

## Glossary

**Active labour market measures:** Measures to assist the unemployed and others to participate in the labour market. These measures typically include job brokering (matching vacancies and job seekers), training (to upgrade and adapt the skills of job applicants), and direct job creation (either public-sector employment or subsidisation of private-sector work).

**Business counselling:** This business development service provides professional advice. A common approach is to offer business counselling services as part of integrated support schemes and make business counselling a condition for receiving financial support.

**Business development support services:** These are services that aim to improve the performance of the enterprise by improving its ability to compete and access markets. Support services typically include training, mentoring, coaching, consultancy, marketing assistance, information, technology development and transfer assistance and networking. Both strategic (medium to long-term issues that improve performance) and operational (day-to-day) issues are included.

**Business start-up indicators:** A set of quantitative measures that indicates the number of people that move from thinking about starting a business to realising the creation of a registered business. In other words, these indicators relate to business start-up, which is the point where entrepreneurial ideas become reality and firms make an economic contribution. Policy makers can use these indicators as one measure of the strength of entrepreneurial culture.

**Business operation indicators:** A set of quantitative measures that indicates the number of people that have established on-going business operations. Examples include number of businesses, turnover, export levels, employees, etc. Policy makers can use such indicators to measure the stock of entrepreneurs and businesses in an economy.

**Coaching:** A typically short-term relationship aimed at developing the skills of an entrepreneur. It is a collaborative process in which the participants have clearly defined roles. The coach is responsible for developing short-term goals and guiding the coachee towards the goals by providing constructive feedback. The coachee is responsible for generating ideas and options, taking action to achieve the goal, and reporting progress.

**Collateral assets:** Assets required of borrowers by lenders to issue a loan. They usually include goods (real estate, vehicles, etc.) that can be seized, totally or partly, by the lender in the event of loan default.

**Corporate Social Responsibility (CSR):** Corporate social responsibility (CSR) refers to companies taking responsibility for their impact on society. As evidence suggests, CSR is increasingly important to the competitiveness of enterprises. It can bring benefits in terms of risk management, cost savings, access to capital, customer relationships, human resource management, and innovation capacity.

**Deadweight costs:** The extent to which participants would have set up a new business without the subsidy. Since behaviour of these “deadweight participants” is unaffected by the scheme, their participation does not contribute to the economic value generated by the scheme but involves a public outlay. The social cost of this outlay is the sum of the distortionary cost or excess burden of the tax that finances it.

**Displacement effects:** The extent to which subsidised businesses take business from and displace employment in unsubsidised business.

**Disabled entrepreneurs:** Entrepreneurs with a disability. The vast majority of disabled people have “hidden” disabilities, including mental health conditions, chronic pain and muscular/skeletal conditions. A very small proportion has obvious disabilities, such as wheelchair users or visually impaired people. Many countries have now identified systemic barriers affecting people with disabilities in entrepreneurship such as negative attitudes and exclusion by society (purposely or inadvertently).

**Disadvantaged groups:** Those facing additional barriers to full participation in the labour market and society. Disadvantage often originates from individual characteristics such as limited experience of business, low levels of qualifications, or limited social capital, but the disadvantage may be linked to shared characteristics across a group. As a result, disadvantaged groups face intentional or unintentional discrimination.

**Entrepreneur:** A person (business owner) who seeks to generate value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets (see the OECD Entrepreneurship Indicators Programme). It is possible to behave in an entrepreneurial manner in the public sector, in a social enterprise, or as an employee within a business.

**Entrepreneurship skills:** A combination of technical skills, business management skills and personal skills required for starting and operating in business and self-employment. For example, they include team building, negotiation, strategy development, financial planning, and marketing.

**Established Business Ownership Rate:** This measures the proportion of the adult population that are currently owner-managers of an established business that has paid salaries, wages or any other payments to the owners for more than 42 months. This measure was developed by the Global Entrepreneurship Monitor and helps inform on the level of entrepreneurship activities in an economy.

**Ethnic minority entrepreneurs:** Ethnic minority entrepreneurs are those born in their country of residence, belonging to an ethnic minority group and retaining strong links to their ethnic culture. Immigrant entrepreneurs have migrated to another country. They may be from the same ethnic group as the majority of residents in the country but are unlikely to be as familiar with its rules, culture and institutions.

**Evaluation:** The objective of evaluation is to measure the relevance, impact, effectiveness and efficiency of a programme or policy action. Evaluations can be qualitative, quantitative or a combination of the two. Successful evaluations are planned during the policy design and indicators are collected throughout the implementation to feed into the evaluation. Evaluation should be designed and implemented in ways that provide useful information to decision-makers, given the political circumstances, programme constraints and available resources. Results of evaluation should be used to improve policy design.

**Financial exclusion:** Lack of, or limited, access to financial services. For example, those without a bank account can find it difficult to obtain loans for business establishment and those without collateral are charged much more for loans. Financial exclusion increases the likelihood of poverty.

**Inclusive entrepreneurship:** Entrepreneurship that contributes to social inclusion and gives all people an equal opportunity to start up and operate businesses. Target groups are those who are under-represented and disadvantaged in entrepreneurship and self-employment, including youth, women, seniors, ethnic minorities and immigrants, disabled people and many other groups.

**Incubators:** Business incubators are facilities designed to support the creation and growth of entrepreneurial companies through an array of business support resources and services, offered both directly in the incubator and through its network of contacts. Incubators vary in the way they deliver their services, in their organisational structure, and in the types of clients they serve. While virtual/online incubators exist, most programmes host start-up companies on their premises for a limited period of time. Successful completion of a business incubation programme increases the likelihood that a start-up company will survive and grow.

