FORA

Quality Assessment of Entrepreneurship Indicators

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International Consortium on Entrepreneurship – ICE

QUALITY ASSESSMENT OF ENTREPRENEURSHIP INDICATORS

VERSION 5

INTRODUCTION

Effective decisions and solid policymaking rely on the access to international comparable and reliable data of high quality. For this reason, more and more countries have constructed large national indicator systems to measure their current stage and progress in the area of entrepreneurship. The overall validity of these efforts depends amongst others on the quality of each of the individual indicators.

The rationale for developing entrepreneurship indicators is to help policymakers to understand how the policies they put in place or adjust will affect entrepreneurship and, eventually, higher-level objectives for the economy and society. In order for countries to benefit from the experience of others, it is also essential that the entrepreneurship indicators allow for comparisons across countries by type of entrepreneurship.

The Quality Assessment of Entrepreneurship Indicators analyzes international entrepreneurship indicators on an annual basis. The report has three purposes. First, it aims at providing a comprehensive overview of all available policy relevant indicators relating to entrepreneurship. Second, it rates the quality of each of these indicators in order to enable policy makers to evaluate the quality of policy analysis based on a given set of indicators. Third, the overview combined with the framework can serve as a starting point for future indicator development to ensure new indicators address issues that are need-to-know for policy purposes.

All of these indicators are collected in a database, which is available to members of the International Consortium on Entrepreneurship (ICE). In 2009, the consortium included Canada, Denmark, Finland, the Netherlands, Norway and the United States. The Quality Assessment of Entrepreneurship Indicators has been financed by ICE and prepared by FORA in collaboration with the Entrepreneurship Indicator Programme (EIP) at the OECD.

The current report is the fifth version, reflecting updates over the years.

1. A FRAMEWORK FOR ENTREPRENEURSHIP INDICATORS

Entrepreneurship is a multifaceted concept that manifests itself in many different ways, with the result that various definitions have emerged and no single definition has been generally agreed upon. Several definitions have an essentially theoretical basis and are not concerned with measurement. Another strand of research has largely bypassed the question of definition by "defining" entrepreneurship in terms of a specific empirical measure, such as self-employment or the number of small firms. Not surprisingly, these are measures that are readily available.

The OECD-Eurostat approach has tried to combine the more conceptual definitions of entrepreneurship with (available) empirical indicators. Building on the theoretical contributions of Richard Cantillon, Adam Smith, Jean Baptiste Say, Alfred Marshall, Joseph Schumpeter, Israel Kirzner and Frank Knight, among others,[1] the following definitions were established:

- Entrepreneurs are those persons (business owners) who seek to generate value through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets.
- Entrepreneurial activity is enterprising human action in pursuit of the generation of value through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets.
- Entrepreneurship is the phenomenon associated with entrepreneurial activity.

Given the multifaceted nature of entrepreneurship and the myriad factors that may affect it, establishing a realistic yet relevant set of measures to be produced as core entrepreneurship indicators is a major challenge. Inspired by a number of previous scholarly and policy-oriented studies, a simple entrepreneurship model was proposed as a first step towards establishing a framework for the development of empirical indicators that are both relevant and available.[2]

The first stage of this model (Figure 1) comprises various determinants, which policy can affect and which in turn influence entrepreneurial performance, or the amount and type of entrepreneurship that takes place. The final stage is the impact of entrepreneurship on higher-level goals such as economic growth, job creation or poverty reduction. Within each of the three main stages of this model, several sub-categories are identified to flesh out the overall framework and guide the selection of indicators. While the entrepreneurship framework is presented here in a linear fashion, it was explicitly recognised that there are complex relationships among the different main components and subcomponents.

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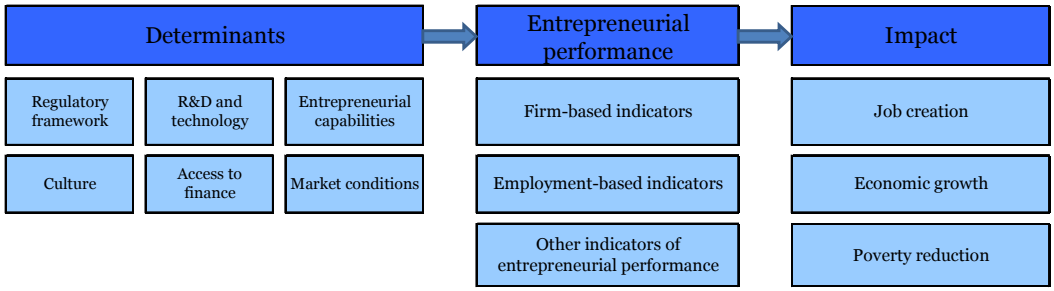
1. For an overview, see N. Ahmad and R. Seymour (2008), "Defining Entrepreneurial Activity: Defining Supporting Frameworks for Data Collection", OECD Statistics Working Paper.

2. N. Ahmad and A. Hoffmann (2008), "A Framework for Addressing and Measuring Entrepreneurship", OECD Statistics Working Paper.

Figure 1.Topic categories for entrepreneurship indicators



The three framework categories are:

1. *Determinants or framework condition indicators* include all indicators relating to changeable factors affecting the success of the entrepreneurs like access to capital, regulation and administrative burdens. The framework condition indicators measure a myriad of underlying environmental and sociological factors, which affect the entrepreneurship performance indicators. No single paradigm or definition of what constitutes the framework condition exists, but many important contributions to the literature have been made. This paper is based on the framework developed in Gabr and Hoffmann 2006 and further developed by the OECD's EIP, Ahmad and Hoffman 2008, "A Framework for Addressing and Measuring Entrepreneurship". These indicators are external to the firm and vary across countries or regions. Furthermore, all framework condition indicators can be affected by policy action. These indicators are essential to the analysis and the understanding of what drives differences in entrepreneurship performance across countries or regions and thereby the understanding of policy on entrepreneurship.

2. *Entrepreneurship performance indicators* include all indicators related to the outcome of the entrepreneurial process, which ideally are directly linked to either productivity growth or job creation. The indicators include measures like number of new firms, growth among new firms and job creation by new firms. These indicators are essential for the analyses and understanding of the macroeconomic effects of entrepreneurship.

3. *Impact indicators* – include indicators related to the overall macroeconomic environment and institutional context like unemployment rate and GDP growth. These indicators cover the "larger picture" of the various economies. These indicators are already available. This manual will focus on performance and business environment indicators, as these are most directly relevant to policy and not documented elsewhere.

The Quality Assessment of Entrepreneurship Indicators 2009 assesses the international indicators for framework condition and entrepreneurship performance. In some cases national sources of data are used as supplement to the international available data.

Given the multi-faceted nature of entrepreneurship, the OECD Entrepreneurship Indicators Programme (EIP) does not propose any single measure as a key to understanding and comparing

the amount and type of entrepreneurship that takes place across countries. Since entrepreneurship is a very broad phenomenon which encompasses, for example, virtually all new firm creation, it is very important for policy analysts to be able to understand and distinguish different types of entrepreneurial performance.

The goal of the EIP is to establish a framework of relevant indicators for the study of entrepreneurship and to encourage countries to use the definitions, methodologies and classifications of the framework as much as possible when producing the data. Because the 2005 Feasibility Study on Entrepreneurship Indicators revealed that no OECD country National Statistics Office (NSO) explicitly included "entrepreneurship statistics" within it programme, the EIP sought to change that by involving the NSOs in designing the specifications for the relevant variables and by engaging them in the production of data. As a result, National Statistics Offices from several countries have engaged in the collection of data.

Finally, in 2008 OECD and Eurostat organised an international workshop in order to discuss and develop the model i.e. the six policy areas affecting entrepreneurship performance and under which indicators for framework conditions are collected (Figure 2).

Figure 2. Policy areas affecting entrepreneurship performance

Source: FORA 2009.

Based on the workshop discussions, the determinant group "R&D and Technology" has changed its name to "Creation and diffusion of knowledge". As a result, new and broader indicators for the creation and diffusion of knowledge are included in the Quality Assessment of Entrepreneurship Indicators 2009.

THE QUALITY FRAMEWORK

Quality is defined as “fitness for use” in terms of user needs (OECD, 2003). This definition is broader than has been customarily used in the past when quality was equated with accuracy. It is now generally recognised that there are other important dimensions. Even if data is accurate, it cannot be said to be of good quality if it is produced too late to be useful, or cannot be easily accessed, or appear to conflict with other data. Thus, quality is viewed as a multi-faceted concept.

The most important quality characteristics depend on user perspectives, needs and priorities, which vary across groups of users. It is important to note that each indicator must be evaluated in its context; in this case it would be in creating or facilitating the creation of knowledge, innovation and research and development. Consequently, an indicator used in this quality assessment may be applied and assessed differently in other studies focusing on other issues (for instance, entrepreneurship, human resources, etc.). Thus, the quality measure for an indicator is meant to guide the policy maker rather than the statistician.

The quality framework draws on experience from the OECD, Eurostat and the US Key Indicator Project (OECD, 2003; Wallman et al, 2004; Munoz, 2004). The framework focuses on three quality dimensions: relevance, accuracy and availability. Each indicator is evaluated by grading it for each dimension and by an overall assessment. If considered useful, further qualitative information may be taken into account in the evaluation of the indicator. This implies that scope exist to describe other characteristics which may lead to restricting or increasing the use of a given indicator, relating for example to the complexity of an indicator, to a lack of an unambiguous scientific basis or to the lack of coherence with other existing indicators, etc.

(i) Relevance

The relevance of an indicator is a qualitative assessment of the value contributed by the indicator. That is, the evaluation depends on the proximity between what the indicator measures and the framework condition it is supposed to measure. It is desirable for the indicator to be as close as possible to the framework condition it is intended to measure (Table 1.1).

Table 1.1

The Indicator's Proximity to the Framework Condition it is Supposed to Measure	**Direct Measure**	**Proxy Measure**
Mark	A	B

Relevance has one more dimension though. If an indicator is applied as a measure for a specific policy, it is useful to know whether a policy initiative has a direct or indirect impact on the indicator (Table 1.2).

Table 1.2

Policy Initiatives' Impact on Indicator	**Direct Measure**	**Proxy Measure**
Mark	A	B

(ii). Accuracy

The accuracy of an indicator is the degree to which the indicator correctly estimates or describes the quantities or characteristics it is designed to measure. Accuracy has two dimensions: data collection method and degree of cross-country standardisation.

a) Data Collection Method

The data collection method is sound if data correctly estimates or describes the quantities or characteristics that it is designed to measure. Thus, accuracy based on data collection method refers to the closeness between the values provided and the (unknown) true value.

Major sources of error in data collection include coverage, sampling, non-response, response, processing and problems in dissemination. Addressing these standard problems is common for national statistical offices and international governmental institutions. Data from these sources should not suffer, in general, from these problems, whereas data from other sources should be evaluated on a case-by-case basis.

The appraisal of accuracy is based on the method used in collecting the data. Almost all indicators are based on surveys, polls or censuses. This framework distinguishes among three types: fact-based, action-based and opinion-based surveys.

Fact-based surveys relate to easy quantifiable aspects, in which different people would give the same response to a question. The OECD Regulatory Database is an example of this type because respondents are asked about whether or not a country has a given regulation.

Action-based surveys concern issues where respondents are asked if they have performed a given action within a given time period or not. The European Community Innovation Survey is an example of this type of survey. In this survey, firms are asked whether they have introduced new or technologically improved products or processes on the market during the last year.

Opinion-based surveys deal with questions asking for a subjective evaluation of a given aspect of the economy. The World Economic Forum's Executive Survey is an example of this type of survey. It asks executives about their opinion of the functioning and the quality of various aspects of the economy.

The accuracy of data collection methods can be evaluated as very good, good, acceptable (Table 1.3).

Table 1.3

Data Collection Method	**National statistical offices/fact-based surveys**	**Act ion-based surveys**	**Opinion-based surveys**
Mark	A	B	C

These scores can be clarified as follows:

• *Very good:* the indicator originates from national statistical offices or international government institutions; or the indicator stems from a fact-based survey.

• *Good:* the indicator comes from an action-based survey.

• *Acceptable:* the indicator comes from an opinion-based survey.

b) Cross-country Comparability

Whether an indicator is comparable across countries requires consideration as to the method of data collection in the concerned countries. For example, an indicator is comparable if the same question is asked in all the countries in the same way and by the same means. It is desirable to have the highest degree of comparability across countries

Table 1.4

The Indicator is Cross-country Comparable	**Fully Comparable**	**Comparable to some extent**
Mark	A	B

(iii) Availability

The concept of availability relates to the accessibility of a given indicator in various countries and for a given time frame. It is desirable to have data from as many countries as possible (Table 1.5). In addition, an indicator available beyond the initial benchmark year is better than one that is only available beyond for one year (Table 1.6).

Table 1.5

The Share of OECD Countries for which the Indicator is Available	**100-76%**	**75-50%**
Mark	A	B

Table 1.6

The Number of Years the Indicator is Available for	**Beyond the initial benchmark year**	**The initial benchmark year**
Mark	A	B

(iv) Overall Quality Assessment

The overall quality assessment is divided into three categories: good, acceptable and questionable (Table 1.7).

Table 1.7

Name of Indicator	**Good**	**Acceptable**	**Questionable**
Indicator A	A	B	C

Clarification of the three indicator score categories are as follows, although some discretion is applied for 3 indicators, as explained in Section 3:

- *Good (A):* at least 5 A's and no C's
- *Acceptable (B):* at least 3 A's and no C's
- *Questionable (C):* less than 3 A's or one or more C's.

2.1 Gatekeeper Requirements

For an indicator to be included in the Quality Manual it has to fulfil four minimum requirements:

- The Indicator must originate from a reliable source, i.e. from a well-known, verifiable and well-documented source.
- The method for collecting data must be standardised to some extent across countries in order to increase cross-country comparability based on the indicator.
- The indicator must be available for at least 50 percent of countries in the study.
- The indicator must be interpretable a priori as to whether a high value is to be preferred over a lower value or the other way around.

3. QUALITY ASSESSMENT OF EACH INDICATOR

AN OVERVIEW

This manual focuses on performance and business environment indicators. 5 Performance indicators and 94 Business Environment indicators are included in this year's manual.

Since last year 41 indicators have been added to the manual. Likewise, 18 indicators have been removed from the quality assessment due to obsolescence. Moreover, 2 Performance and 7 Business Environment indicators have been updated, i.e. change of concept/source or assessment of the indicator.

Performance Indicators – An overview
Like previous years, none of the Performance indicators meets the 'A' standard. However this situation is expected to improve in coming years for three of the five indicators – employer enterprise birth and high-growth rates (employment and turnover) – as more countries join the work by the OECD and Eurostat to develop and collect comparable indicators. Since last year a new indicator Employer Enterprise Birth has been added to the performance indicators. Furthermore, the indicators on high-growth have been updated using the harmonised OECD/Eurostat definition[3] of high-growth enterprises.

Performance indicators

Indicator	Overall Grade	Relevance		Accuracy		Availability	
		Relevance	Policy Relevance	Data Collection	Comparability	Across Countries	Over Time
Enterprise Birth/ Entry rate	**B**	A	B	A	B	B	A
Employer Enterprise Birth*	**B**	A	B	A	A	B	A
Share of High-Growth Enterprises (Employment)**	**B**	A	B	A	*A*	B	A
Share of High-Growth Enterprises (Turnover)**	**B**	A	B	A	*A*	B	A
Total Entrepreneurial Activity	**C**	B	B	B	B	A	A

[3] For more information, see www.oecd.org/statistics/measuringentrepreneurship

Business Environment Indicators – An overview
Business Environment indicators have for the first time been divided into 6 categories – Regulatory Framework; Market Conditions; Access to Finance; Creation and Diffusion of Knowledge; Entrepreneurial Capabilities and Entrepreneurship Culture following the arguments presented in Ahmad and Hoffmann 2008.

New indicators are marked with an asterisk (*) and indicators where the concept and/or source has changed are marked with a double asterisk (**). Updated indicators are marked with three asterisks (***). For a given indicator, if the assessment has changed since last year, the score (A, B or C) is shown in italics.

The two categories measuring capabilities and culture require further development. Most of the indicators in these headings are measured using subjective assessments limiting somewhat cross-country comparability. For 'culture' however, this is arguably less problematic as ultimately by its nature the culture component will always be based on the perception of people, which is by nature subjective.

Framework Indicators

Indicator	Overall Grade	Relevance		Accuracy		Availability	
		Relevance	Policy Relevance	Data Collection	Comparability	Across Countries	Over Time
1. Regulatory Framework							
Administrative burdens (entry and growth)							
Burden of Government Regulation	**C**	A	B	C	B	A	A
Costs Required for Starting a Business	**A**	A	A	A	A	A	A
Minimum Capital Required for Starting a Business	**A**	A	A	A	B	A	A
Number of Days for Starting a Business	**A**	A	A	A	A	A	A
Number of Procedures for Starting a Business	**A**	A	A	A	A	A	A
Procedures Time and Costs to Build a Warehouse	**A**	A	A	A	A	A	A
Registering Property	**A**	A	A	A	A	A	A
Time it Takes to Prepare, File and Pay Corp, and Income Tax, VAT and Social Contributions	**A**	A	A	A	A	A	A
Bankruptcy Regulations							
Actual Cost to Close a Business	**B**	B	A	B	A	A	A
Actual Time to Close a Business	**B**	B	A	B	A	A	A
Bankruptcy Recovery Rate	**A**	A	A	A	A	A	A
Possibility of a Fresh Start	**A**	A	A	A	A	A	B
Product & Labour Market Regulations							
Difficulty of Firing	**A**	A	A	A	B	A	A

Difficulty of Hiring	**A**	A	A	A	B	A	A
Ease of Hiring Foreign Labour***	**C**	B	B	C	B	A	*A*
Extent of Incentive Compensation	**C**	B	B	C	B	A	A
Rigidity of Hours Index	**A**	A	A	A	B	A	A
Court & Legal Framework							
Enforcing Contracts - Cost in % of claim**	**A**	A	A	A	A	A	A
Enforcing Contracts - Number of Procedures**	**A**	A	A	A	A	A	A
Enforcing Contracts - Time**	**A**	A	A	A	A	A	A
Social and Health Security							
Public Expenditure on Unemployment Support *	**A**	A	A	A	A	A	A
Public Health Care Coverage*	**A**	A	A	A	A	A	A
Income taxes; Wealth/Bequest Taxes							
Average Income Tax plus Social Contributions	**A**	A	A	A	A	A	A
Highest Marginal Income Tax plus Social Contributions	**A**	A	A	A	A	A	A
Revenue from Bequest Tax	**A**	A	A	A	A	A	A
Revenue from Net Wealth Tax	**A**	A	A	A	A	A	A
Business and Capital Taxes							
SME Tax Rates***	**A**	A	A	A	*B*	A	A
Taxation of Corporate Income Revenue	**A**	A	A	A	A	A	A
Taxation of Dividends – Top Marginal Tax Rate	**B**	B	A	A	A	A	B
Taxation of Stock Options	**B**	A	A	A	B	A	B
Patent System; Standards							
Intellectual Property Rights	**C**	A	B	C	B	A	A
Property Rights*	**C**	A	B	C	B	A	A
2. Market Conditions							
Anti-trust Laws							
Antitrust Framework*	**A**	A	A	A	A	A	B
Competition							
Network Policies*	**A**	A	A	A	A	A	B
Access to Foreign Markets							
Export Burdens	**A**	A	A	A	A	A	A
Import Burdens	**A**	A	A	A	A	A	A
Degree of Public Involvement							
Government Enterprises and Investment*	**B**	B	A	B	A	A	A
Licensing Restrictions*	**A**	B	A	A	A	A	A
Ownership of Banks*	**A**	B	A	A	A	A	A
Price Controls*	**C**	B	A	C	B	A	A
Private Demand							
Buyer Sophistication*	**C**	B	B	C	B	A	A
3. Access to Finance							

Access to Debt Financing							
Country Credit Rating	**C**	B	B	C	B	A	A
Domestic Credit to private sector	**A**	A	B	A	A	A	A
Ease of Access to Loans	**C**	B	B	C	B	A	A
Interest Rate Spread	**B**	B	B	A	A	A	A
Legal Rights Index	**A**	B	A	A	A	A	B
Access to Venture Capital							
Venture Capital Availability	**C**	A	B	C	B	A	A
Venture Capital - Early Stage**	**A**	A	B	A	A	*A*	A
Venture Capital - Expansion Stage**	**A**	A	B	A	A	B	A
Stock Markets							
Buyouts**	**A**	A	B	A	A	A	A
Capitalisation of Primary Stock Market***	***A***	A	B	A	A	*A*	A
Capitalisation of Secondary Stock Market	**C**	B	B	C	A	A	A
Investor Protection	**A**	B	A	A	A	A	A
Market Capitalisation of Newly Listed Companies	**B**	A	B	A	A	B	A
Turnover in Primary Stock Market	**A**	A	B	A	A	A	A
4. Creation and Diffusion of Knowledge							
R&D Activity							
Business Expenditure on R&D – BERD*	**A**	A	B	A	A	A	A
Government Expenditure on R&D – GERD*	**A**	A	A	A	A	A	A
Higher Education Expenditure on R&D – HERD*	**A**	A	A	A	A	A	A
International Co-operation Between Patent Applications at PCT*	**B**	B	B	A	A	A	A
Patents Awarded Based on Inventors Residence*	**B**	B	B	A	A	A	A
Private Funding of R&D Activity*	**A**	A	B	A	A	A	A
Public Funding of R&D Activity*	**A**	A	A	A	A	A	A
Transfer of Non-commercial Knowledge							
Research in Higher Education Sector Financed by Business*	**B**	B	B	A	A	A	A
Share of Patents Owned by Universities*	**B**	B	B	A	A	A	A
Universities or other Public Research Organizations as Source of Innovation*	**B**	A	B	B	A	B	A
University/Industry Research Collaboration	**C**	A	B	C	B	A	A
Co-operation Among Firms							
SMEs Stating Co-operation as the Source of Innovation*	**B**	A	B	B	A	B	A
Technology availability and take-up							
Turnover from e-Commerce*	**C**	B	B	B	A	B	A
Enterprises Using e-Government*	**B**	B	A	B	A	B	A
ICT expenditure*	**C**	B	B	B	A	B	A
ICT expenditure in Communications*	**C**	B	B	B	A	B	A

