

Executive summary

Entrepreneurship and entrepreneurs are important sources of innovation, growth and employment. The recent crisis, characterised by tighter credit restrictions, has arguably hampered new start-ups and impeded growth in existing start-ups as well as their ability to survive in tough market conditions. The significant rise in business closures in recent years, especially of micro and small enterprises, bears witness to these difficult conditions and highlights the need for robust and comparable statistics on entrepreneurship. *Entrepreneurship at a Glance* contains a wide range of internationally comparable measures of entrepreneurship designed to meet this need; in particular, some 20 indicators of entrepreneurial performance are presented for around 30 countries.

Diverging patterns of business start-up rates have emerged across OECD economies six years after the onset of the financial crisis. Start-up rates remain below pre-crisis levels in most Euro area economies and particularly in Denmark and Spain, although there are signs of stabilisation in these two countries. In Australia, Portugal, Sweden and the United Kingdom, creations have regained pre-crisis levels and are even displaying a positive trend.

Within large economies, regional differences in the rates of births and deaths of enterprises can be as large as 10 percentage points, driven largely by micro firms. Significant regional disparities also occur in some smaller economies: in the Slovak Republic, for example, the difference in birth rates between the best and worst performing regions is 5 percentage points, while in Denmark, for micro firms, the difference is 7 percentage points.

In all countries most businesses are micro-enterprises, i.e. firms with fewer than 10 employees. Micro-enterprises account for between 70% to 95% of all firms. There are substantial variations in the percentage of the workforce employed by micro-enterprises, ranging from more than 45% in Portugal, Slovenia, Italy and Greece to less than 20% in the Russian Federation, United States and Switzerland.

Young enterprises account for between 5% and 10% of total employment, a share that declined from 2007 to 2011. Employment creation is driven by the establishment of new enterprises, rather than by the growth of enterprises during their first years of activity.

High-growth enterprises account for a small number of firms but a relatively high proportion of employment. In 2011, for instance, France's approximately 15 000 high-growth enterprises employed more than one million employees. In most countries, high-growth enterprises account only for between 2% and 4% of the total number of enterprises.

Overall barriers to entrepreneurship have progressively reduced over the last 10 years across OECD countries. Countries with low burdens on starting-up a business tend to have higher percentages of "opportunity entrepreneurs". In half of OECD countries, pursuing a business opportunity or taking over a family business covered around 70% of actual and potential start-ups in 2012. Data indicates that necessity was a significant driver in the emerging economies of China and India but also in Korea, Estonia, Greece and Spain.

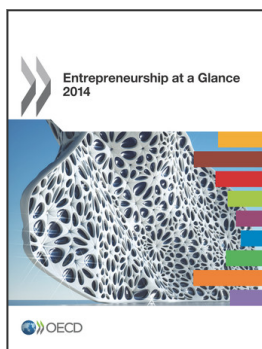
Across countries, having a suitable business idea and securing the necessary finance are the two most important considerations for starting-up, or taking over, a business. The presence of entrepreneurial role models is very important for supporting entrepreneurial intentions in Brazil, Italy, Korea, China and Portugal, while less than 50% of individuals consider it relevant in Nordic countries and in the Russian Federation. Job dissatisfaction is an important element, although typically the least significant consideration.

The lack of own funds and the high perceived costs of innovating are the two factors most cited as hampering innovation across all countries. Other hampering factors include uncertain demand for new products and innovative processes, the presence of established enterprises that dominate the market and the lack of external finance. In general, hampering factors are more of an obstacle for small firms in pursuing innovation than for medium and large firms. Among OECD countries, Spain and Turkey have the highest percentages of firms facing hampering factors.

In countries where co-operation for innovation is relatively high, small firms tend to assign less relevance to obstacles to innovation. This suggests that either the same barriers to innovation also impede on co-operation or that co-operation is an effective tool to overcome barriers and their perceived impact.

State support for innovation varies considerably between countries. In the Slovak Republic, Estonia and Hungary, for example, more than 85% of government funding for R&D goes to SMEs. By contrast, in Japan, Luxembourg, the United States and Sweden more than 80% of support goes to large firms. Overall, more large firms that innovate take advantage of some government funding compared to SMEs that innovate.

The crisis has severely affected the venture capital industry. In 2013, in most countries the level of venture capital investments was still below 2007 levels. Venture capital still represents a very small percentage of GDP in the majority of countries, often less than 0.04%. Exceptions are Israel and the United States, where the venture capital industry is more mature.



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