**Islamic finance:** Financing activity in compliance with Sharia law that forbids the charge of interest rates by lenders on borrowers. Lending is not ruled out, but lenders are treated as stakeholders. It has so far been more commonly used by large investment funds than to support entrepreneurs.

**Labour market participation:** A measure of the active portion of an economy's labour force. The labour market participation rate refers to the proportion of people who are either employed or are actively looking for work. People who are no longer actively searching for work are not included in the participation rate. An individual's circumstance will affect their likelihood of being in work or seeking work. For example, those in education or retirement are often not looking for work and are therefore excluded from published labour market activity and unemployment rates. During an economic recession, the participation rate typically decreases as many workers become discouraged with the lack of opportunities in paid employment and stop looking for work.

**Loan guarantee:** Commitment by a third party to cover part of the losses related to a loan default. It can be provided by the government and/or by a private business association. It is backed up by a fund acting as collateral.

**Mentoring:** Mentoring is a professional relationship in which an experienced person (the mentor) assists another (the mentee) in developing skills and knowledge that will enhance the less-experienced person's professional and personal growth. These relationships are typically more long-term than the coaching relationship.

**Microcredit:** Small-sized loans to borrowers who find it difficult to obtain credit from traditional banks. It consists in small sums generally at higher interest rates than those available at traditional banks to reflect the riskier profile of the borrower. In the European Union, the microcredit threshold is set at EUR 25 000.

**Nascent Entrepreneurship Rate:** The proportion of the population that is actively involved in setting up a business they will own or co-own. This business has not paid salaries, wages or any other payments to the owners for more than three months. It is one of the measures developed by the Global Entrepreneurship Monitor to quantify entrepreneurship activities in an economy.

**New Business Ownership Rate:** The proportion of the population that is currently an owner-manager of a new business that has paid salaries, wages or any other payments to the owners for more than three months, but not more than 42 months. It is one of the measures developed by the Global Entrepreneurship Monitor to quantify entrepreneurship activities in an economy.

**Outreach:** A systematic attempt to provide services beyond conventional limits to reach particular segments of a community. Outreach services can be employed to raise the profile of (more mainstream) services and inform people of the provision. Outreach services can also be used to reach and engage specific groups and those who do not tend to use mainstream services. One approach is to deliver services in locations where people from the target communities already go (e.g. community centres, youth centres, places of worship, shopping centres) rather than establishing an outreach office and attempting to attract people to it.

**Parallel entrepreneurship:** This is when an entrepreneur operates more than one business venture. Businesses can offer complementary goods and services to the same client base, building synergies between the two. Alternatively they can be unrelated businesses that aim to provide a more stable income to the entrepreneur.

**Part-time entrepreneurship:** Entrepreneurship undertaken on a part-time basis. It is most often part-time self-employment, where a person works less than 35 hours per week on a self-employment activity. Often this form of entrepreneurship is used to supplement other activities such as paid employment, unpaid household work and educational activities.

**Pre-business start-up indicators:** These measures capture society's attitude towards entrepreneurship and the level of interest that people have in starting a business and are an important policy tool in determining the cultural disposition towards entrepreneurship.

**Role models:** An experienced entrepreneur who can inspire others to business start-up or self-employment activities.

**Self-employment:** An employment status where people work in their own business on their own account and receive an economic return for their labour in the form of wages, profits, in-kind benefits or family gain (for family workers). The self-employed may work alone or employ others. They tend to be running their own business as a sole proprietorship, independent contractor, member of a partnership, or a non-incorporated company.

**Senior entrepreneurs:** Typically categorised as entrepreneurs over 50 years of age, they are also variously known as "grey entrepreneurs," "silver entrepreneurs", "older entrepreneurs," "third age entrepreneurs," "elder entrepreneurs" and "seniorpreneurs." They are predicted to play an increasingly important part of economic activity, as populations age and the traditional workforce age cohort declines.

**Serial entrepreneurship:** The process of successively starting businesses and selling them while they are young rather than operating a business over its full life cycle.

**Sign-posting:** To make information available to direct potential and actual entrepreneurs to professional sources of information and assistance.

**Social capital:** Social capital is the value of social networks, involving the family, friends, colleagues, and business and personal contacts through which opportunities are received. In entrepreneurship, social capital provides access to knowledge, networks of clients, suppliers and professional support, and can therefore increase an individual's chances of business success.

**Social entrepreneurship:** This is a form of entrepreneurship where the main objective is to have a social impact rather than make a profit for their owners or shareholders. Social enterprises operate by providing goods and services for the market in an entrepreneurial and innovative fashion and use any profits primarily to achieve social objectives. They are managed in an open and responsible manner and, in particular, involve employees, consumers and stakeholders affected by their commercial activities.

**Social inclusion:** Positive action taken to include all sectors of society in economic and social activity. This includes ensuring that the marginalised and those living in poverty have greater participation in decision making which affects their lives, allowing them to improve their living standards and their overall well-being.

**Total Early-stage Entrepreneurial Activity (TEA):** A measure used by the Global Entrepreneurship Monitor and computed by summing the proportion of the population involved in nascent entrepreneurship activities and those who have started new business within the last 42 months.

**Under-represented groups:** Those segments in society that are less represented in the enterprise economy than their proportions in the overall population, for example women and people with disabilities.

**Work-life balance:** A concept involving a proper prioritisation between “work” (career and ambition) and lifestyle (health, pleasure, leisure, family and spiritual development).

**Youth entrepreneurs:** Entrepreneurs in their late teens and twenties. The exact definition of age range depends on the context. For example, the Global Entrepreneurship Monitor defines young entrepreneurs as those from 18 to 30 years old, while the Eurostat Labour Force Survey focuses on those from 15 to 24 years old.



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