5. Entrepreneurial Capabilities							
Business and Entrepreneurship education (skills)							
International Students in Tertiary Education*	**B**	B	B	A	B	B	A
Population with Tertiary Education*	**B**	B	B	A	A	A	A
Quality of Management Schools	**C**	A	B	C	B	A	A
Received Training in Starting a Business During School*	**C**	A	B	B	A	B	B
Received Training in Starting a Business After School*	**C**	A	B	B	A	B	B
Immigration							
Inflows of foreign labour*	**A**	A	B	A	A	A	A
Migrants with Tertiary Education*	**B**	A	B	A	A	A	B
Self-employment by Place of Birth*	**B**	A	B	B	A	A	A
Stocks of foreign labour*	**B**	A	B	A	A	B	A
6. Entrepreneurship Culture							
Desirability of Becoming Self-Employed	**C**	A	B	C	A	B	A
Entrepreneurial Intention*	**C**	A	B	B	A	B	B
Entrepreneurial Motivation***	***C***	A	B	*B*	A	B	B
Entrepreneurship among Managers	**C**	A	B	C	A	A	A
Entrepreneurs are Job Creators*	**C**	A	B	C	A	B	B
Entrepreneurs Exploit other People's Work*	**C**	A	B	C	A	B	B
Entrepreneurs is Basis for Wealth Creation*	**C**	A	B	C	A	B	B
Entrepreneurs think only about their Own Wallets*	**C**	A	B	C	A	B	B
Fear of Failure would prevent Starting a Business*	**C**	A	B	B	A	B	B
Good Conditions to Start a Business*	**C**	A	B	B	A	B	B
Image of entrepreneurs	**C**	A	B	C	A	B	A
Risk for Business Failure	**C**	A	B	C	A	B	A
"The Wish to Own one's Own Business"	**C**	A	B	C	A	B	A
Entrepreneurship education (mindset)							
Self-Employment Preference	**C**	A	B	C	A	B	A

PART 3.1

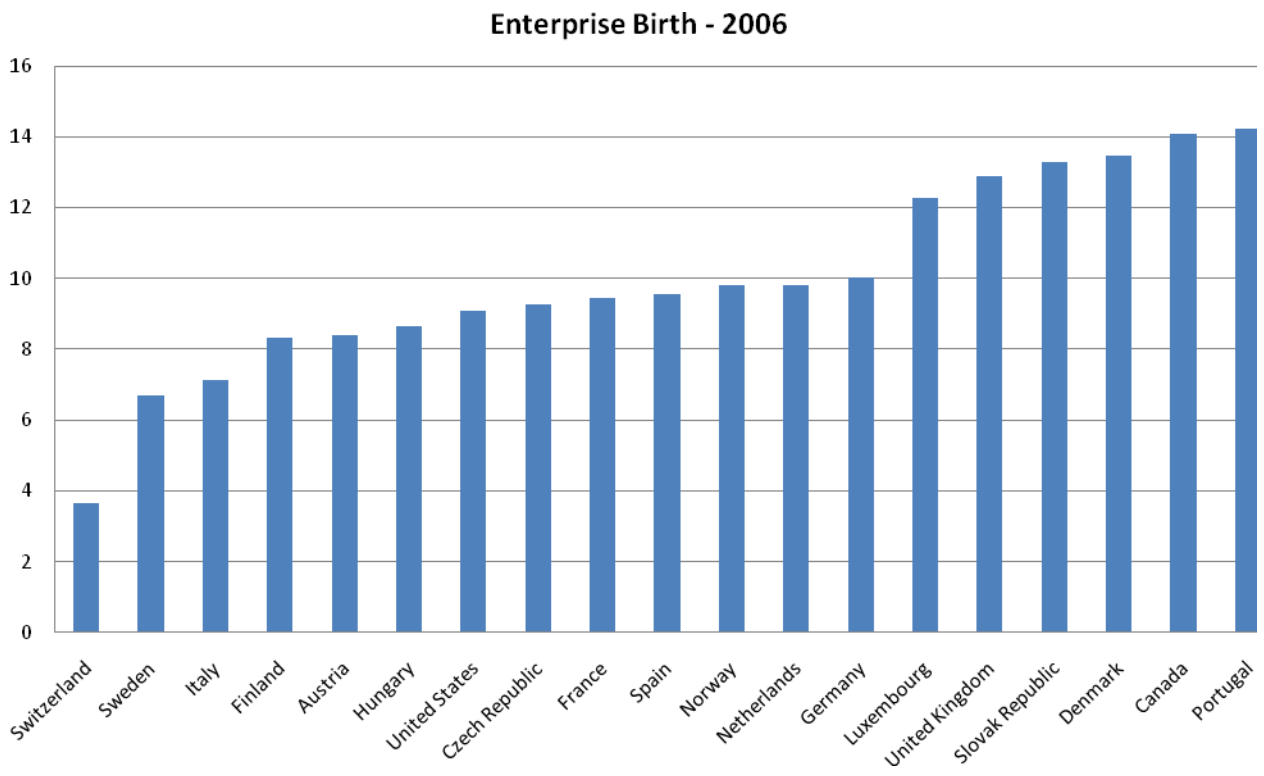
QUALITY ASSESSMENT OF PERFORMANCE INDICATORS

3.1.1 Enterprise Birth

Definition

The indicator measures the number of new enterprises as a share of the company base. A birth occurs when an enterprise starts from scratch and actually starts activity. An enterprise creation can be considered an enterprise birth if new production factors, in particular new jobs, is created. No other enterprises must be involved in the event.

Assessment		**Grade**
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of start-ups.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives targeted towards improving the environment for new companies will have an indirect impact on start-up rates.	B
2. Accuracy	*a) Data Collection Method* The data is fact-based, originating from Eurostat and National Statistics offices and based upon statistical business registers.	A
	b) Cross Country Comparability Data is not fully comparable since there are cross-country differences in the definitions of entries (especially comparing EU and non-EU countries) and moreover there are differences in the coverage of business in national statistical business registers.	B
3. Availability	*a) Availability across OECD Countries* Data is available for 15 OECD countries over 2005-2006.	B
	b) Availability over Time The Indicator is available on an annual basis.	A
Source	OECD Structural and Demographic Business Statistics (SDBS), Eurostat Business Demography Statistics and national sources.	



Notes: 2005 data for Canada, 2004 for Germany, Switzerland and the United States.

3.1.2 Employer Enterprise Birth

Definition

The indicator measures births of enterprises with at least one employee. Contrary to the indicator "enterprise birth" this measure only covers enterprises that have at least one employee in the birth year and of enterprises that existed before the year in consideration, but were below the threshold of one employee.

Assessment		**Grade**
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of start-ups.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives targeted towards improving the environment for new companies will have an indirect impact on start-up rates.	B
2. Accuracy	*a) Data Collection Method* The data is fact-based, originating from Eurostat and National Statistics offices and based upon statistical business registers.	A
	b) Cross Country Comparability The employer based data are more comparable and relevant for international comparisons than indicators covering all enterprises. Employer enterprise births are less sensitive to the coverage of national business registers, especially with respect to smaller enterprises.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 15 OECD countries over 2005-2006.	B
	b) Availability over Time The indicator is available on an annual basis.	A
Source	OECD Structural and Demographic Business Statistics (SDBS) and Eurostat Business Demography Statistics.	

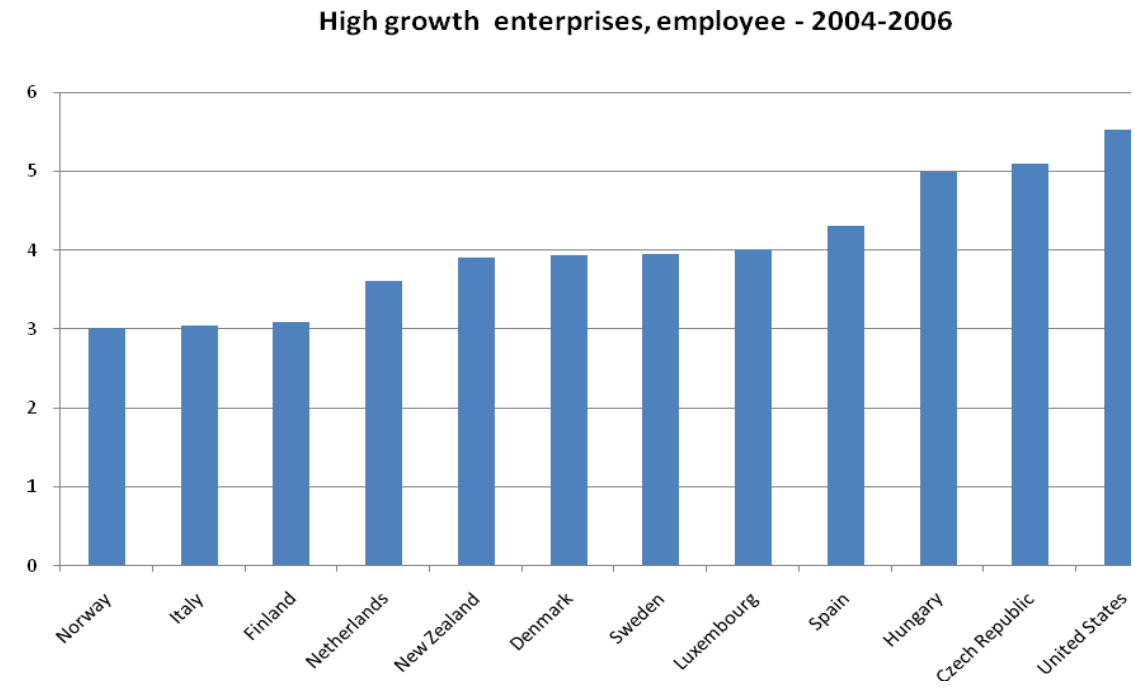
Notes: 2005 data for Czech Republic, Finland, Netherlands and Slovak Republic.

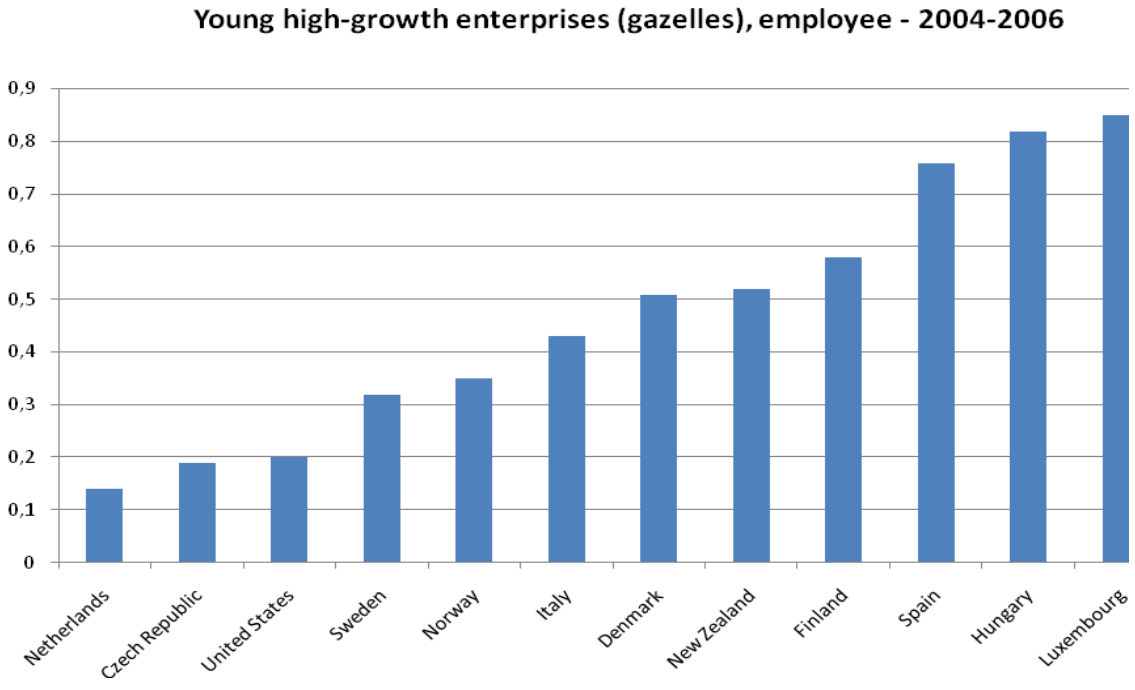
3.1.3 Share of High-Growth Enterprises (Employees)

Definition

High-growth enterprises, as measured by employment, are enterprises with average annualised growth in employees greater than 20% a year, over a three-year period, and with ten or more employees at the beginning of the observation period. High-growth enterprises born five years or less before the end of the three-year observation are categorised as Gazelle enterprises.

Assessment		**Grade**
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The share of firms with a high-growth in employees is a direct measure of growth in companies.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives targeted towards improving the environment for new companies will have an indirect impact on enterprise growth in employees.	B
2. Accuracy	*a) Data Collection Method* The data is fact-based, originating from Eurostat and National Statistics offices and based upon statistical business registers.	A
	b) Cross Country Comparability The size threshold of ten employees ensures better comparability across countries due to differences in business registers treatment of smaller enterprises. However, absolute thresholds will affect comparison of countries and industries of different size.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 12 OECD countries over 2005-2006.	B
	b) Availability over Time Data is available for the years 2005 and 2006.	A
Source	OECD Structural and Demographic Business Statistics (SDBS) and Eurostat Business Demography Statistics.	





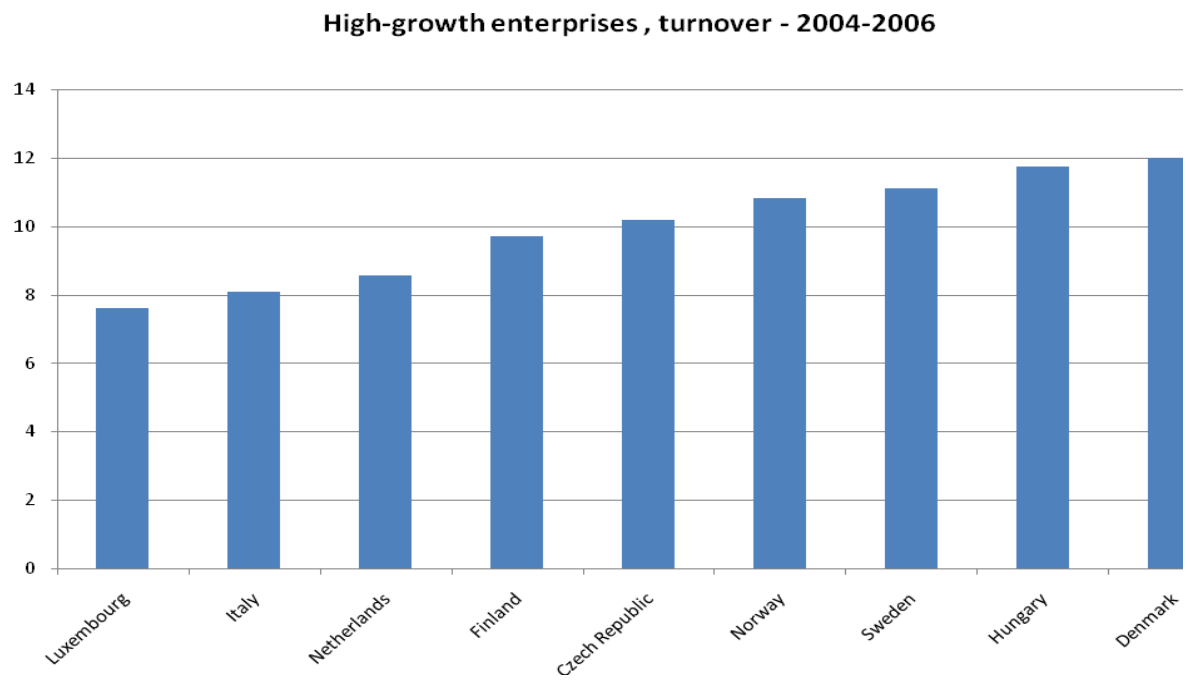
Note: 2003-2005 data for Czech Republic, Italy (high-growth enterprises) and the Netherlands.

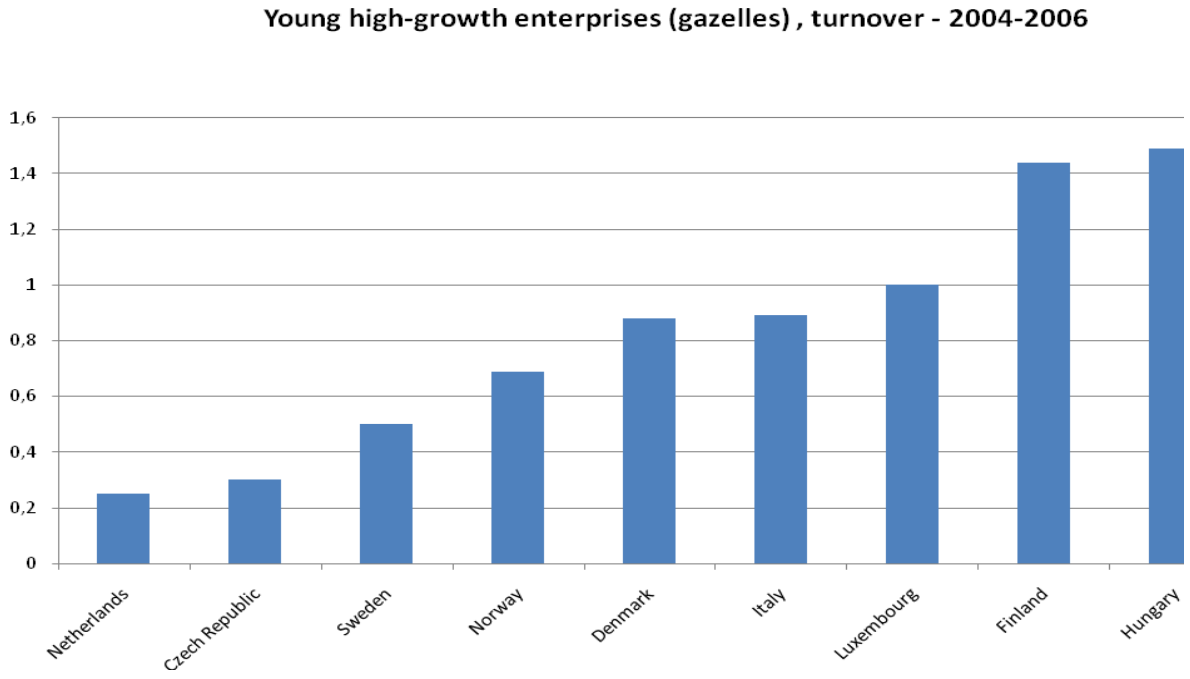
3.1.4 Share of High-Growth Enterprises (Turnover)

Definition

High-growth enterprises, as measured by turnover, are enterprises with average annualised growth in turnover greater than 20% a year, over a three-year period, and with ten or more employees at the beginning of the observation period. High-growth enterprises born five years or less before the end of the three-year observation are categorised as Gazelle enterprises.

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The share of firms with a high-growth in the company turnover is a direct measure of growth in companies.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives targeted towards improving the environment for new companies will have an indirect impact on the companies' growth in turnover.	B
2. Accuracy	*a) Data Collection Method* The data is fact-based, originating from Eurostat and National Statistics offices and based upon statistical business registers.	A
	b) Cross Country Comparability The size threshold of ten employees ensures better comparability across countries due to differences in business registers treatment of smaller enterprises. However, absolute thresholds will affect comparison of countries and industries of different size.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 12 OECD countries over 2005-2006.	B
	b) Availability over Time Data is available for the years 2005 and 2006.	A
Source	OECD Structural and Demographic Business Statistics (SDBS) and Eurostat Business Demography Statistics.	





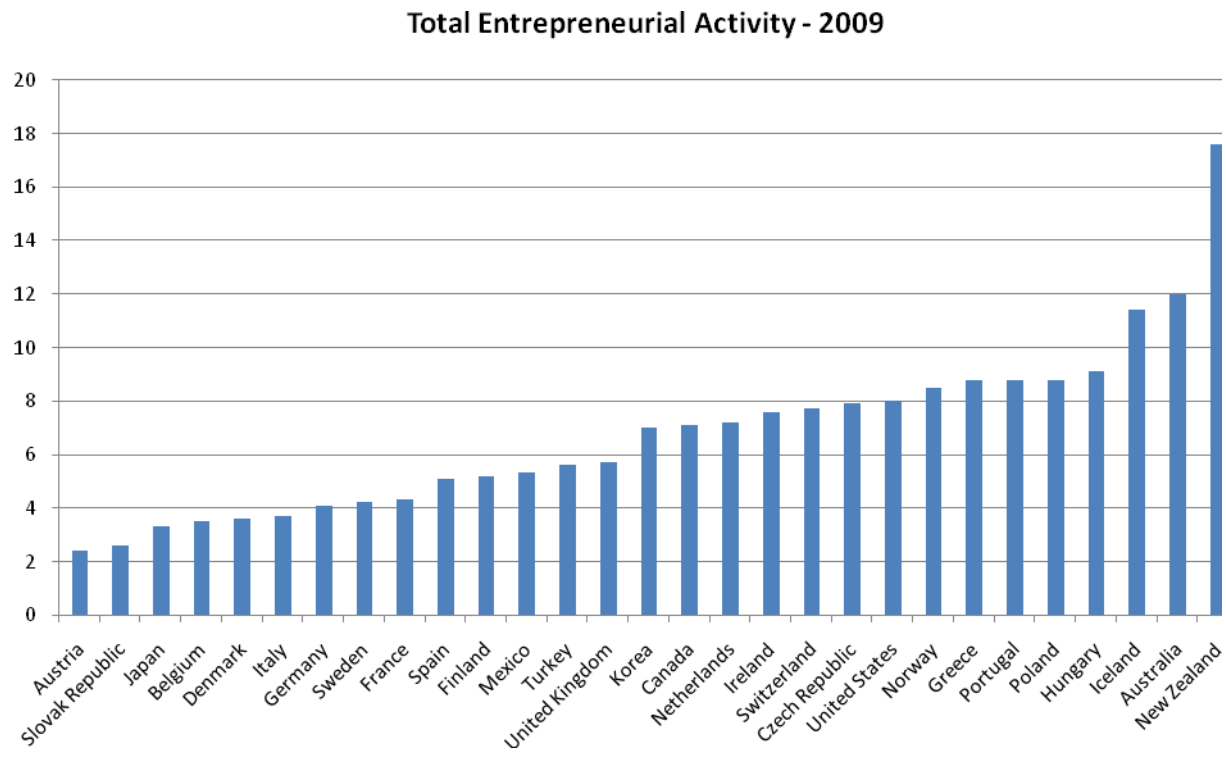
Note: 2003-2005 data for Czech Republic, Finland and the Netherlands.

3.1.5 Total Entrepreneurial Activity

Definition

The TEA index is the combined count of nascent entrepreneurs and new business owners. The indicator measures the share of the population who are starting a new company or runs a new company (a new company is defined as being maximum 3 ½ years old).

