Executive summary

Entrepreneurship at a Glance contains a wide range of internationally comparable measures of entrepreneurship designed to inform analysis and policy on entrepreneurship and entrepreneurs, reflecting their important contribution to innovation, employment and growth.

Start-up rates have been on an upward trend since the crisis in many countries, particularly in Australia and the United Kingdom, and more recently in Denmark, Portugal and Sweden. In many Euro area economies, start-up rates nonetheless remain below pre-crisis levels.

Bankruptcies have been trending downwards in most countries in recent years, with rates in Canada, Japan, the United States and South Africa significantly below pre-crisis levels.

More than half of start-ups fail within the first five years, with rates of surviving firms varying from less than one in five firms in Lithuania to about two-thirds in Sweden. In Austria, Belgium, Luxembourg, the Netherlands and Sweden, the survival rates of start-ups are consistently higher than in other countries, independently from the birth year.

Average employment in newly born enterprises typically ranges between two and three persons employed. The size of start-ups is significantly higher in the United States, where new enterprises employ on average more than seven persons.

Young enterprises (under three years) account for between 4% and 12% of total employment in most countries. The contribution of young enterprises to total employment decreased in 2012 compared to 2008, with the notable exceptions of Latvia where shares almost doubled. Despite the relatively high probability of failure, one-year-old firms in most countries generate more employment than new firms, and two-year-old firms have relatively similar shares, reflecting employment growth in surviving firms.

While few in number, fast-growing firms employ a considerable number of persons. In 2012, 36 000 high-growth enterprises in the United States employed more than 8 million persons. High-growth enterprises represent on average a small share of the total enterprise population. Typically, when measured on the basis of employment growth, the share ranges between 2% and 6% for most countries, with higher shares (between 5% and 15%) when measured on a turnover basis.

In all countries, high-growth firms are more prevalent in the services sector than in the rest of the business economy, apart from Brazil, Canada, Latvia and New Zealand where the highest percentage of high-growth firms is in the construction sector.

Venture capital investments were higher in 2014 than in 2007 in very few countries, including Hungary, Korea, the United States, the Russian Federation and South Africa. In the majority of countries, the average investment per company has declined compared to the pre-crisis level. In Israel and the United States however, it is well above the 2007 average. Generally, venture capital provides a financing option in less than 0.1% of firms, predominantly during their start-up phase. Significant cross-country differences exist in the type of companies likely to receive venture capital investments. In 2014, in the United States, nearly half of all investments were in computer and consumer electronics firms, over double the rate in Europe, where around one-third of all investments went to life sciences companies.

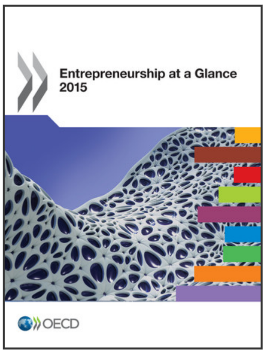
The number of manufacturing firms across all size classes declined between 2008 and 2012 in most OECD countries. In those countries in which the number of small and medium-sized enterprises (SMEs) increased, this was accompanied by falls in the number of large enterprises, suggesting that some of the increase in SMEs may have occurred as a result of lay-offs in (previously) large firms. Also, employment in manufacturing decreased in virtually all countries apart from Germany and Brazil.

Firm size matters for productivity. Larger firms are on average more productive than smaller ones, particularly in the manufacturing sector, partly reflecting gains from increasing returns to scale, for instance through capital-intensive production. But some smaller firms often outperform larger ones, pointing to competitive advantages in niche, high-brand or high-intellectual property content activities. This may be partly explained by intensive use of affordable information and communication technologies (ICT), particularly if the firms are part of a multinational group. Higher productivity levels in smaller-sized enterprises also point to firm growth dynamics, by which more productive firms expand and displace lower productivity firms.

In all countries, micro and small firms are responsible for a limited share of total exports and imports even if they represent the majority of trading enterprises. SMEs tend to export disproportionally more to neighbouring countries than large firms do, but in many OECD countries SME contribution to trade with emerging economies, notably China and India, is nevertheless significant.

In 2013, rates of male employers were two and a half times those of women employers in OECD countries. Self-employed women earned between 10% and 60% less than men across all countries, even though, over the period 2006 to 2011, the gap closed significantly (more than 10 percentage points) in some, notably in Belgium, Finland, Greece, Iceland, Luxembourg and the Netherlands.

A positive perception of entrepreneurship seems to coincide with a voluntary attitude towards entrepreneurship in a country. Yet, the economic context interferes with individual aspirations. In 2014, perceived entrepreneurial opportunities were relatively high in the United States, Canada, Norway, Denmark and Mexico, as well as Brazil and Indonesia. In several Southern European countries, Greece, Spain and Portugal in particular, the perceived entrepreneurial capabilities were instead significantly higher than the perceived opportunities. In Japan and, to a lesser extent Korea, both perceived opportunities and perceived capabilities were especially low compared to other OECD countries, but similar to the low levels observed in the past in these two countries.



From:
Entrepreneurship at a Glance 2015

Access the complete publication at:
http://dx.doi.org/10.1787/entrepreneur_aag-2015-en

Please cite this chapter as:

OECD (2015), “Executive summary”, in *Entrepreneurship at a Glance 2015*, OECD Publishing, Paris.

DOI: http://dx.doi.org/10.1787/entrepreneur_aag-2015-2-en