the analysis of business demography to monitor the presence of entrepreneurship*** in the economy



# Achievements – the initiatives

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- The OECD-Eurostat Entrepreneurship Indicators Programme : development of recommendations on harmonised concepts and definitions and methodologies based on the use of the BR
  - Eurostat- OECD *Manual of Business Demography Indicators*
- In the past decade, many countries started to produce business demography statistics
  - findings of 2013 “UN Surveys on SBRs” concerning the use of the BR for business demography
- Recent creation of the UNECE Task Force on Entrepreneurship Statistics
  - preparation of Guidelines with recommendations on the use of the BR for business demography indicators



# Achievements – the statistics

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- Consolidated set of indicators produced on a regular basis by an increasing number of NSOs:
  - Business birth rate
  - Business death rate
  - Business survival rates
  - Share of employment creation by business births
  - Share of employment destruction by business deaths
  - Share of young businesses
  - Employment share of young businesses
  - Rate of high-growth enterprises
  - Employment in high-growth enterprises



# Achievements – the dissemination

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- Statistical releases at the national level:
  - Examples: ABS, INSEE, CSO Ireland, CBS Israel, Istat, Statistics New Zealand, ONS UK
- Eurostat: statistical notes on business demography, business demography databases
- OECD: *Entrepreneurship at a Glance*, business demography database



# Drivers of new work on business demography – emerging policy needs

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- In an overall context of low productivity growth, **concerns about a possible decline in business dynamisms** and its impact on productivity
  - Entrepreneurship is today even more central to the policy debate on economic growth than in the years 2000s
- Increasing globalisation and development of digitalisation
  - questions on internationalisation of firms and performance (e.g. survival, growth)
- Rising inequalities in countries and within countries
  - Interest in the **analysis of heterogeneity**



# New indicators of business demography - the current approach

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Breakdowns of business demography data by (a number of) different characteristics are necessary to respond to the emerging policy questions

- The current structure of the BR contains only basic variables
- In the absence of additional variables in the BR, linking BR data with other data provides for new dimensions, for instance:
  - linking with other business statistics and administrative data for information on trade status, ownership, etc.
  - linking with data on individuals for information on business owner(s) by gender, age, education, employment history, national origin



# New indicators of business demography – toward a new approach?

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- Integrate more variables in the BR in order to
  - Sample firms with additional stratifications
  - Produce new business demography statistics directly from the BR

Examples of relevant dimensions that could initially be added: trade status (trader, non trader) and ownership (domestic, foreign)

- Introduce new rules in data registration
  - Example: gender of business owner identified at registration
- Other?