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The index is an indirect measure of start-ups.	B
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives targeted towards improving the environment for new companies will have an indirect impact on the total entrepreneurship activity.	B
2. Accuracy	*a) Data Collection Method* The data is computed from an action-based survey. Interviews are made among a representative section of the 16-64 years old. Data originates from the Global Entrepreneurship Monitor.	B
	b) Cross Country Comparability Data is not fully comparable since there are cross-country differences in how a representative section of the population is selected.	B
3. Availability	*a) Availability across OECD Countries* Data is available for 25 OECD countries	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	Global Entrepreneurship Monitor (GEM) Executive Report.	



Note: 2008 for Ireland, 2007 for Austria, Portugal, Sweden and Turkey, 2006 for Australia, Canada, Czech Republic and Mexico.

PART 3.2

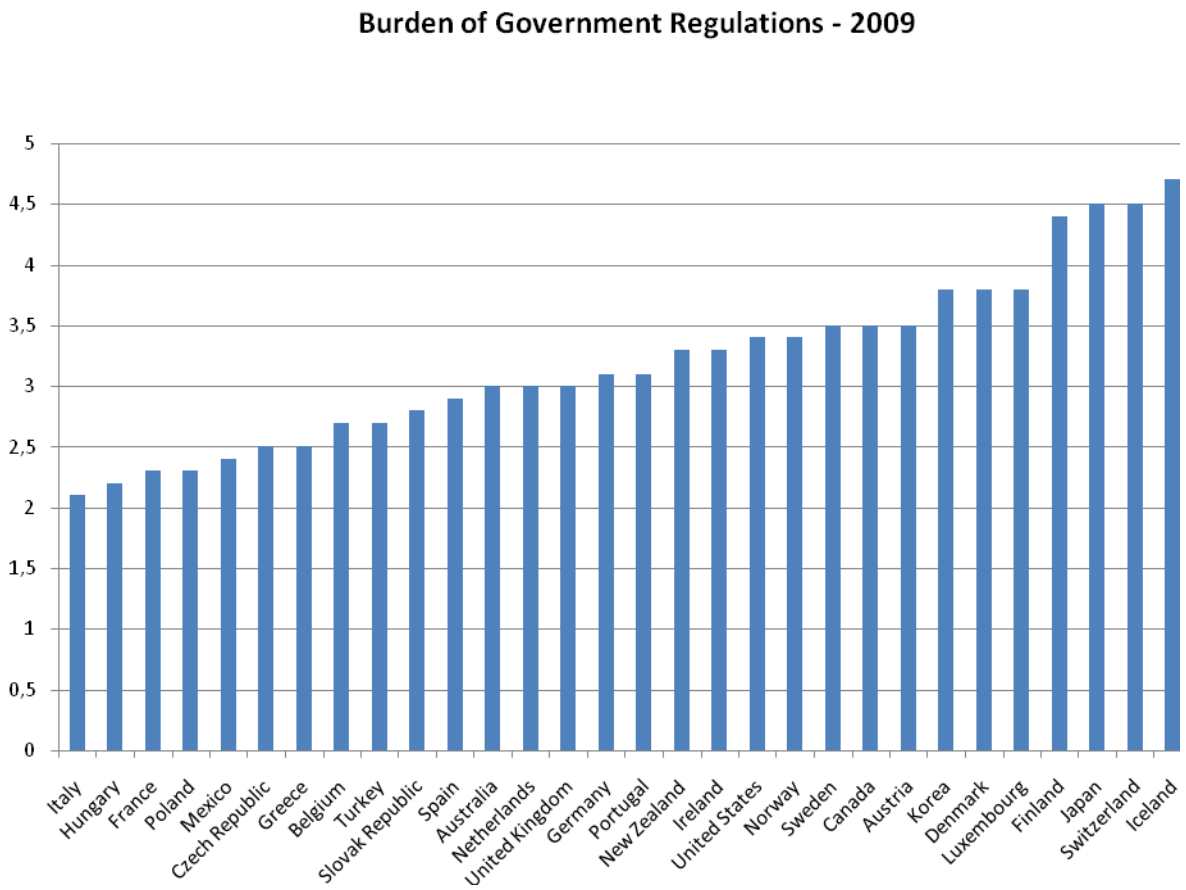
QUALITY ASSESSMENT OF FRAMEWORK INDICATORS

3.2.1 Burden of Government Regulation

Definition

Complying with administrative requirements (permits, regulations, reporting) issued by the government in your country is (1= burdensome, 7 = not burdensome).

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* Burden of government regulations is an indirect measure to which extent the administrative system is perceived as complex when starting a new business.	A
	b) Assessment of the Type of Policy Indicator Burden of Government Regulations is survey based and therefore policy initiatives will only have an indirect impact on the indicator.	B
2. Accuracy	*a) Data Collection Method* The data is opinion-based and originates from the World Economic Forum, as part of its annual Global Competiveness Report.	C
	b) Cross Country Comparability In principle the comparability should be high. However given the fact that it is an opinion-based survey there remain some uncertainties about comparability in practice. Moreover respondents from companies with less than 100 employees and less than $10,000 US dollars are excluded which could further distort comparability, particularly between richer/poorer and large/small countries.	B
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	World Economic Forum – The Global Competitiveness Report.	


Burden of Government Regulations - 2009
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4,5
4
3,5
3
2,5
2
1,5
1
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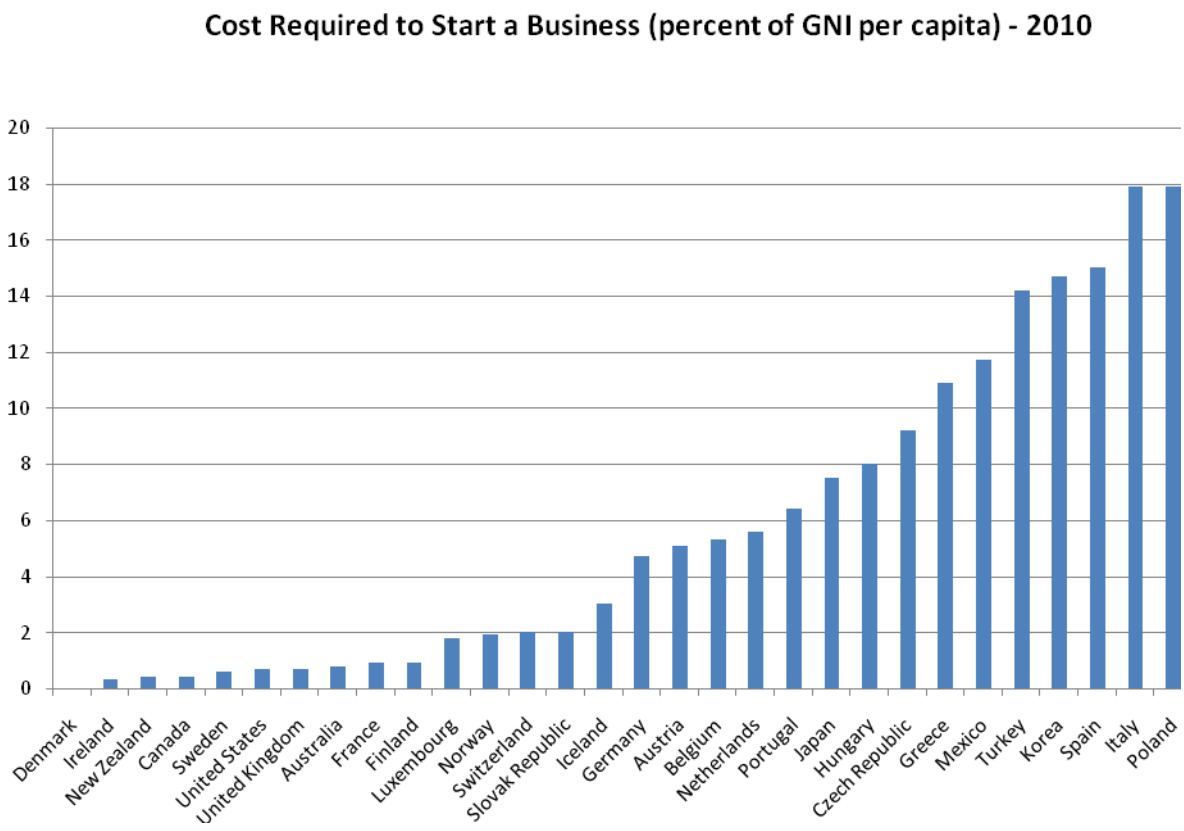
Italy
Hungary
France
Poland
Mexico
Czech Republic
Greece
Belgium
Turkey
Slovak Republic
Spain
Australia
Netherlands
United Kingdom
Germany
Portugal
New Zealand
Ireland
United States
Norway
Sweden
Canada
Austria
Korea
Denmark
Luxembourg
Finland
Japan
Switzerland
Iceland

3.2.2 Costs Required for Starting a Business

Definition

The indicator measures the official cost of each procedure in percentage of GNI per capita based on formal legislation and standard assumptions about business and procedure (see description of Number of procedures for starting a business indicator for at description of assumptions, etc.). The indicator measures only the politically influenced costs of starting a business.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of the administrative burdens resulting from the process of becoming an entrepreneur.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Changing formal regulation will have a direct impact on the number of procedures for starting a company. Policies easing the administrative burdens include initiatives relaxing the legal requirements needed to start and run a company including the legal regulations related to hiring employees, meeting environmental standards, exporting, making annual accounts and other types of compulsory duties.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	World Bank, Doing Business.	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.3 Minimum Capital Required for Starting a Business

Definition

The indicator measures the paid-in minimum of capital requirement that the entrepreneur needs to deposit in a bank before registration of the business starts (Exhibit 1). The amount of capital is recorded as a percentage of the country's income per capita.

Exhibit 1

This indicator assumes that the business:

• Is a limited liability company.

• Operates in the country's most populous city.

• Is 100% domestically owned and has 5 owners, none of whom is a legal entity.

• Has start-up capital of 10 times income per capita at the end of 2005, paid in cash.

• Performs general industrial or commercial activities, such as the production or sale of products or services to the public. It does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. The business is not using heavily polluting production processes.

• Leases the commercial plant and offices and is not a proprietor of real estate.

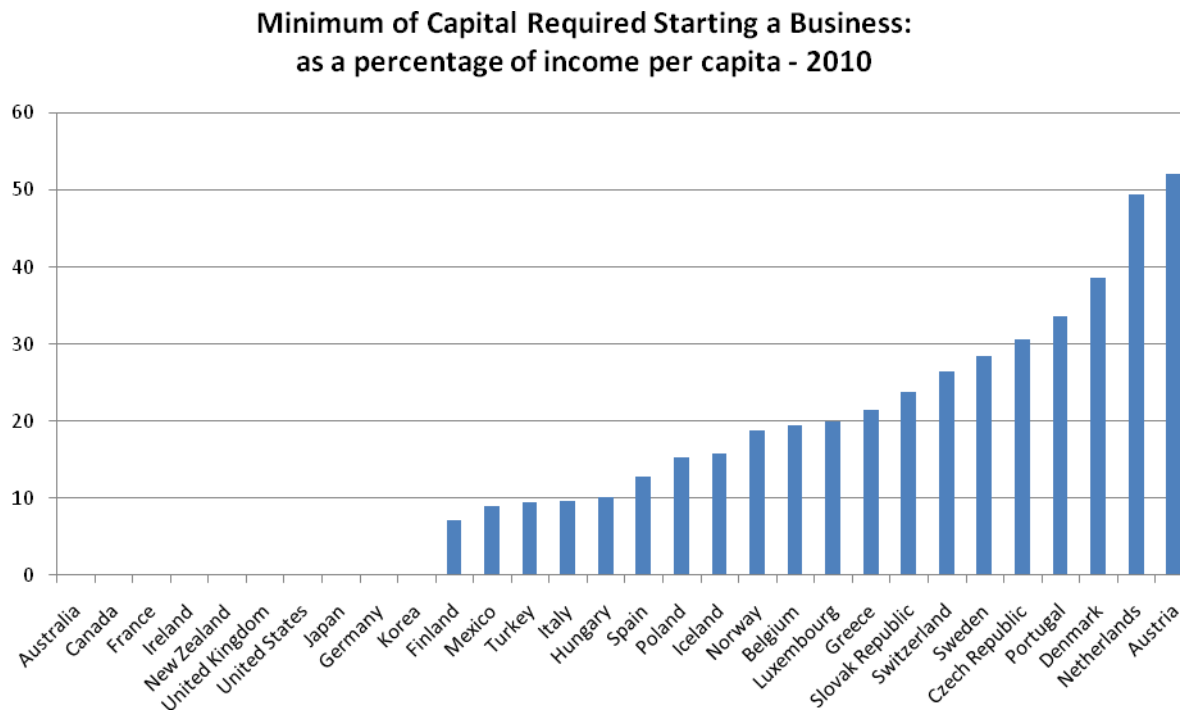
• Does not qualify for investment incentives or any special benefits.

• Has up to 50 employees 1 month after the commencement of operations, all of them nationals.

• Has a turnover of at least 100 times income per capita.

• Has a company deed 10 pages long.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of a potential entry barrier an entrepreneur must overcome to incorporate and register a new firm.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives reducing the capital requirement will have a direct impact on entry barriers.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based. Data originating from the World Bank.	A
	b) Cross Country Comparability Many countries have a minimum capital requirement but allow businesses to pay only part of it before registration, with the rest to be paid after the first year of operation. Countries that follow this procedure naturally have a lower paid-in minimum of capital requirement. The indicator is therefore comparable to some extent.	B
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries	A
	b) Availability over Time The indicator is available annually.	A
Source	World Bank, Doing Business.	



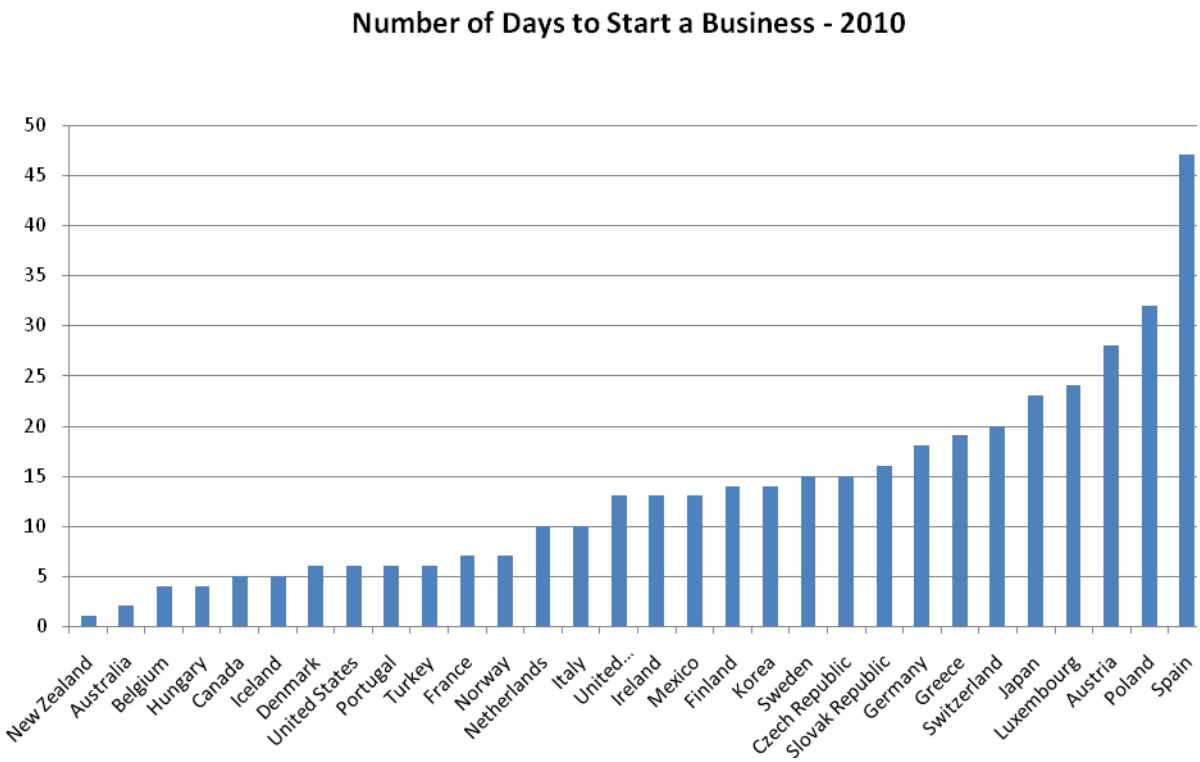
Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator

3.2.4 Number of Days for Starting a Business

Definition

This indicator measures the average time spent during each enterprise start-up procedure. Time is recorded in calendar days based on standard assumptions about time; the company and procedure (see description of number of procedures for starting a business indicator for at description of assumptions, etc.).

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of the administrative burdens resulting from the process of becoming an entrepreneur	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Changing formal regulation will have a direct impact on the number of procedures for starting a company. Policies easing the administrative burdens include initiatives relaxing the legal requirements needed to start and run a company including the legal regulations related to hiring employees, meeting environmental standards, exporting, making annual accounts and other types of compulsory duties.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The Indicator is available on an annual basis.	A
Source	World Bank, Doing Business.	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.5 Number of Procedures for Starting a Business

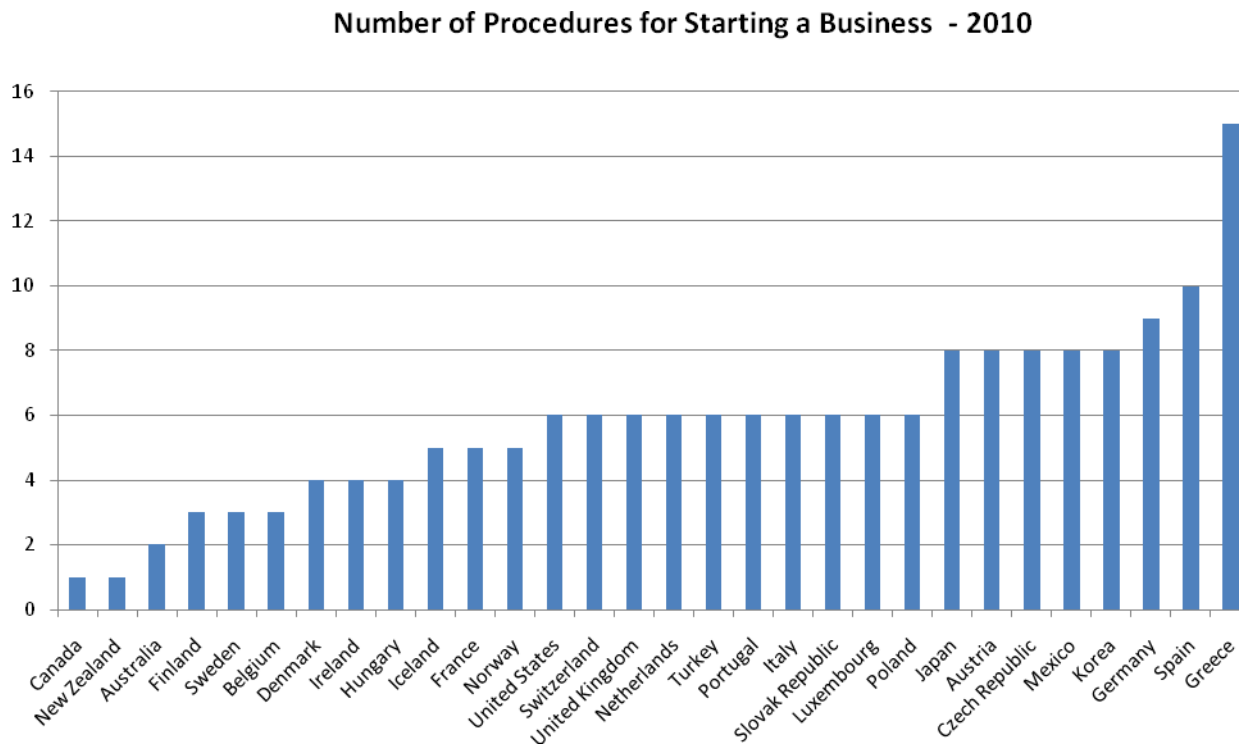
Definition

The Number of procedures indicator records all generic procedures that are officially required for an entrepreneur to start an industrial or commercial business. These include obtaining all necessary licenses and permits, and completing any required notifications, verifications or inscriptions with relevant authorities for a new company (Exhibit 1).

Exhibit 1

The indicator assumes the following with regard to procedures:
• A procedure is any interaction between the company founder and external parties (government agencies, lawyers, auditors, notaries, etc.). Interactions between company founders or company officers and employees are not considered separate procedures.
• The founders complete all procedures themselves, without middlemen, facilitators, accountants, lawyers, etc., unless law mandates the use of third parties.
• Procedures that are not required by law for starting a business are ignored. For example, obtaining exclusive rights over the company name is not counted in a country where businesses may use a number as identification.
• Shortcuts are counted only if they fulfil three criteria: they are legal and available to the general public, and are used because avoiding them causes substantial delays.
• Only procedures required of all businesses are covered. Industry-specific procedures are excluded. For example, procedures to comply with environmental regulations are included only when they apply to all businesses.
• Procedures that the company undergoes to connect to electricity, water, gas, and waste-disposal services are not included, unless they entail inspections required prior to starting operations
The indicator assumes that the new business:
• is a limited liability company. If there is more than one type of limited liability company in the country, the most popular limited liability form among domestic firms is chosen. Information on the most popular form is obtained from incorporation lawyers or the statistical office,
• operates in the country's most populous city,
• is 100 percent domestically owned and has five owners,
none of whom is a legal entity, • has a start-up capital of 10 times income per capita at the end of 2003, paid in cash,
• performs general industrial and/or commercial activities, such as producing or selling products or services to the public. It does not perform activities related to foreign trade and does not handle products subject to a special tax regime, for example liquor or tobacco. The business does not use heavily polluting production processes,
• leases the commercial plant and offices and is not a proprietor of real estate,
• does not qualify for investment incentives or any special benefits,
• has up to 50 employees one month after the commencement of operations, all of them nationals,
• has a turnover at least 100 times income per capita, and
• has a company deed 10 pages long

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of the administrative burdens resulting from the process of becoming an entrepreneur.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Changing formal regulation will have a direct impact on the number of procedures for starting a company. Policies easing the administrative burdens include initiatives relaxing the legal requirements needed to start and run a company including the legal regulations related to hiring employees, meeting environmental standards, exporting, making annual accounts and other types of compulsory duties.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	World Bank, Doing Business.	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.6 Procedures, Time and Costs to Build a Warehouse

Definition

The indicator is an average of three measurements:1) Average time spent during each procedure, 2) Official cost of each procedure and 3) Number of procedures to build a warehouse (Exhibit 1).

The three sub-indicators have been normalized on a scale from 1 to 100 before taking the average and thereby constructing the indicator.

Exhibit 1

The following assumptions and definitions underlie the data:

- Assumptions about the construction company:
  - o Is a limited liability company.
  - o Operates in the country's most populous city.
  - o Is 100% domestically owned and has 5 owners, none of whom is a legal entity.
  - o Carries out construction projects, such as building a warehouse.
  - o Has up to 20 builders and other employees, all of them nationals with the technical expertise and professional experience necessary to develop architectural and technical plans for building a warehouse.
- Assumptions about the warehouse project. The Warehouse:
  - o Has 2 stories and approximately 14,000 square feet (1,300.6 square meters). Each floor is 9 feet, 10 inches (3 meters) high.
  - o Is located in a periurban area of the country's most populous city.
  - o Is located on a land plot of 10,000 square feet (929 square meters), which is 100% owned by BuildCo and is accurately registered in the cadastre and land registry.
  - o Is a new construction (there was no previous construction on the land).
  - o Has a complete architectural and technical plan.
  - o Will be connected to electricity, water, sewerage and one land phone line. The connection to each utility network will be 32 feet, 10 inches (10 meters) long.
  - o Will require a 10-ampere power connection and 140 kilowatts of electricity.
  - o Will be used for storing books.
- Definition of procedures:

A procedure is any interaction of the company's employees or managers with external parties, including government agencies, public inspectors, notaries, the land registry and cadastre and technical experts apart from architects and engineers. Interactions between company employees, such as development of the warehouse plans and inspections conducted by employees, are not counted as procedures. Procedures that the company undergoes to connect to electricity, water, sewerage and phone services are included. All procedures that are legally or in practice required for building a warehouse are counted, even if they may be avoided in exceptional cases.

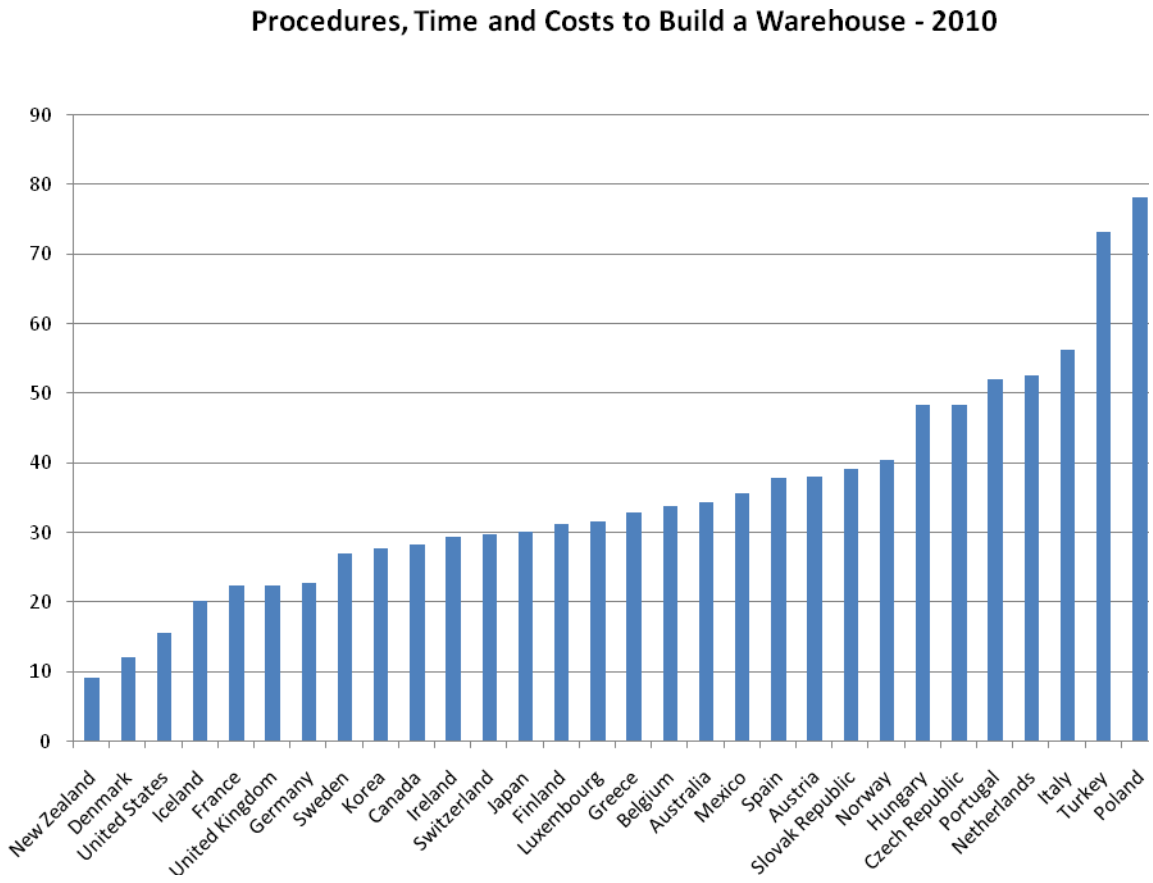
- Definition of time:

Time is recorded in calendar days. The measure captures the median duration that local experts indicate is necessary to complete a procedure. It is assumed that the minimum time required for each procedure is 1 day. If a procedure can be accelerated legally for an additional cost, the fastest procedure is chosen. It is assumed that BuildCo does not waste time and commits to completing each remaining procedure without delay. The time that BuildCo spends on gathering information is ignored. It is assumed that Build- Co is aware of all building requirements and their sequence from the beginning.

- Definition of cost:

Cost is recorded as a percentage of the country's income per capita. Only official costs are recorded. The building code, specific regulations and fee schedules and information from local experts are used as sources for costs. If several local partners provide different estimates, the median reported value is used. All the fees associated with completing the procedures to legally build a warehouse, including utility hook-up, are included.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* Procedures, time and cost spent when building a warehouse is a direct measure of administrative burdens which can arise during a business operation.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Changing formal regulations will have a direct impact on administrative burdens arising when building a warehouse.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	World Bank, Doing Business.	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.7 Registering Property

Definition

The indicator is an average of three measurements: 1) Number of procedures legally required to register property, 2) Time spent in completing the procedures and 3) Registering property costs (Exhibit 1).

The three sub-indicators have been normalized on a scale from 1 to 100 before taking the average and thereby constructing the indicator.

Exhibit 1

The data contains the full sequence of procedures necessary when a business purchases land and a building to transfer the property title from the seller to the buyer so that the buyer can use the property for expanding its business, as collateral in taking new loans or, if necessary, to sell to another business. Every required procedure is included, whether it is the responsibility of the seller or the buyer or must be completed by a third party on their behalf.

- The following assumptions and definitions underlie the data:
  - Is a limited liability company.
  - Is located in a periurban area of the country's most populous city.
  - Is 100% domestically and privately owned.
  - Has 50 employees, all of whom are nationals.
  - Performs general commercial activities.
- Assumptions about the property:
  - Has a value of 50 times income per capita.
  - Is fully owned by another domestic limited liability company.
  - Has no mortgages attached and has been under the same ownership for the past 10 years.
  - Is adequately measured and filed in the cadastre, registered in the land registry and free of title disputes.
  - Is located in a periurban commercial zone, and no rezoning is required.
  - Consists of land and a building. The land area is 6,000 square feet (557.4 square meters). A 2-story warehouse of 10,000 square feet (929 square meters) is located on the land. The warehouse is 10 years old, is in good condition and complies with all safety standards, building codes and other legal requirements. The property of land and building will be transferred in its entirety.
  - Will not be subject to renovations or additional building following the purchase.
  - Has no trees, natural water sources, natural reserves or historical monuments of any kind.
  - Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
  - Has no occupants (legal or illegal), and no other party holds a legal interest in it
- Definition of procedures:

A procedure is defined as any interaction of the buyer or the seller, their agents (if an agent is legally or in practice required) or the property with external parties, including government agencies, inspectors, notaries and lawyers. Interactions between company officers and employees are not considered. All procedures that are legally or in practice required for registering property are recorded, even if they may be avoided in exceptional cases. It is assumed that the buyer follows the fastest legal option available and used by the general public. Although the business may use lawyers or other professionals where necessary in the registration process, it is assumed that it does not employ an outside facilitator in the registration process unless legally or in practice required to do so.

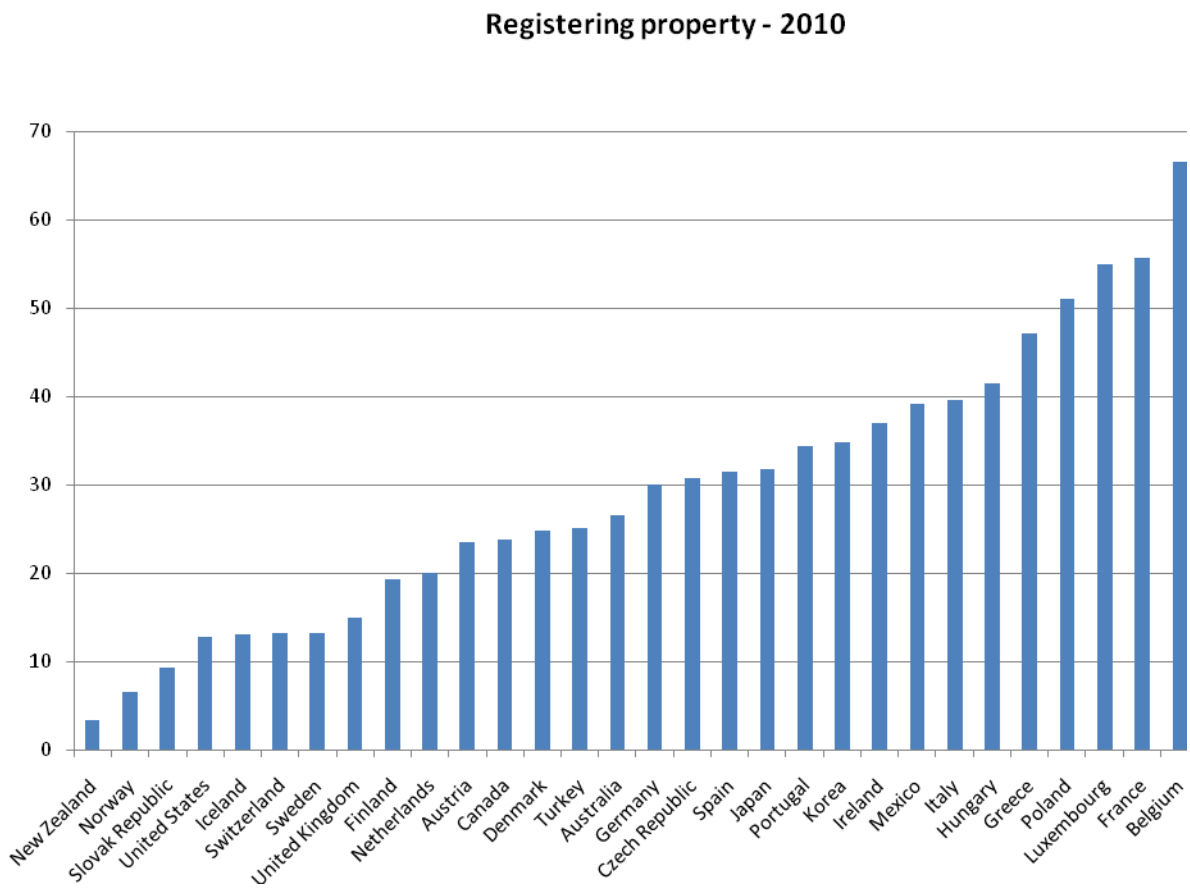
- Definition of time:

Time is recorded in calendar days. The measure captures the median duration that property lawyers or registry officials indicate is necessary to complete a procedure. It is is 1 day. Although procedures may take place simultaneously, they cannot start on the same day. It is assumed that the buyer does not waste time and commits to completing each remaining procedure without delay. If a procedure can be accelerated for an additional cost, the fastest legal procedure available and used by the general public is chosen. If procedures can be undertaken simultaneously, it is assumed that they are. It is assumed that the parties involved are aware of all regulations and their sequence from the beginning. Time spent on gathering information is not considered.

- Definition of Cost:

Cost is recorded as a percentage of the property value, assumed to be equivalent to 50 times income per capita. Only official costs required by law are recorded, including fees, transfer taxes, stamp duties and any other payment to the property registry, notaries, public agencies or lawyers. Other taxes, such as capital gains tax or value added tax, are excluded from the cost measure. If cost estimates differ among sources, the median reported value is used.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The indicator, Registering Property, is a direct measure of administrative burdens which can arise during a business operation.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Changing formal regulations will have a direct impact on administrative burdens arising from an entrepreneur registering property.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based.	A
	b) Cross Country Comparability Fully comparable	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	World Bank, Doing Business.	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.8 Time it takes to Prepare File and Pay the Corporate Income Tax, VAT and Social Security Contributions

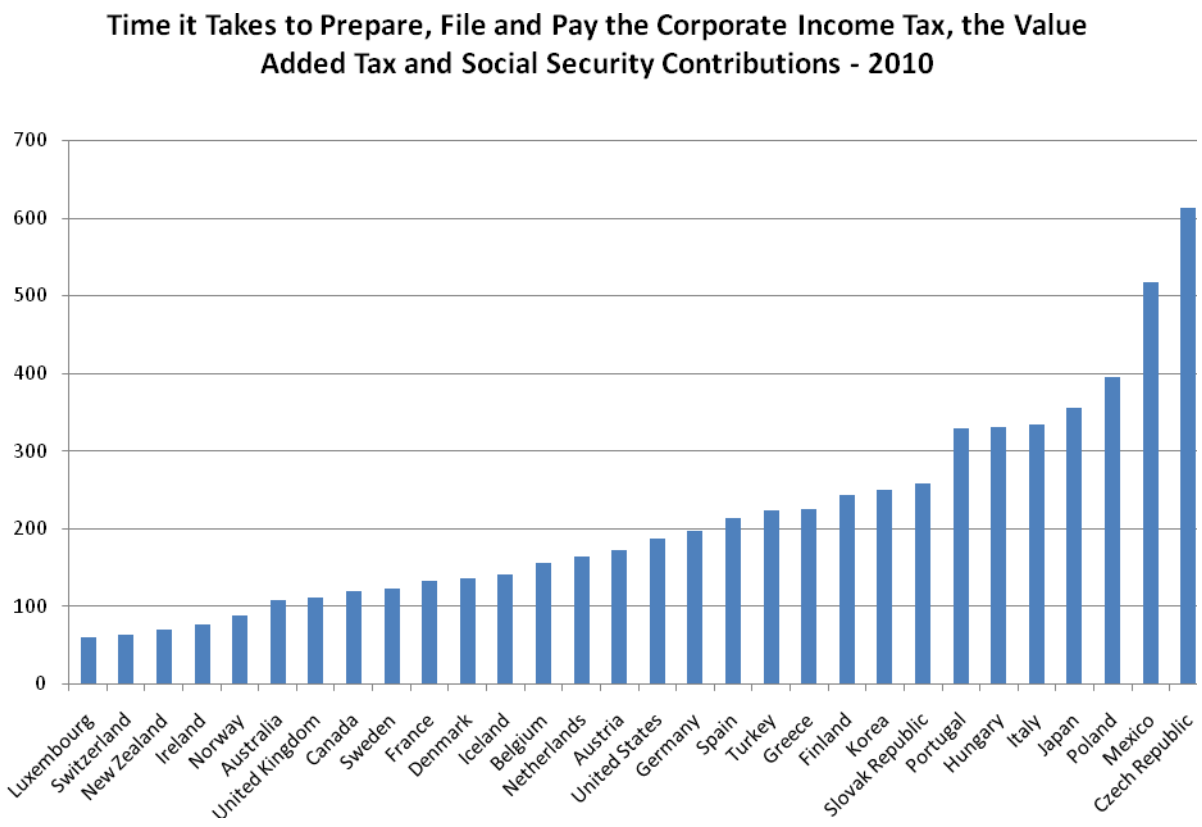
Definition

Time it takes to prepare, file and pay (or withhold) the corporate income tax, the value added tax and social security contributions (in hours per year).

Exhibit 1

The following assumptions and definitions underlie the data:
• Assumptions about the business. The business:
o Is a limited liability, taxable company. If there is more than one type of limited liability company in the country, the limited liability form most popular among domestic firms is chosen. Incorporation lawyers or the statistical office report the most popular form.
o Started operations on January 1, 2004. At that time the company purchased all the assets shown in its balance sheet and hired all its workers.
o Operates in the country's most populous city.
o Is 100% domestically owned and has 5 owners, all of whom are natural persons.
o Has a start-up capital of 102 times income per capita at the end of 2004.
o Performs general industrial or commercial activities. Specifically, it produces ceramic flowerpots and sells them at retail. It does not participate in foreign trade (no import or export) and does not handle products subject to a special tax regime, for example, liquor or tobacco.
o Owns 2 plots of land, 1 building, machinery, office equipment, computers and 1 truck and leases another truck.
o Does not qualify for investment incentives or any special benefits apart from those related to the age or size of the company.
o Has 60 employees - 4 managers, 8 assistants and 48 workers. All are nationals, and 1 of the managers is also an owner.
o Has a turnover of 1,050 times income per capita.
o Makes a loss in the first year of operation.
o Has the same gross margin (pre-tax) across all economies.
o Distributes 50% of its profits as dividends to the owners at the end of the second year.
o Sells one of its plots of land at a profit during the second year.
o Is subject to a series of detailed assumptions on expenses and transactions to further standardize the case.
• Definition of time:
Time is recorded in hours per year. The indicator measures the time to prepare, file and pay (or withhold) three major types of taxes: the corporate income tax, value added or sales tax and labor taxes, including payroll taxes and social security contributions. Preparation time includes the time to collect all information necessary to compute the tax payable. If separate accounting books must be kept for tax purposes—or separate calculations must be made for tax purposes—the time associated with these processes is included. Filing time includes the time to complete all necessary tax forms and make all necessary calculations. Payment time is the hours needed to make the payment online or at the tax office. When taxes are paid in person, the time includes delays while waiting.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The time spent preparing, filing and paying taxes is a direct measure of administrative burdens which arise during a business operation.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Changing formal regulations will have a direct impact on administrative burdens when paying taxes.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	World Bank, Doing Business.	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.9 Actual Cost to Close a Business

Definition

The indicator measures the actual cost to close a business. The cost is measured in percent of estate, based on a standard business closure (Exhibit 1).

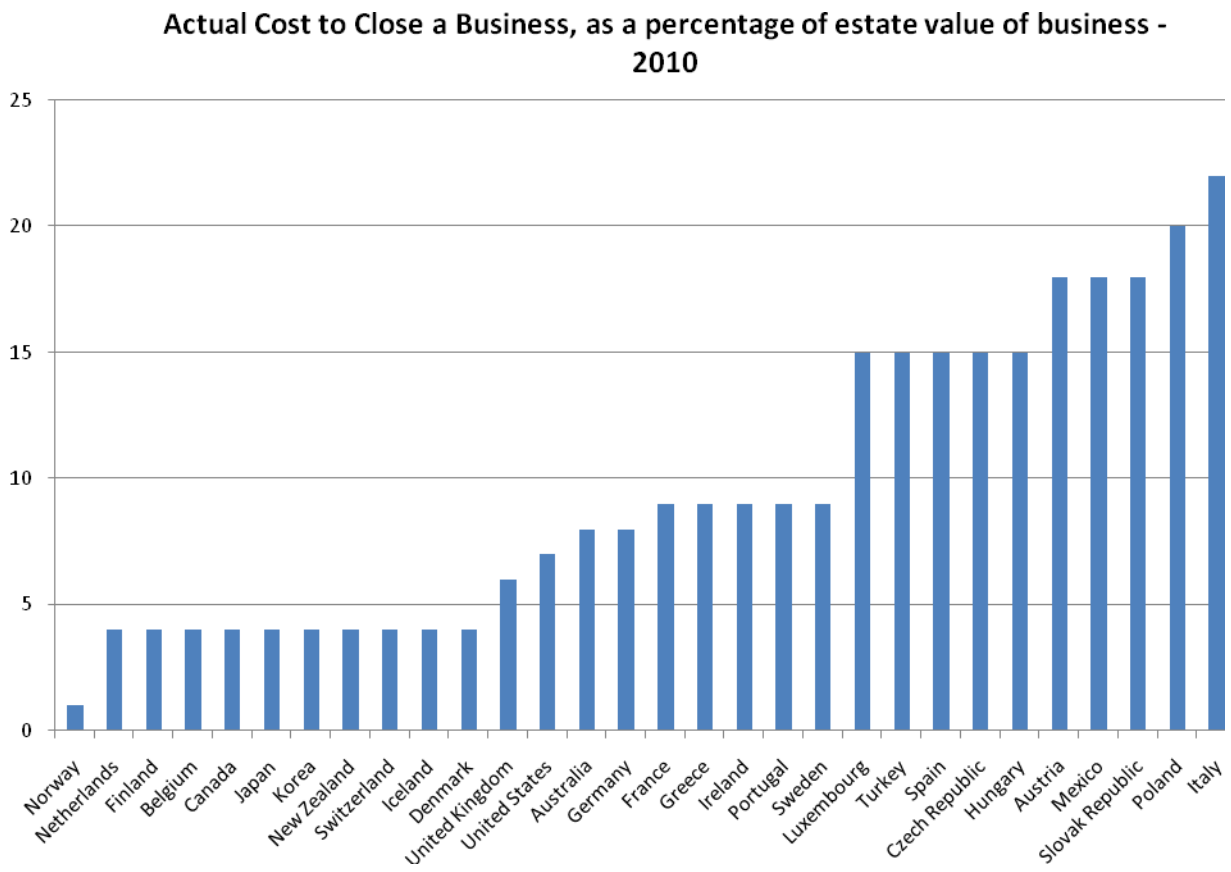
Exhibit 1

This indicator assumes that the business:
• is a limited liability company;
• operates in the country's most populous city;
• is 100 percent domestically-owned, of which 51 percent is owned by its founder, who is also the chairman of the supervisory board (aside from the founder, there is no other shareholder who has above 1 percent of shares);
• has downtown real estate as its major asset, on which it runs a hotel;
• has a professional general manager;
• has average annual revenue of 1,000 times income per capita over the last three years;
• has 201 employees, and 50 suppliers, each supplier is owed money for the last delivery;
• borrowed from a domestic bank five years ago (the loan has 10 years to full repayment) and bought real estate (the hotel building), using it as a security for the bank loan;
• has observed the payment schedule and all other conditions of the loan up to now; and
• has a mortgage with the current value of the mortgage principal being exactly equal to the market value of the hotel.

It also assumes the following with regard to business closure

• In January 2004, the business experiences liquidity problems. The company's loss in 2003 brought its net worth to a negative figure. There is no cash to pay the bank either through interest or principal in full, due on January 2, 2004. Therefore, the business defaults on its loan. Management believes that losses will be incurred in 2004 and 2005 as well.
• The bank holds a floating charge against the hotel in countries where floating charges are possible. If the law does not permit a floating charge, some contracts may nevertheless use some other provision to that effect. This provision would be specified in the lending contract.
• The business has too many creditors to renegotiate out of court. Its options are: a procedure aimed at rehabilitation or any procedure that will reorganise the business to permit continue operation; a procedure aimed at liquidation; or selling the hotel, either as a going concern or piecemeal, either enforced through a court (or a government authority like a debt collection agency) or through out of court procedure (receivership).

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The indicator measures the potential costs of closing a business based on a standard case with a company with 201 employees. The indicator can thus only be a proxy measure for the potential costs for an entrepreneurial company as such companies seldom have more that 200 employees.	B
	b) Assessment of the Type of Policy Indicator Policy implication focused indicator. A direct measure for policy Instrument. Changing formal regulation will have a direct influence of the costs of closing a company.	A
2. Accuracy	*a) Data Collection Method* Action-based indicator coming from the World Bank. The cost figures are averages of the estimates in a multiple-choice question. Respondents are required to choose among the following options: 0-2 percent, 3-5 percent, 6-10 percent, 11-15 percent, 16-20 percent, 21-25 percent, 26-50 percent, and more than 50 percent of the estate value of the bankrupt business.	B
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	World Bank, Doing Business.	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.10 Actual Time to Close a Business

Definition

The indicator measures the actual time to close a business. Time is recorded in calendar years. The indicator is based on a standard business closure (Exhibit 1).

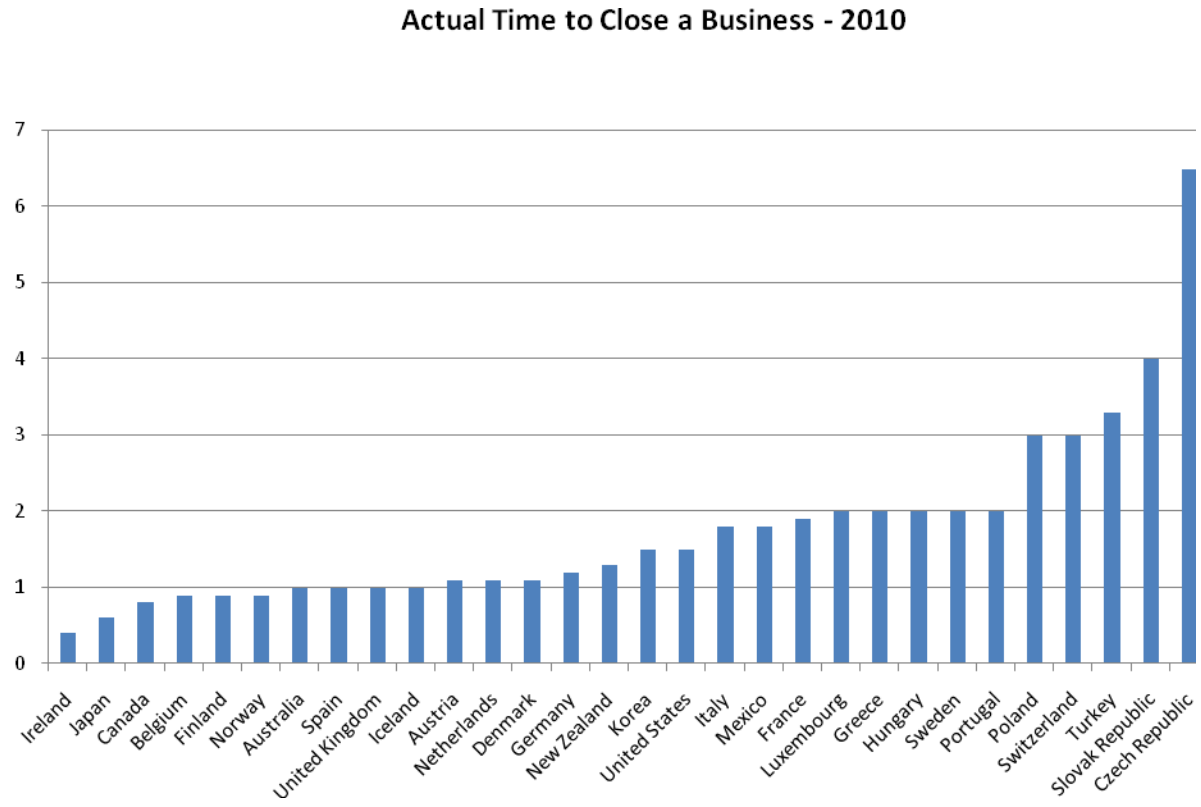
Exhibit 1

This indicator assumes that the business:
• is a limited liability company;
• operates in the country's most populous city;
• is 100 percent domestically-owned, of which 51 percent is owned by its founder, who is also the chairman of the supervisory board (aside from the founder, there is no other shareholder who has above 1 percent of shares);
• has downtown real estate as its major asset, on which it runs a hotel;
• has a professional general manager;
• has average annual revenue of 1,000 times income per capita over the last three years;
• has 201 employees, and 50 suppliers, each supplier is owed money for the last delivery;
• borrowed from a domestic bank five years ago (the loan has 10 years to full repayment) and bought real estate (the hotel building), using it as a security for the bank loan;
• has observed the payment schedule and all other conditions of the loan up to now; and
• has a mortgage with the current value of the mortgage principal being exactly equal to the market value of the hotel.

It also assumes the following with regard to business closure

• In January 2004, the business experiences liquidity problems. The company's loss in 2003 brought its net worth to a negative figure. There is no cash to pay the bank either through interest or principal in full, due on January 2, 2004. Therefore, the business defaults on its loan. Management believes that losses will be incurred in 2004 and 2005 as well.
• The bank holds a floating charge against the hotel in countries where floating charges are possible. If the law does not permit a floating charge, some contracts may nevertheless use some other provision to that effect. This provision would be specified in the lending contract.
• The business has too many creditors to renegotiate out of court. Its options are: a procedure aimed at rehabilitation or any procedure that will reorganise the business to permit continue operation; a procedure aimed at liquidation; or selling the hotel, either as a going concern or piecemeal, either enforced through a court (or a government authority like a debt collection agency) or through out of court procedure (receivership).

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The indicator measures the time of closing a business based on a standard case with a company with 201 employees. The indicator can thus only be a proxy measure for the potential costs for an entrepreneurial company as entrepreneurial companies seldom have more than 200 employees.	B
	b) Assessment of the Type of Policy Indicator Policy implication focused indicator. A direct measure for policy Instrument. Changing formal regulation will have a direct influence of the costs of closing a company.	A
2. Accuracy	*a) Data Collection Method* Action-based indicator, stemming from the World Bank. The cost of the bankruptcy proceedings is calculated based on answers by practicing insolvency lawyers. If several respondents report different estimates, the median reported value is used.	B
	b) Cross Country Comparability Fully comparable	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries	A
	b) Availability over Time The Indicator is available on an annual basis.	A
Source	World Bank, Doing Business.	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.11 Bankruptcy Recovery Rate

Definition

The recovery rate measures the efficiency of foreclosure or bankruptcy procedures. It estimates how many cents on the dollar claimants - creditors, tax authorities and employees - recover from an insolvent firm.

Exhibit 1

The following assumptions underlie the data:

• Assumption underlying the recovery rate:

The calculation takes into account whether the business is kept as a going concern during the proceedings, as well as court, attorney and other related costs and the discounted value due to the time spent closing down. If the business keeps operating, no value is lost on the initial claim, set at 100 cents on the dollar. If it does not, the initial 100 cents on the dollar are reduced to 70 cents on the dollar. Then the official costs of the insolvency procedure are deducted (1 cent for each percentage of the initial value). Finally, the value lost due to the time that the money remains tied up in insolvency procedures is taken into account, including the loss of value due to depreciation of the hotel furniture. Consistent with international accounting practice, the depreciation rate for office furniture is taken to be 20%. The value of the furniture is assumed to be a quarter of the total value of assets. The recovery rate is the present value of the remaining proceeds, based on end-2004 lending rates from the International Monetary Fund's International Financial Statistics, supplemented with data from central banks.

• Assumptions underlying the Business. The business:

o Is a limited liability company.

o Operates in the country's most populous city.

o Is 100% domestically owned, with the founder, who is also the chairman of the supervisory board, owning 51% (besides the founder, no other shareholder holds more than 1% of shares).

o Has downtown real estate, where it runs a hotel, as its major asset.

o Has a professional general manager.

o Has had average annual revenue of 1,000 times income per capita over the past 3 years.

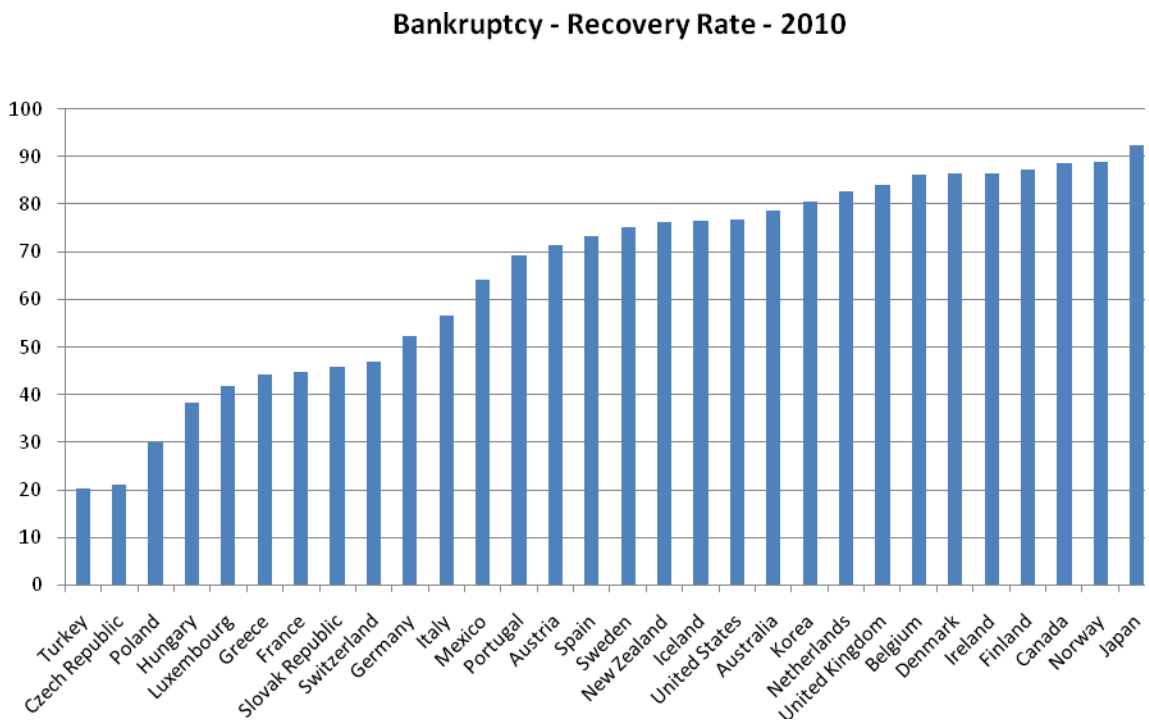
o Has 201 employees and 50 suppliers, each of whom is owed money for the last delivery.

o Borrowed from a domestic bank 5 years ago (the loan has 10 years to full repayment) and bought real estate (the hotel building), using it as security for the bank loan.

o Has observed the payment schedule and all other conditions of the loan up to now.

o Has a mortgage, with the value of the mortgage principal being exactly equal to the market value of the hotel.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of investors' potential loss if a business closes. The recovery rate directly influences investors' incentives to invest in new business operations.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Changing bankruptcy legislation will have a direct impact on the recovery rate.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based. Data originating from the World Bank.	A
	b) Cross Country Comparability Fully comparable	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries	A
	b) Availability over Time The Indicator is available on an annual basis.	A
Source	World Bank, Doing Business.	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.12 Possibility for a Fresh Start

Definition

The indicator measures an entrepreneur's possibility to resume running a business after experiencing financial difficulties. A fresh start can be attained through a restructuring of the existing business to avoid bankruptcy or by restructuring debt. (Exhibit 1)

Exhibit 1

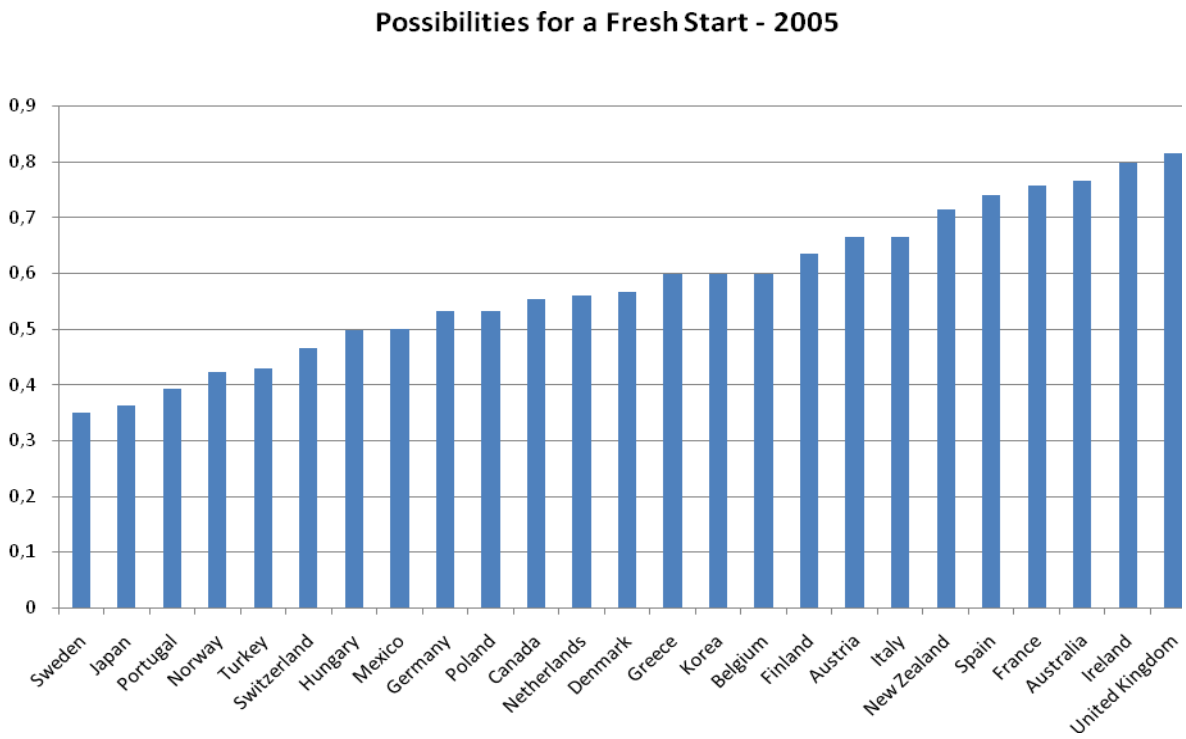
The indicator consists of the following questions:
• Reorganization out-of-court:
o Q1 Early warning systems supported by the public sector
o Q2 Countries having private supported early warning systems
o Q3 Possibility for out-of-court settlements

• Reorganization in court:
o Q4 Possibility for in-court reorganization
o Q4A Countries having fast track procedures for reorganizing Small and Medium Sized Enterprises (SMEs)
o Q7 Countries having courts or sections within courts specialized in restructuring insolvent companies

• Liquidation and discharge:
o Q13 What priority is given to the national public authorities' claims on the debtor
o Q14 Can an enterprise that is about to be liquidated convert from liquidation to reorganization proceedings?
o Q17 and 17B: For how long does the honest business bankruptee usually have to pay back instalments (check Ireland)
o Q18 Are all debts belonging to an honest business bankruptee discharged in the cases where a discharge is granted
o Q21 Honest business bankruptees who has also served as directors of a bankrupt company can be deprived of the right to start a new business

The indicator is quantified as follows:
• Q1: yes = 1 point, no = 0 point
• Q2: yes = 1 point, no = 0 point
• Q3: yes = 1 point, yes, but is rarely used = 0.5 point, no = 0 point
• Q4: yes = 1 point, no = 0 point
• Q4A: yes = 1 point, no = 0 point
• Q7: yes = 1 point, no = 0 point
• Q13: 1. Priority = 0 points, 2. or 3. Priority = 0.33 points,
4.-2. Last Priority = 0.66 points, Last Priority = 1 points.
(If a government have different priorities the average of these alternatives are used to determine the number of points the country receives).
• Q14: yes = 1 point, no = 0 point
• Q17 and 17B: instantaneously discharge or maximal 1 year = 1 point, 1-3 year = 0.66 point, 4-5 year = 0.33 point, more than 5 years = 0 point.
• Q18: yes = 1 point, In most cases = 0.66, rarely = 0.33, no = 0 point
• Q21: yes = 1 point, no = 0 point
The indicator is constructed on a scale from 0-11.
When a question is not answered an average score from the other questions is given to a country.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of an entrepreneur's restart possibilities.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Changing formal regulations will have a direct impact on an entrepreneur's possibility to restart after experiencing financial difficulties.	A
2. Accuracy	*a) Data Collection Method* The OECD survey "Policy Questionnaire on Bankruptcy" is fact-based.	A
	b) Cross Country Comparability Fully comparable - the same questions were asked in every country	A
3. Availability	*a) Availability across OECD Countries* The indicator is available for 25 OECD countries.	A
	b) Availability over Time The indicator is available for 2005. It is unclear if the indicator will be updated in the future because it will require a new survey.	B
Source	The indicator is constructed on the basis of the OECD survey "Policy Questionnaire on Bankruptcy" which maps out regulation of rehabilitation, liquidation, restructuring of debt and discharge in OECD countries.	


Possibilities for a Fresh Start - 2005
0,9
0,8
0,7
0,6
0,5
0,4
0,3
0,2
0,1
0
Sweden
Japan
Portugal
Norway
Turkey
Switzerland
Hungary
Mexico
Germany
Poland
Canada
Netherlands
Denmark
Greece
Korea
Belgium
Finland
Austria
Italy
New Zealand
Spain
France
Australia
Ireland
United Kingdom

3.2.13 Difficulty of Firing

Definition

The index measures whether laws or other regulations have implications for the difficulties of firing a standard worker in a standard company (Exhibit 1).

Based on fact-based (yes/no) questions but remodelled into a 0-100 index.

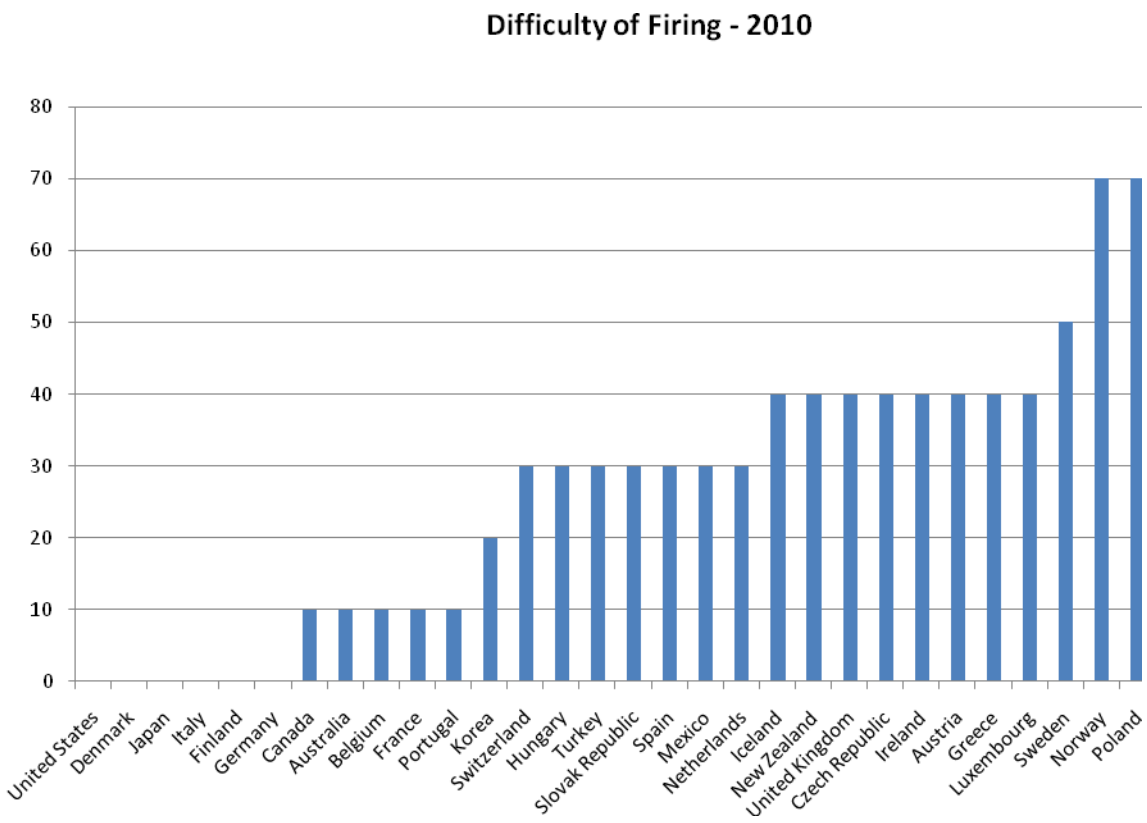
Exhibit 1

The index measures:

(i) whether redundancy is not grounds for dismissal;
(ii) whether the employer needs to notify the labor union or the labor ministry for firing one redundant worker;
(iii) whether the employer needs to notify the labor union or the labor ministry for group dismissals;
(iv) whether the employer needs approval from the labor union or the labor ministry for firing one redundant worker;
(v) whether the employer needs approval from the labor union or the labor ministry for group dismissals;
(vi) whether the law mandates training or replacement prior to dismissal;
(vii) whether priority rules apply for dismissals; and (viii) whether priority rules apply for re-employment

If the answer to any question is yes, a score of 1 is assigned; otherwise a score of 0 is given. Questions (i) and (iv) have double weight in the construction of the final index. The score is based on regulatory implications on a standard worker and company.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of some of the potential administrative burdens resulting from being an entrepreneur, namely the burdens connected to firing employees	A
	b) Assessment of the Type of Policy Indicator Changing formal labor market regulation will have a direct impact of the size of the indicator. Note that in some countries some of the regulations are based on agreements between the parties on the labour market, who have no tradition for political interference. The indicator has been remodeled into index 0 – 100, which makes the indicator an indirect measure (it is a priori unclear what is needed to change a country from 70 to 35).	A
2. Accuracy	*a) Data Collection Method* The indicator is fact-based. It measures formal regulation for a standard company and worker. In every country the same methodology is used. The score is based on regulatory implications on a standard worker and company. Regulative implications may vary among workers and companies.	A
	b) Cross Country Comparability Comparable to some extent. To be fully comparable the assumptions about worker and company has to encompass the majority of workers and companies in the countries compared. The typical size of companies varies substantially between compared countries.	B
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries	A
	b) Availability over Time The Indicator is available on an annual basis.	A
Source	World Bank, Doing Business	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.14 Difficulty of Hiring

Definition

The index measures whether laws or other regulations have implications for the difficulties of hiring a standard worker in a standard company (Exhibit 1).

Based on fact-based (yes/no) questions but remodelled into a 0-100 index.

Exhibit 1

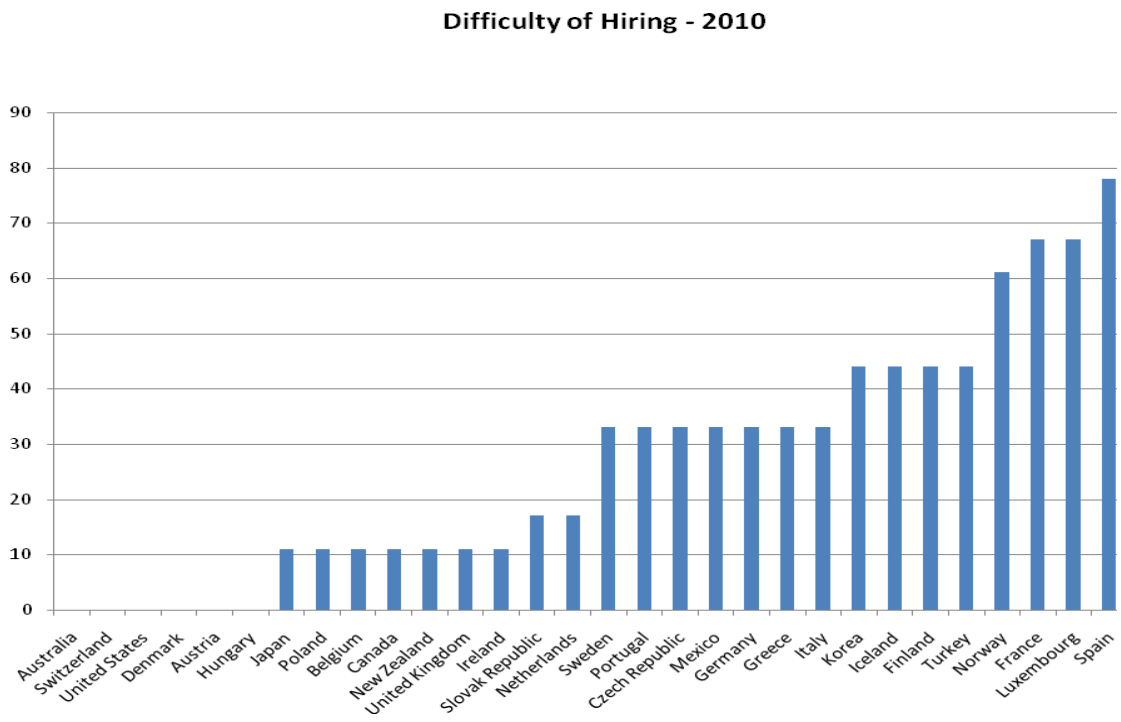
Exhibit 1
The index measures:
• whether term contracts can only be used for temporary tasks. (A country is assigned a score of 1 if term contracts can only be used for temporary tasks and a score of 0 if term contracts can be used for any task);
• the maximum duration of term contracts (A score of 1 is assigned if the duration of term contracts is 3 years or less; 0.5 if the duration is between 3 and 5 years; and 0 if term contracts can last more than 5 years);
• the ratio of the mandated minimum wage (or apprentice wage, if available) to the average value-added per working population. (A score of 1 is assigned if the ratio of minimum wage to average value added per worker ratio is higher than 0.75; 0.67 for ratios between 0.50 and 0.75; 0.33 for ratios between 0.25 and 0.50; and a score of 0 if the ratio is below 0.25). The score is based on regulatory implications on a standard worker and company. Regulative implications may vary among workers and companies. The indicator is based on several assumptions about worker and company:

The worker
• is a non-executive, full-time male employee who has worked in the same company for 20 years;
• earns a salary plus benefits equal to the country's average wage during the entire period of his employment;
• has a non working wife and two children and the family resides in the country's most populous city;
• is a lawful citizen who belongs to the same race and religion as the majority of the country's population;
• is not a member of the labor union, unless membership is mandatory.

The business:

• is a limited liability company that operates in the country's most populous city;
• is a 100 percent domestically owned that operates in the manufacturing sector;witness. Neither party presents objections.
• has 201 employees, and abides by every law and regulation but does not grant workers more benefits than legally mandated.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of some of the potential administrative burdens resulting from one becoming a high growth entrepreneur, namely the burdens connected to hiring employees.	A
	b) Assessment of the Type of Policy Indicator Changing formal labor market regulation will have a direct impact of the size of the indicator. Note that in some countries some of the regulations are based on agreements between the parties on the labour market, who have no tradition for political interference. The indicator has been remodeled into index 0 – 100, which makes the indicator an indirect measure (it is a priori unclear what is needed to change a country from 70 to 35).	A
2. Accuracy	*a) Data Collection Method* The indicator is fact-based. It measures formal regulation for a standard company and worker. In every country the same methodology is used. The score is based on regulatory implications on a standard worker and company. Regulative implications may vary among workers and companies. The indicator will not catch specific difficulties of hiring differences related to different sectors or in special cases.	A
	b) Cross Country Comparability Comparable to some extent. To be fully comparable the assumptions about worker and company has to encompass the majority of workers and companies in the countries compared. The typical size of companies varies substantially between compared countries.	B
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	World Bank, Doing Business	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.15 Ease of Hiring Foreign Labour

Definition:

Labour regulation in your country (1 = prevents your company from employing foreign labor, 7 = does not prevent your company from employing foreign labor).

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* Ease of Hiring Foreign Labour is an indirect measure of the ease of hiring foreign labour.	B
	b) Assessment of the Type of Policy Indicator Ease of Hiring Foreign Labour is based on the respondent's assessment and therefore policy initiatives will only have an indirect impact on the indicator.	B
2. Accuracy	*a) Data Collection Method* The indicator is based on WEF's Executive Opinion Survey.	C
	b) Cross Country Comparability In principle the comparability should be high. However given the fact that it is an opinion-based survey there remain some uncertainties about comparability in practice. Moreover respondents from companies with less than 100 employees and less than $10,000 US dollars are excluded which could further distort comparability, particularly between richer/poorer and large/small countries.	B
3. Availability	*a) Availability across OECD Countries* Data is available for 125 countries.	A
	b) Availability over Time Available for 2005 and 2007.	A
Source	World Economic Forum, The Global Competitiveness Report.	

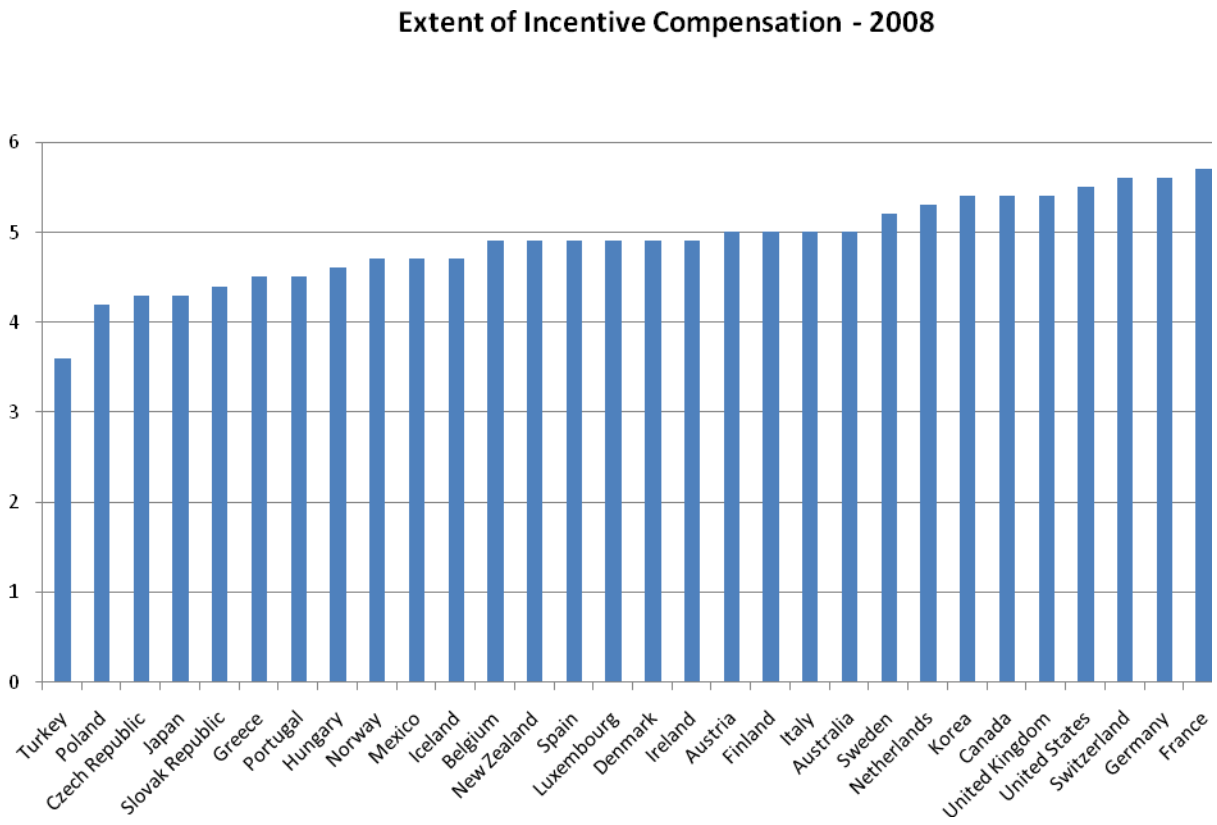

Ease of Hiring Foreign Labour - 2007
7
6
5
4
3
2
1
0
Korea
Austria
Canada
Poland
Sweden
Australia
Belgium
Netherlands
Japan
New Zealand
France
Hungary
Turkey
Germany
Greece
Italy
Denmark
Mexico
United States
Spain
Norway
Czech Republic
Switzerland
Finland
Iceland
Portugal
United Kingdom
Luxembourg
Ireland
Slovak Republic

3.2.16 Extent of Incentive Compensation

Definition

Cash compensation of management (1 = is based exclusively on salary,7 = includes bonuses and stock options, representing a significant portion of overall compensation).

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The indicator is an indirect measure of the scope of incentive compensation.	B
	b) Assessment of the Type of Policy Indicator The index is survey based. Therefore policy initiatives will only have an indirect impact on the indicator.	B
2. Accuracy	*a) Data Collection Method* Survey-based indicator from WEF's Executive Opinion Survey.	C
	b) Cross Country Comparability In principle the comparability should be high. However given the fact that it is an opinion-based survey there remain some uncertainties about comparability in practice. Moreover respondents from companies with less than 100 employees and less than $10,000 US dollars are excluded which could further distort comparability, particularly between richer/poorer and large/small countries.	B
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is available for 2004, 2007-2008	A
Source	World Economic Forum - The Global Competitiveness Report.	

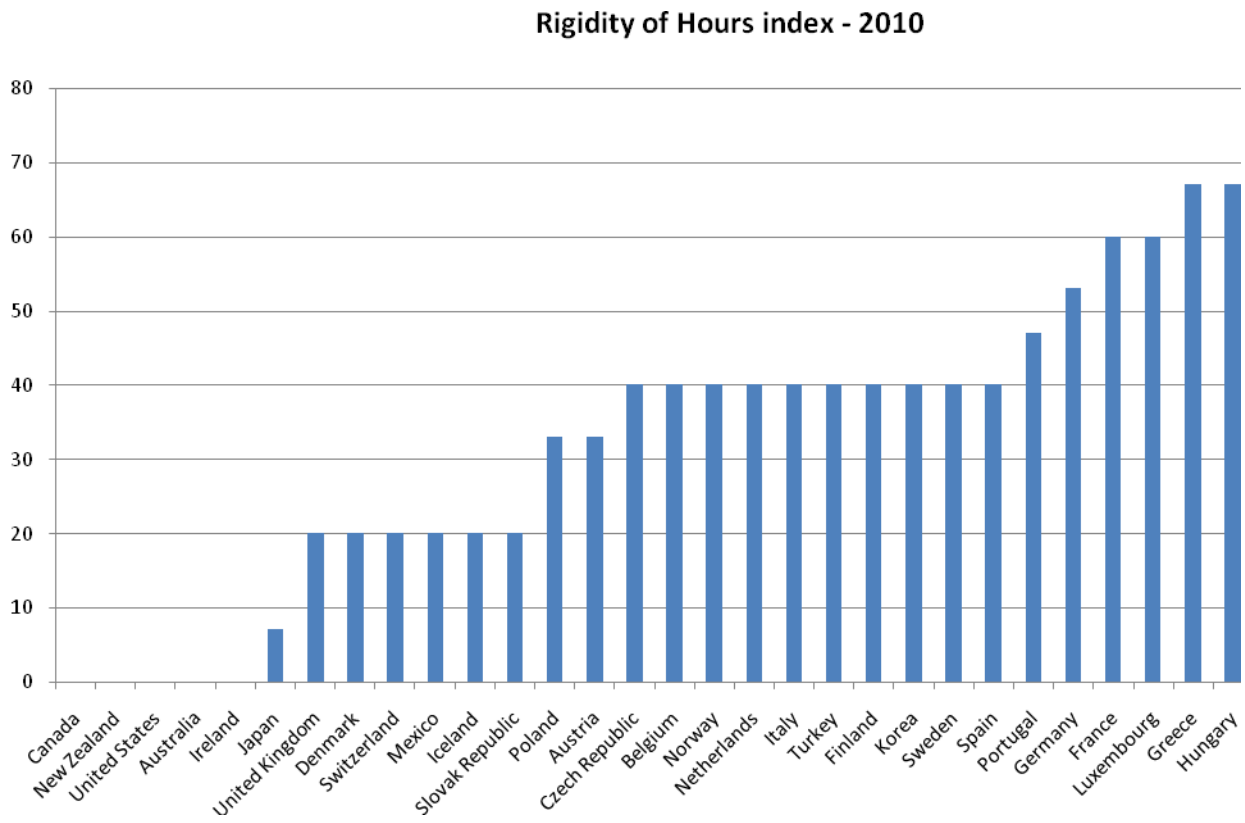

Extent of Incentive Compensation - 2008
6
5
4
3
2
1
0
Turkey
Poland
Czech Republic
Japan
Slovak Republic
Greece
Portugal
Hungary
Norway
Mexico
Iceland
Belgium
New Zealand
Spain
Luxembourg
Denmark
Ireland
Austria
Finland
Italy
Australia
Sweden
Netherlands
Korea
Canada
United Kingdom
United States
Switzerland
Germany
France

3.2.17 Rigidity of Hours Index

Definition

The indicator measures the rigidity of working overtime. The indicator is an index with five components: (i) whether night work is restricted; (ii) whether weekend work is allowed; (iii) whether the work week consists of five and a half days or more; (iv) whether the workday can extend to 12 hours or more (including overtime); and (v) whether the annual paid vacation days are 21 days or less. If the answer is no on any of these questions, the country is assigned a score of 1, otherwise a score of 0 is assigned. The questions are based on standard assumptions on worker and company (See the indicator above "Difficulty of Hiring" for a description of the assumptions).

Assessment		**Grade**
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of some of the potential administrative burdens resulting from becoming an entrepreneur, namely the rigidity connected to having employees working more that standard.	A
	b) Assessment of the Type of Policy Indicator Changing formal labor market regulation will have a direct impact of the size of the indicator. Note that in some countries some of the regulations are based on agreements between the parties on the labour market, who have no tradition for political interference. The indicator has been remodeled into index 0 – 100, which makes the indicator an indirect measure (it is a priori unclear what is needed to change a country from 70 to 35).	A
2. Accuracy	*a) Data Collection Method* The indicator is fact-based. It measures formal regulation for a standard company and worker. In every country the same methodology is used. The score is based on regulatory implications on a standard worker and company. Regulative implications may vary among workers and companies.	A
	b) Cross Country Comparability Comparable to some extent. To be fully comparable the assumptions about worker and company has to encompass the majority of workers and companies in the countries compared. The typical size of companies varies substantially between compared countries.	B
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The Indicator is available on an annual basis.	A
Source	World Bank, Doing Business	


Rigidity of Hours index - 2010
80
70
60
50
40
30
20
10
0
Canada
New Zealand
United States
Australia
Ireland
Japan
United Kingdom
Denmark
Switzerland
Mexico
Iceland
Slovak Republic
Poland
Austria
Czech Republic
Belgium
Norway
Netherlands
Italy
Turkey
Finland
Korea
Sweden
Spain
Portugal
Germany
France
Luxembourg
Greece
Hungary

3.2.18 Enforcing Contracts, Cost in Percentage of Claim

Definition

The indicator measures the efficiency of the judicial system in resolving a commercial dispute. Cost is recorded as a percentage of the claim, assumed to be equivalent to 200% of income per capita. No bribes are recorded. Three types of costs are recorded: court costs, enforcement costs and average attorney fees.

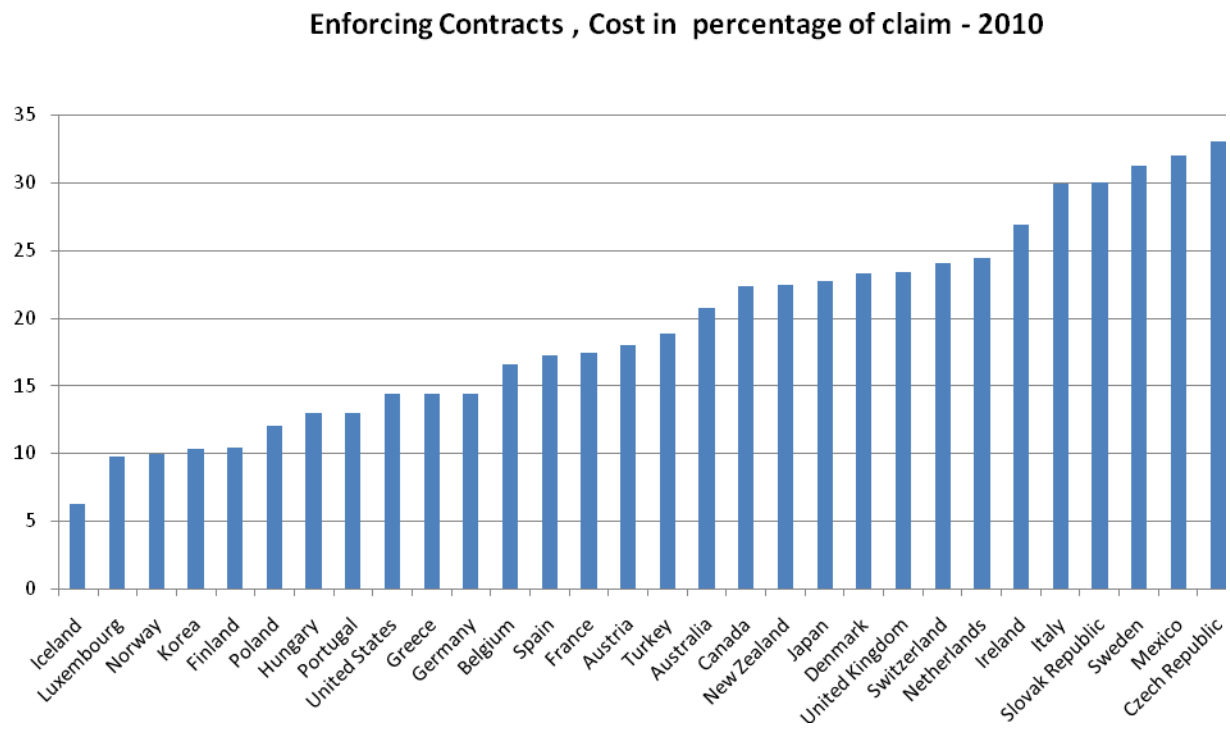
Court costs include all court costs and expert fees. Seller (plaintiff) must advance to the court regardless of the final cost to Seller. Expert fees, if required by law or necessary in practice, are included in court costs. Enforcement costs are all costs Seller (plaintiff) must advance to enforce the judgment through a public sale of Buyer's movable assets, regardless of the final cost to Seller. Average attorneys fees are the fees Seller (plaintiff) must advance to a local attorney to represent Seller in the standardized case.

Exhibit 1

The following assumptions are made about the case:

- The value of the claim equals 200% of the country's income per capita.
- The dispute concerns a lawful transaction between 2 businesses (Seller and Buyer), located in the country's most populous city. Seller sells goods worth 200% of the country's income per capita to Buyer. After Seller delivers the goods to Buyer, Buyer does not pay for the goods on the grounds that the delivered goods were not of adequate quality.
- Seller (the plaintiff) sues Buyer (the defendant) to recover the amount under the sales agreement (that is, 200% of the country's income per capita). Buyer opposes Seller's claim, saying that the quality of the goods is not adequate. The claim is disputed on the merits.
- A court in the country's most populous city with jurisdiction over commercial cases worth 200% of income per capita decides the dispute.
- Seller attaches Buyer's goods prior to obtaining a judgment because Seller fears that Buyer may become insolvent during the lawsuit.
- Expert opinions are given on the quality of the delivered goods. If it is standard practice in the country for parties to call witnesses or expert witnesses to give an opinion on the quality of the goods, the parties each call one witness or expert witness. If it is standard practice for the judge to appoint an independent expert to give an expert opinion on the quality of the goods, the judge does so. In this case the judge does not allow opposing expert testimony.
- The judgment is 100% in favor of Seller: the judge decides that the goods are of adequate quality and that Buyer must pay the agreed price.
- Buyer does not appeal the judgment. The judgment becomes final.
- Seller takes all required steps for prompt enforcement of the judgment. The money is successfully collected through a public sale of Buyer's movable assets (for example, office equipment).

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* Enforcement of contracts - cost in percentage of claim - is a direct measure of administrative burdens which can arise during a business operation.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Changing formal regulations will have a direct impact on administrative burdens arising when enforcing a contract.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	World Bank, Doing Business Methodology was developed in *Djankov and others* (2003) and is adopted by the World Bank with minor changes.	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.19 Enforcing Contracts, Number of Procedures

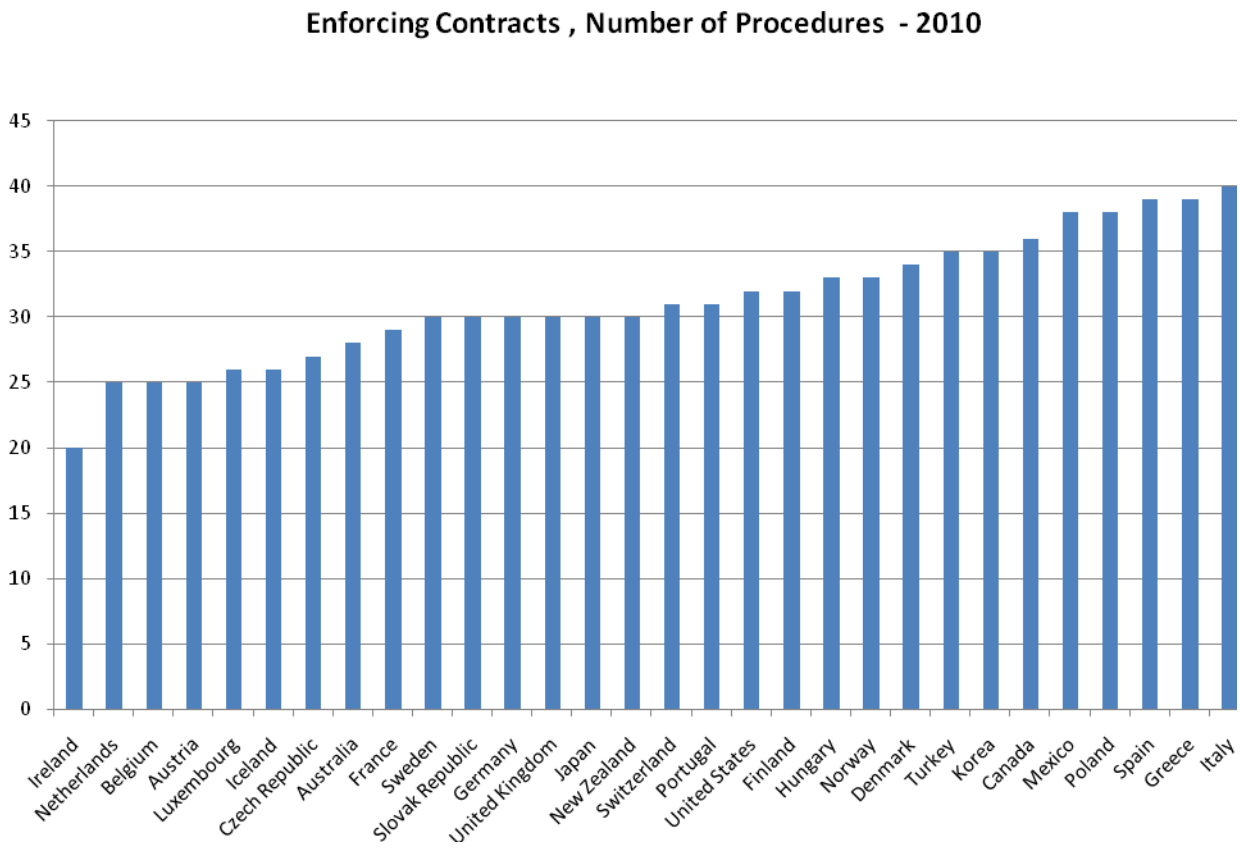
The indicator measures the efficiency of the judicial system in resolving a commercial dispute. A procedure is defined as any interaction between the parties, or between them and the judge or court officer. This includes steps to file the case, steps for trial and judgment and steps necessary to enforce the judgment.

Exhibit 1

The following assumptions are made about the case:

- The value of the claim equals 200% of the country's income per capita.
- The dispute concerns a lawful transaction between 2 businesses (Seller and Buyer), located in the country's most populous city. Seller sells goods worth 200% of the country's income per capita to Buyer. After Seller delivers the goods to Buyer, Buyer does not pay for the goods on the grounds that the delivered goods were not of adequate quality.
- Seller (the plaintiff) sues Buyer (the defendant) to recover the amount under the sales agreement (that is, 200% of the country's income per capita). Buyer opposes Seller's claim, saying that the quality of the goods is not adequate. The claim is disputed on the merits.
- A court in the country's most populous city with jurisdiction over commercial cases worth 200% of income per capita decides the dispute.
- Seller attaches Buyer's goods prior to obtaining a judgment because Seller fears that Buyer may become insolvent during the lawsuit.
- Expert opinions are given on the quality of the delivered goods. If it is standard practice in the country for parties to call witnesses or expert witnesses to give an opinion on the quality of the goods, the parties each call one witness or expert witness. If it is standard practice for the judge to appoint an independent expert to give an expert opinion on the quality of the goods, the judge does so. In this case the judge does not allow opposing expert testimony.
- The judgment is 100% in favor of Seller: the judge decides that the goods are of adequate quality and that Buyer must pay the agreed price.
- Buyer does not appeal the judgment. The judgment becomes final.
- Seller takes all required steps for prompt enforcement of the judgment. The money is successfully collected through a public sale of Buyer's movable assets (for example, office equipment).

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* Enforcement of contracts - number of procedures - is a direct measure of administrative burdens which can arise during a business operation.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Changing formal regulations will have a direct impact on administrative burdens arising when enforcing a contract.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	World Bank, Doing Business Methodology was developed in *Djankov and others* (2003) and is adopted by the World Bank with minor changes.	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.20 Enforcing Contracts, Time

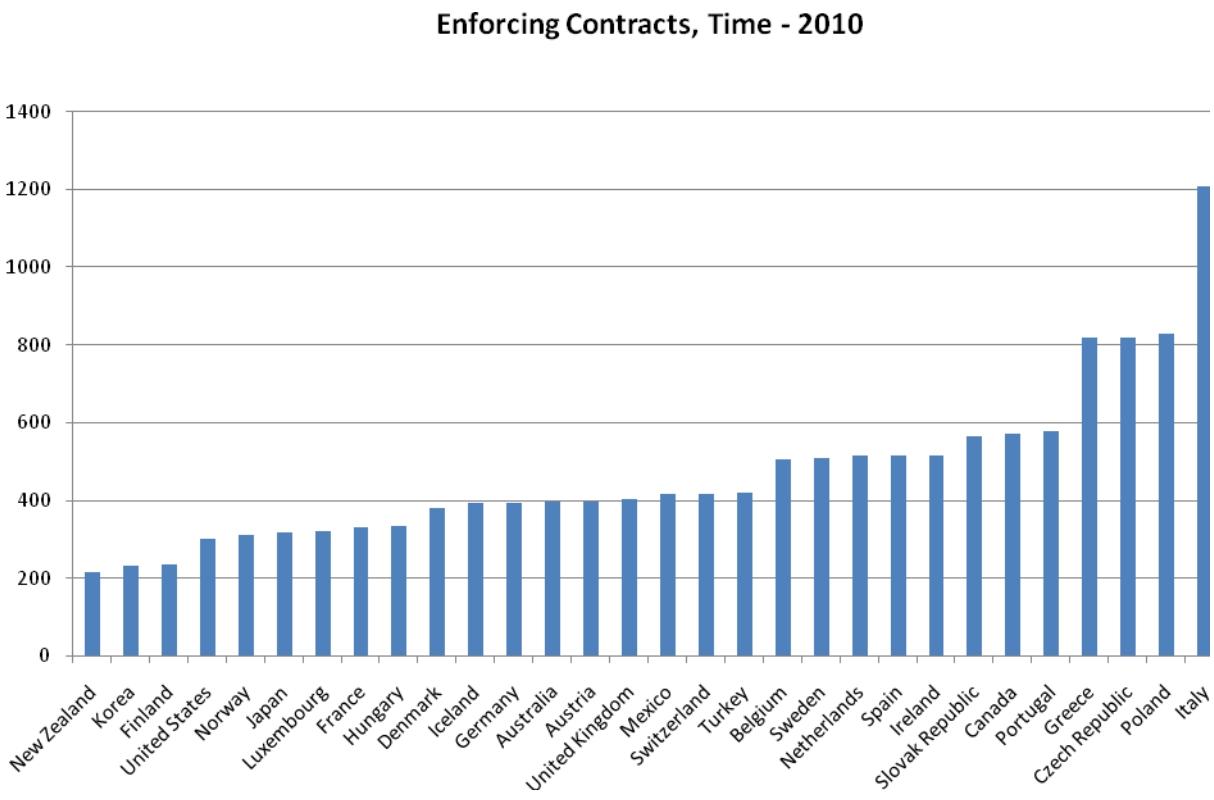
The indicator measures the efficiency of the judicial system in resolving a commercial dispute. Time is recorded in calendar days, counted from the moment the plaintiff files the lawsuit in court until payment. This includes both the days when actions take place and the waiting periods between.

Exhibit 1

The following assumptions are made about the case:

- The value of the claim equals 200% of the country's income per capita.
- The dispute concerns a lawful transaction between 2 businesses (Seller and Buyer), located in the country's most populous city. Seller sells goods worth 200% of the country's income per capita to Buyer. After Seller delivers the goods to Buyer, Buyer does not pay for the goods on the grounds that the delivered goods were not of adequate quality.
- Seller (the plaintiff) sues Buyer (the defendant) to recover the amount under the sales agreement (that is, 200% of the country's income per capita). Buyer opposes Seller's claim, saying that the quality of the goods is not adequate. The claim is disputed on the merits.
- A court in the country's most populous city with jurisdiction over commercial cases worth 200% of income per capita decides the dispute.
- Seller attaches Buyer's goods prior to obtaining a judgment because Seller fears that Buyer may become insolvent during the lawsuit.
- Expert opinions are given on the quality of the delivered goods. If it is standard practice in the country for parties to call witnesses or expert witnesses to give an opinion on the quality of the goods, the parties each call one witness or expert witness. If it is standard practice for the judge to appoint an independent expert to give an expert opinion on the quality of the goods, the judge does so. In this case the judge does not allow opposing expert testimony.
- The judgment is 100% in favor of Seller: the judge decides that the goods are of adequate quality and that Buyer must pay the agreed price.
- Buyer does not appeal the judgment. The judgment becomes final.
- Seller takes all required steps for prompt enforcement of the judgment. The money is successfully collected through a public sale of Buyer's movable assets (for example, office equipment).

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* Enforcement of contracts - time - is a direct measure of administrative burdens which can arise during a business operation.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Changing formal regulations will have a direct impact on administrative burdens arising when enforcing a contract.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	World Bank, Doing Business. Methodology was developed in *Djankov and others* (2003) and is adopted by the World Bank with minor changes.	



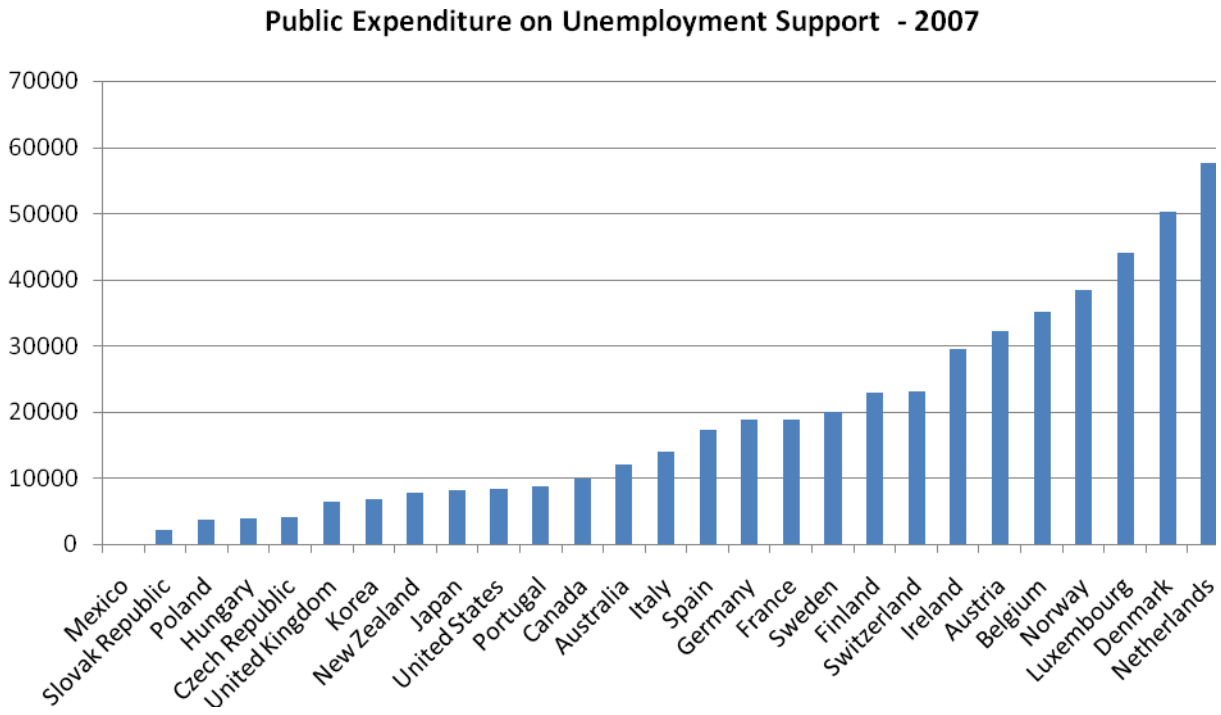
Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.21 Public Expenditure on Unemployment Support

Definition

The indicator measures public expenditure on unemployment per unemployed in US$, current PPPs. Public expenditure includes both partly, full public pay and any other program expenditures the public has.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The level of public expenditure on benefits for unemployed has direct influence on risk - or necessity - associated with entrepreneurship. Unemployment benefits can serve as an entry barrier if reduced.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives reducing the rate will have a direct impact on the indicator.	A
2. Accuracy	*a) Data Collection Method* Fact-based indicator, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 27 OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	OECD, Public expenditure and participant stocks on Labour Market Policy (LMP)	

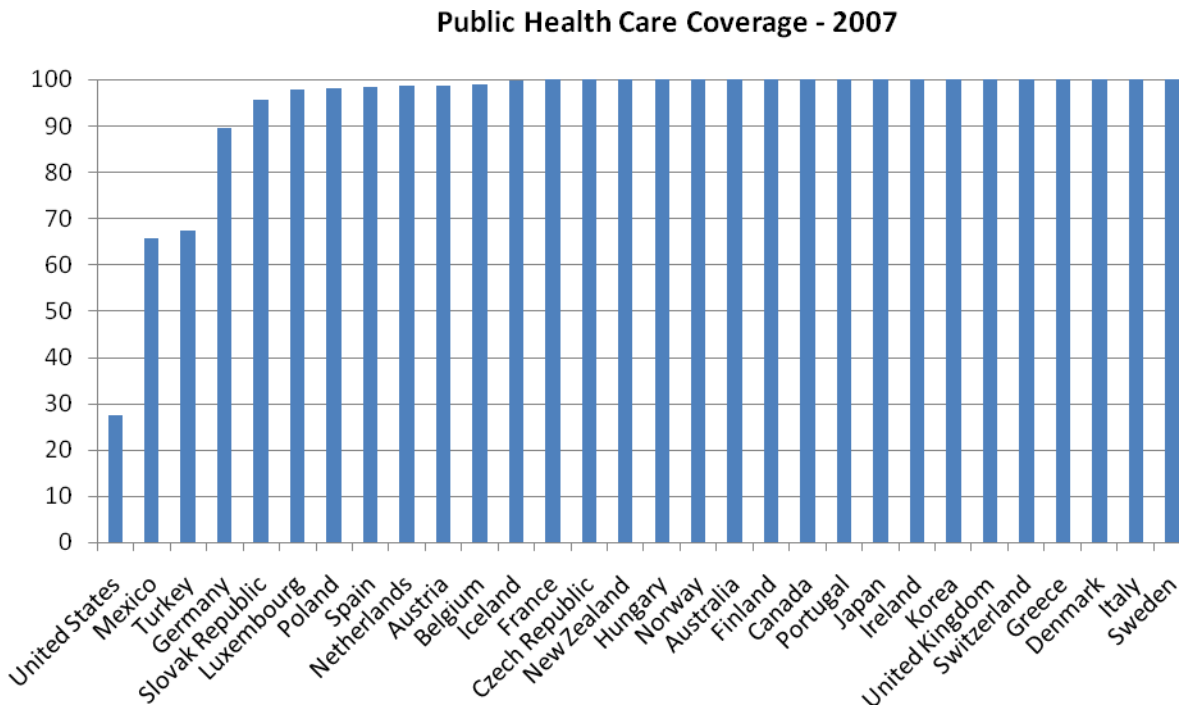

Public Expenditure on Unemployment Support - 2007
70000
60000
50000
40000
30000
20000
10000
0
Mexico
Slovak Republic
Poland
Hungary
Czech Republic
United Kingdom
Korea
New Zealand
Japan
United States
Portugal
Canada
Australia
Italy
Spain
Germany
France
Sweden
Finland
Switzerland
Ireland
Austria
Belgium
Norway
Luxembourg
Denmark
Netherlands

3.2.22 Public Health Care Coverage

Definition

The indicator measures the share of the population eligible for a defined set of health care goods and services under public programmes.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* Access to public health care has a direct effect on the motivation or risk associated with entrepreneurship. Health care can serve as an entry barrier if eliminated or reduced.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives reducing the share will have a direct impact on the indicator.	A
2. Accuracy	*a) Data Collection Method* Fact-based indicator, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 25 OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	OECD Health Data 2009.	

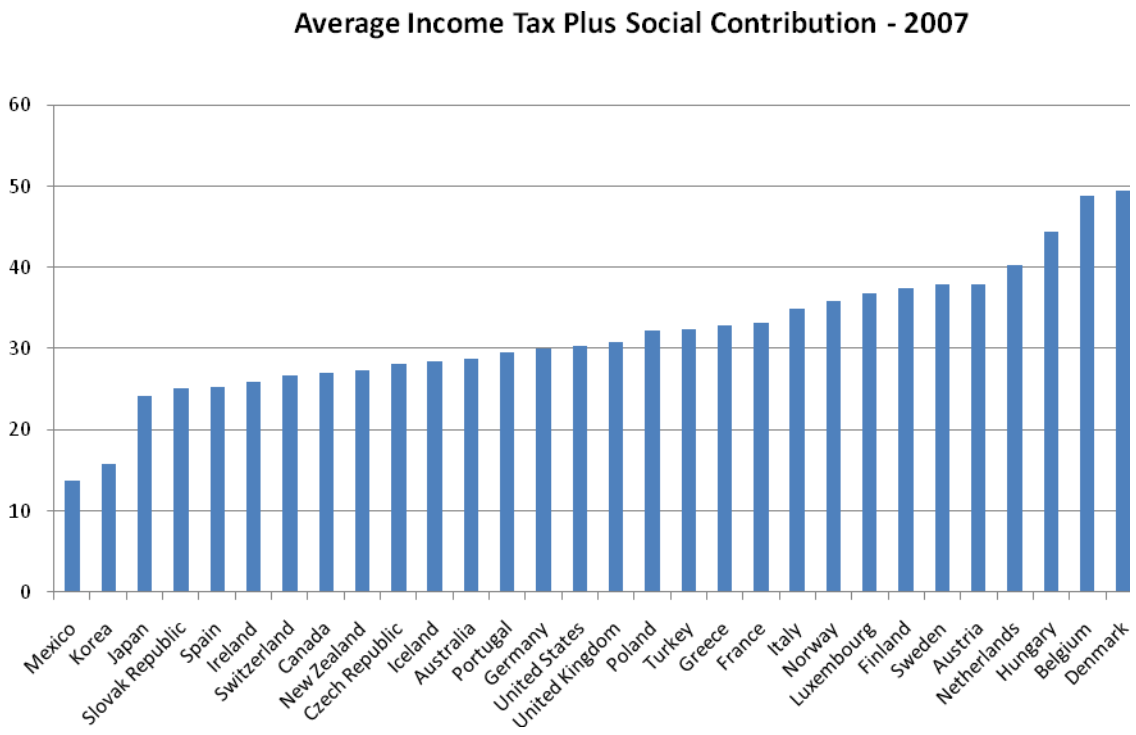

Public Health Care Coverage - 2007
100
90
80
70
60
50
40
30
20
10
0
United States
Mexico
Turkey
Germany
Slovak Republic
Luxembourg
Poland
Spain
Netherlands
Austria
Belgium
Iceland
France
Czech Republic
New Zealand
Hungary
Norway
Australia
Finland
Canada
Portugal
Japan
Ireland
Korea
United Kingdom
Switzerland
Greece
Denmark
Italy
Sweden

3.2.23 Average Income Tax plus Social Contributions

Definition

The indicator measures the average rate of taxation in percentage of the gross wage. The indicator is based on a standard case: single (without children) with high income.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The level of personal income taxes are expected to have a direct influence on the benefit side of the cost/benefit equation as entrepreneurs will reap a larger share of the benefit with lower tax rates.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives reducing the rate will have a direct impact on the indicator.	A
2. Accuracy	*a) Data Collection Method* Fact-based indicator, originating from OECD statistics	A
	b) Cross Country Comparability Fully comparable	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries	A
	b) Availability over Time The Indicator is available on an annual basis.	A
Source	OECD Revenue Statistics.	



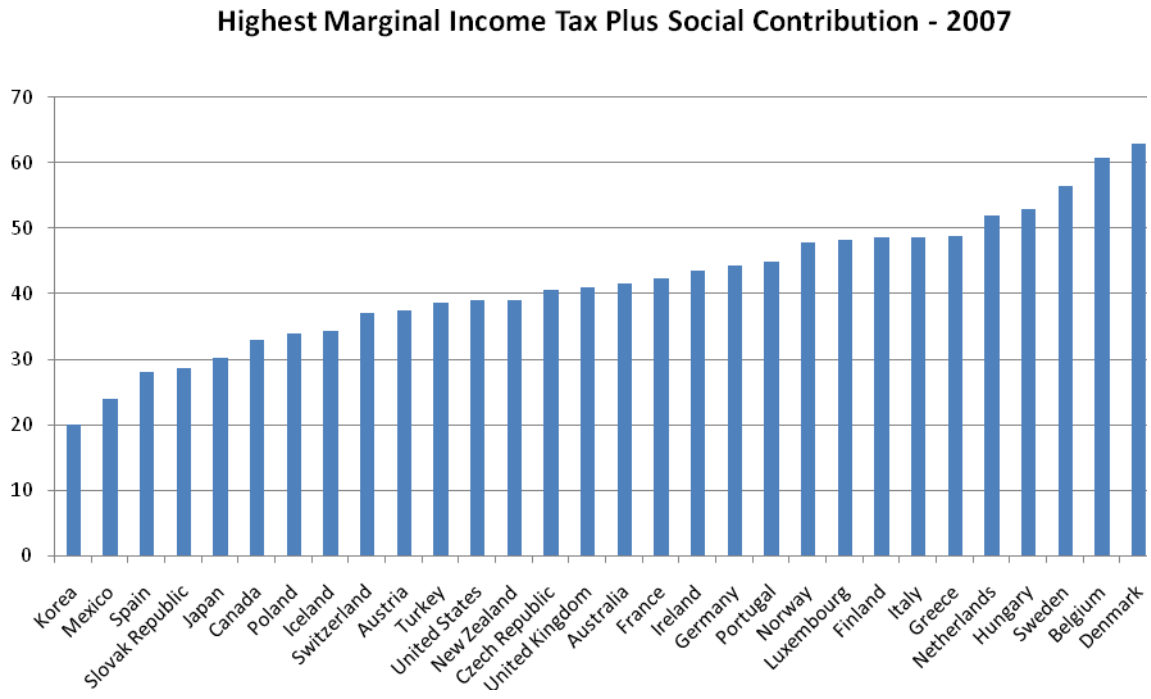
Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator

3.2.24 Highest Marginal Income Tax plus Social Contributions

Definition

The indicator measures the highest rate of taxation in percentage of the gross wage. The indicator is based on a standard case: single (without children) with high income.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The level of personal income taxes are expected to have a direct influence on the benefit side of the cost/benefit equation as entrepreneurs will reap a larger share of the benefit with lower tax rates.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives reducing the rate will have a direct impact on the indicator.	A
2. Accuracy	*a) Data Collection Method* Fact-based indicator, originating from OECD statistics	A
	b) Cross Country Comparability Fully comparable	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries	A
	b) Availability over Time The Indicator is available on an annual basis.	A
Source	OECD Revenue Statistics.	



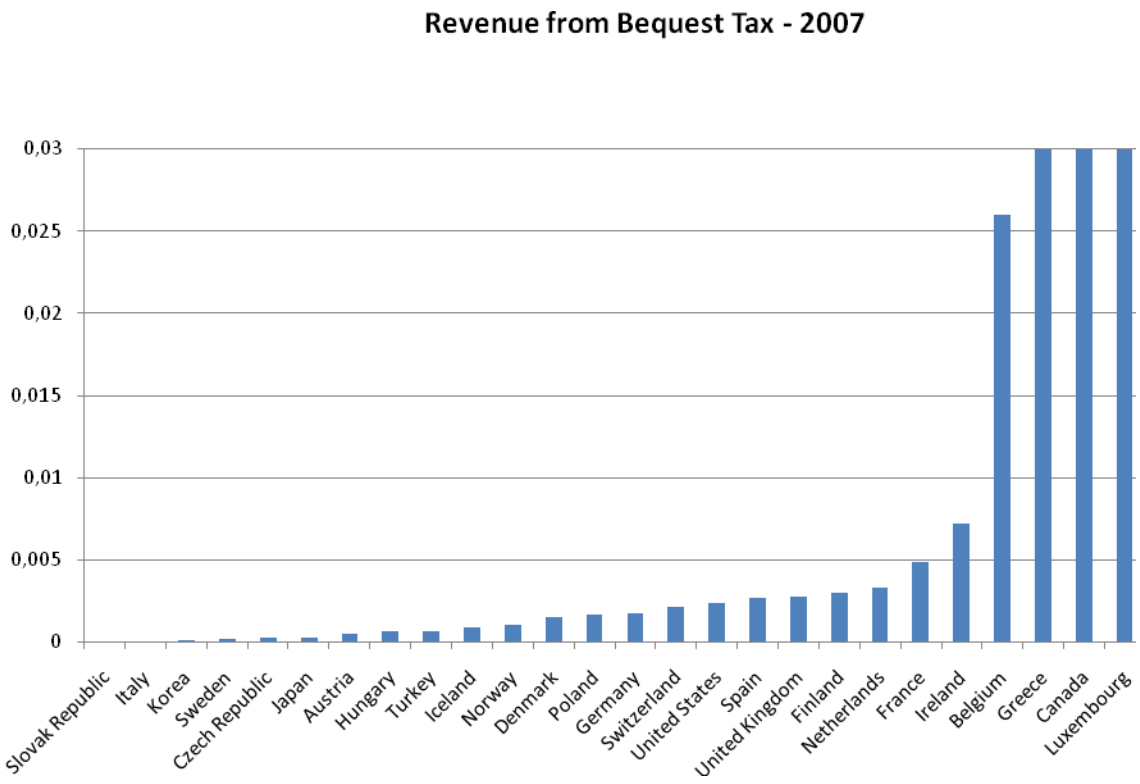
Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator

3.2.25 Revenue from Bequest Tax

Definition

The indicator measures the revenue from bequest tax as a percent of GDP – 3 year moving average.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The revenue from bequest tax is a direct measure of wealth tax's negative impact on financial possibilities.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives reducing the bequest tax-rates will have a direct impact on the revenue from bequest tax.	A
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is updated annually for most countries.	A
Source	OECD Revenue Statistics .	



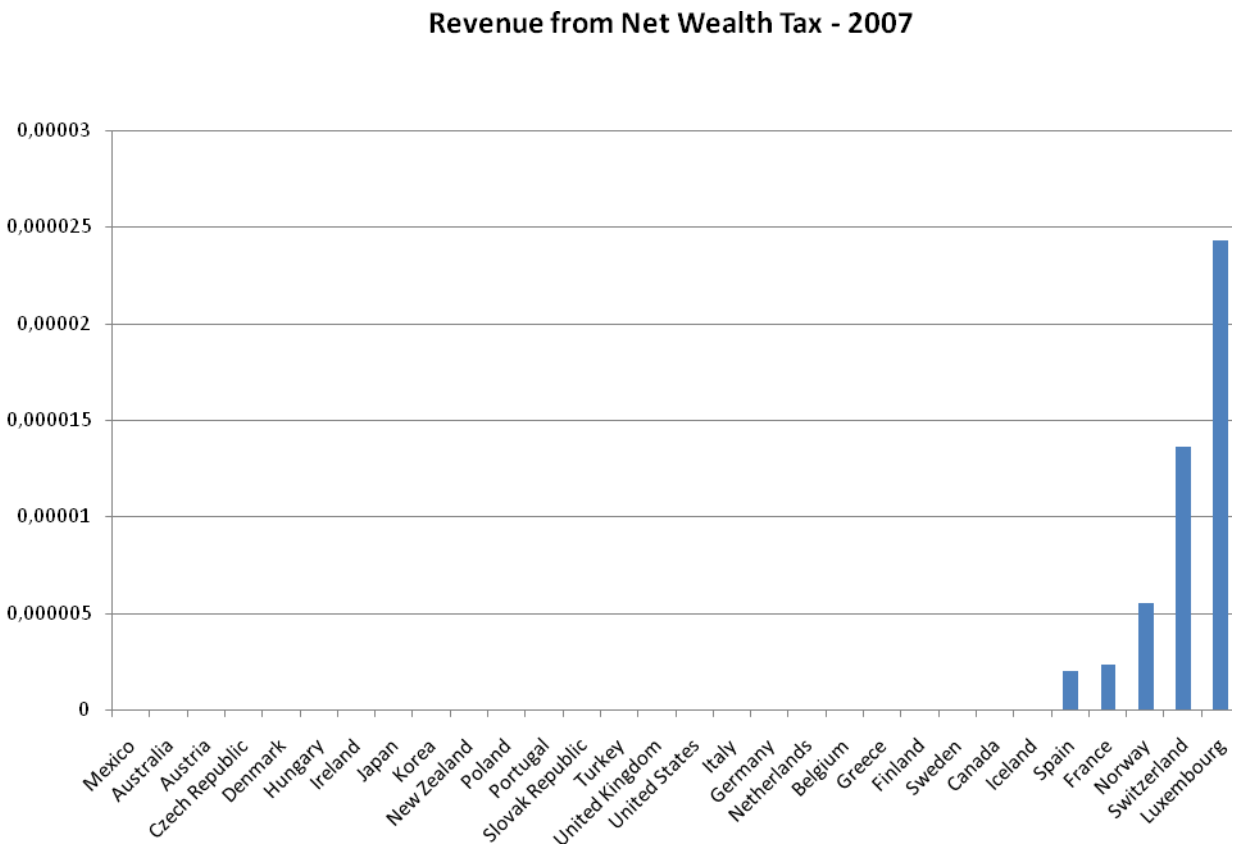
Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator. 2006 for Slovak Republic, 2005 for Belgium, Canada, Greece, Luxembourg, 2003 for Poland.

3.2.26 Revenue from Net Wealth Tax

Definition

The indicator measures the revenue from net wealth tax as a percent of GDP – 3 year moving average.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The revenue from net wealth tax is a direct measure of wealth tax's negative impact on financial possibilities.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives reducing the wealth tax-rates will have a direct impact on the revenue from wealth tax.	A
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is updated annually.	A
Source	OECD Revenue Statistics.	



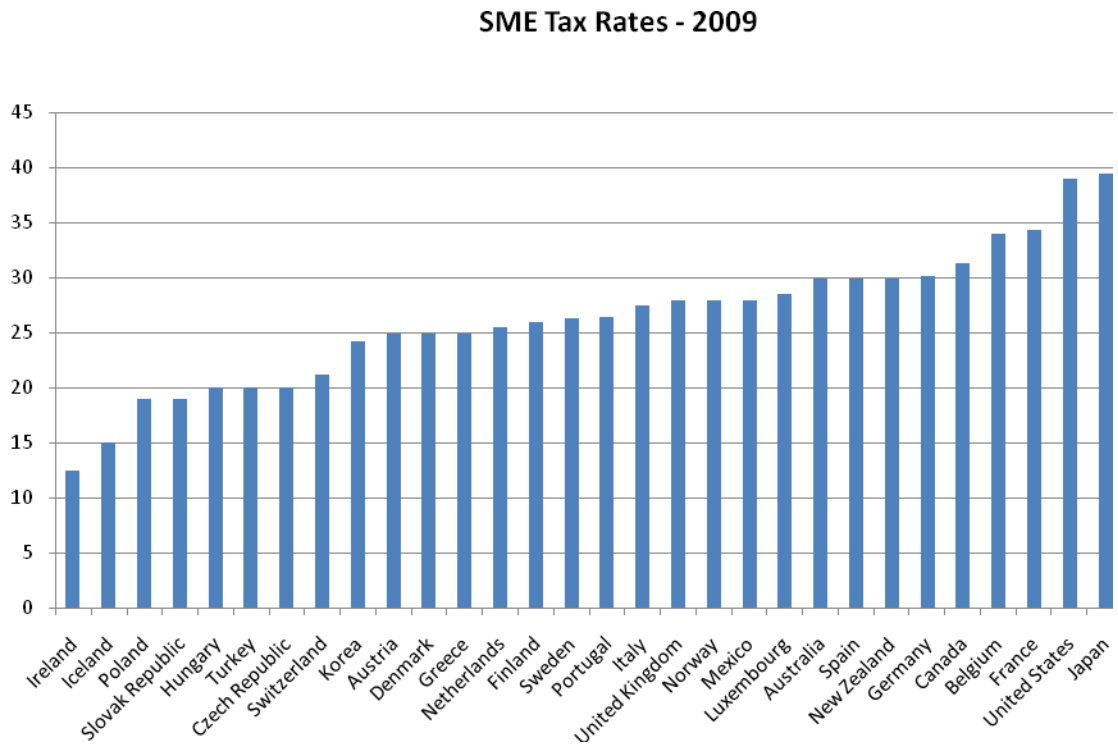
Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator

3.2.27 SME Tax Rates

Definition

The indicator measures the corporate SME tax rate.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The corporate SME tax rate is a direct measure of the incentives to create companies as entrepreneurs will reap a larger share of the benefit in the case of lower tax rates. The indicator measures the tax level for SMEs and not for new companies.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Political initiatives will have a direct influence on the tax rate for SMEs.	A
2. Accuracy	*a) Data Collection Method* Fact-based indicator, originating from OECD statistics	A
	b) Cross Country Comparability Comparable to some extent. Difficult for many countries to make a national estimate due to different rates across national provinces.	B
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	OECD Revenue Statistics.	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

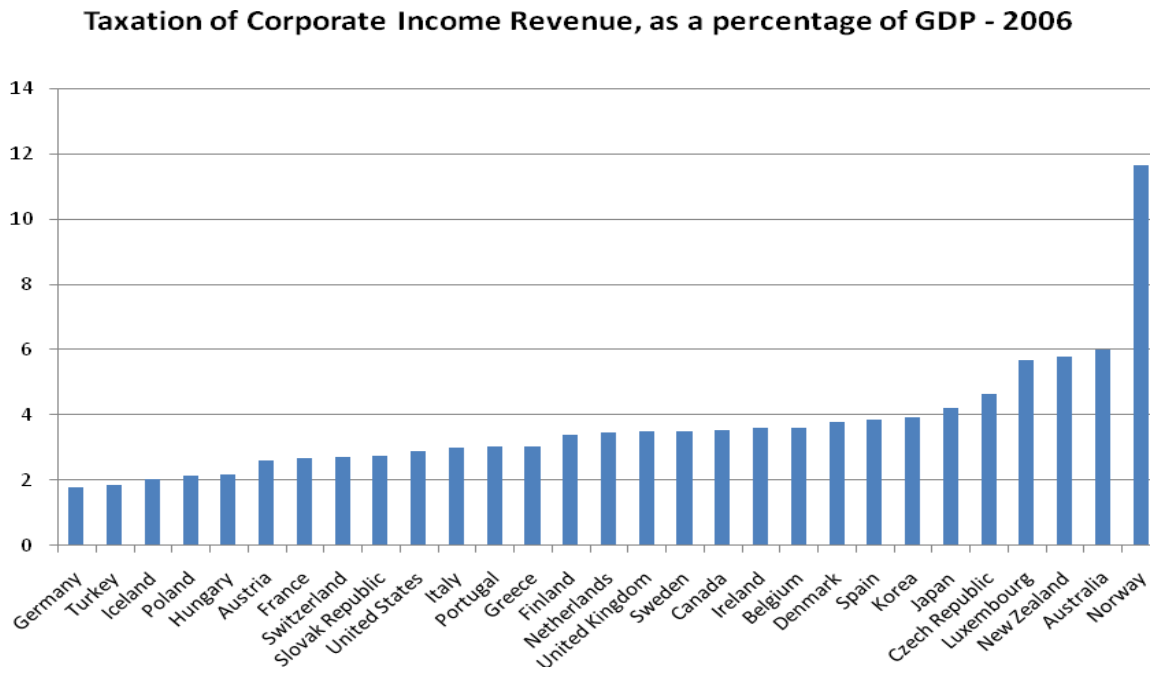
Note: For many countries it is difficult to give a national estimate because of different rates across states and provinces. In Canada the federal rate is for example 12% for small businesses and ranges from 3% to 8% across the different provinces. Recent work by Industry Canada has suggested using the Canadian federal rate plus Ontario rate and federal American rate plus California rate for making comparisons between Canada and the US.

3.2.28 Taxation of Corporate Income Revenue

Definition

The indicator measures the revenue from corporate income tax as percentage of GDP on a three year moving average.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The amount of corporate tax revenue is a direct measure of one of the incentives to create high growth companies as entrepreneurs will reap a larger share of the benefit in the case of lower tax rates.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Changing formal regulation concerning corporate tax rates will have a direct influence of the size of the indicator.	A
2. Accuracy	*a) Data Collection Method* Fact-based indicator, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	OECD Revenue Statistics.	



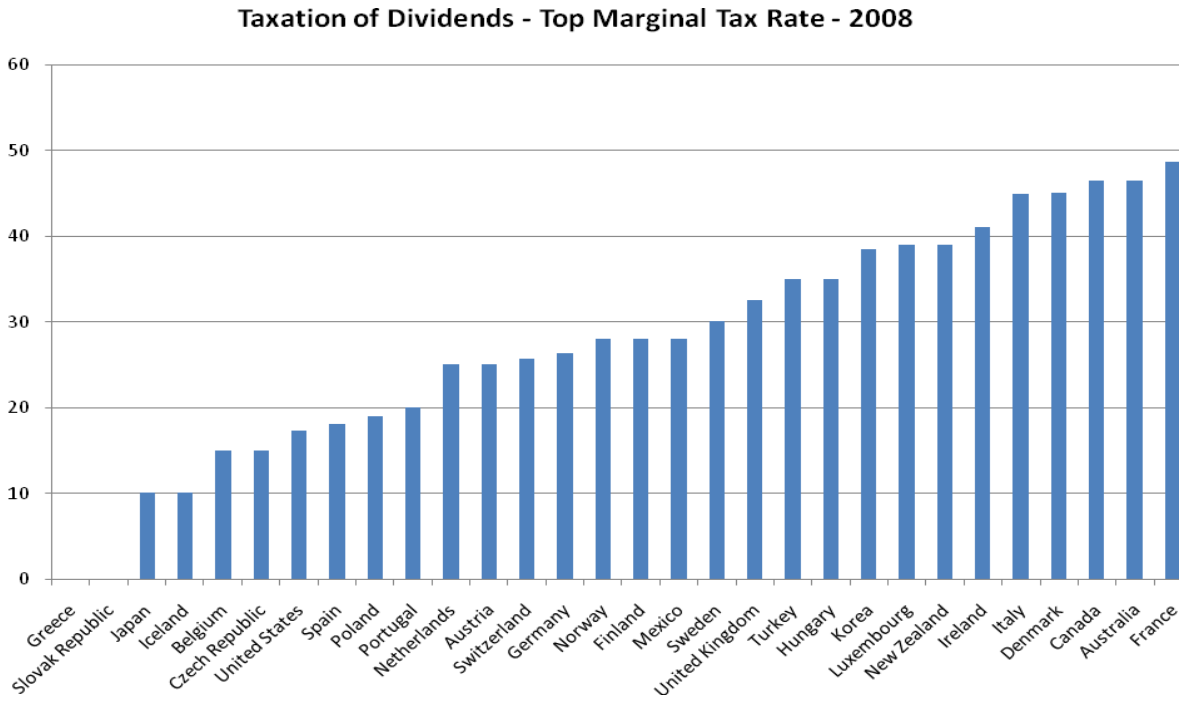
Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.29 Taxation of Dividends – Top Marginal Tax Rate

Definition

The indicator measures the top marginal tax rate of dividend income.

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The top marginal tax rate of dividend income is a proxy measure of the tax-rates negative impact on financial possibilities. The indicator does not take into consideration tax rebates, etc.	B
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives reducing the top marginal tax rate will have a direct impact on the indicator.	A
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* The indicator is available for most of the OECD countries (30 countries).	A
	b) Availability over Time The indicator is updated annually.	B
Source	OECD Tax Database.	



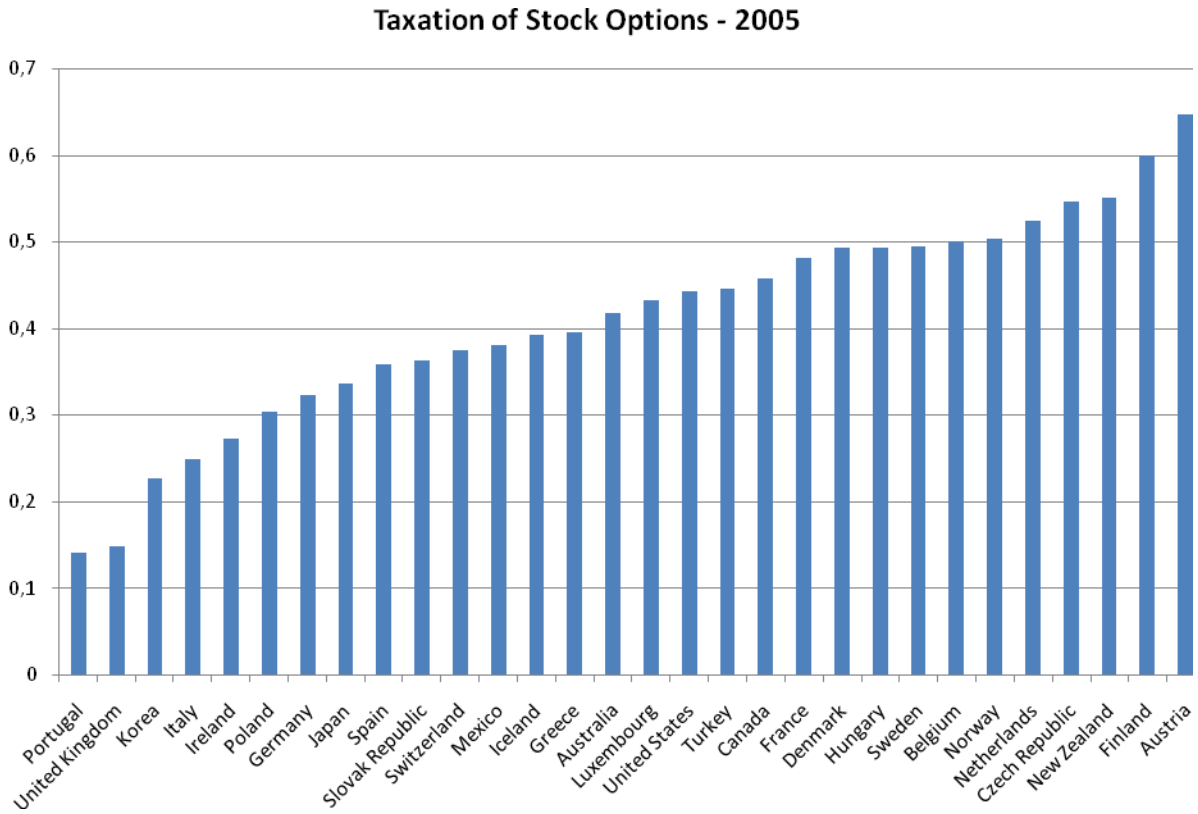
Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator

3.2.30 Taxation of Stock Options

Definition

This indicator measures the average tax wedge for purchased and newly listed stocks. Average incomes are used.

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The average tax wedge is a direct measure of financial constraints induced on entrepreneurship.	A
	b) Assessment of the Type of Policy Indicator Policy initiatives reducing the average tax wedge will have a direct impact on the indicator.	A
2. Accuracy	*a) Data Collection Method* Fact-based indicator, originating from OECD statistics.	A
	b) Cross Country Comparability Data is not fully comparable due to a different methodology for some countries (Belgium, France, Netherlands and UK).	B
3. Availability	*a) Availability across OECD Countries* The indicator is available for all OECD countries.	A
	b) Availability over Time The indicator is available for 2005.	B
Source	OECD, Taxation of Employee Stock Options, Vol. 11, side 64-78	



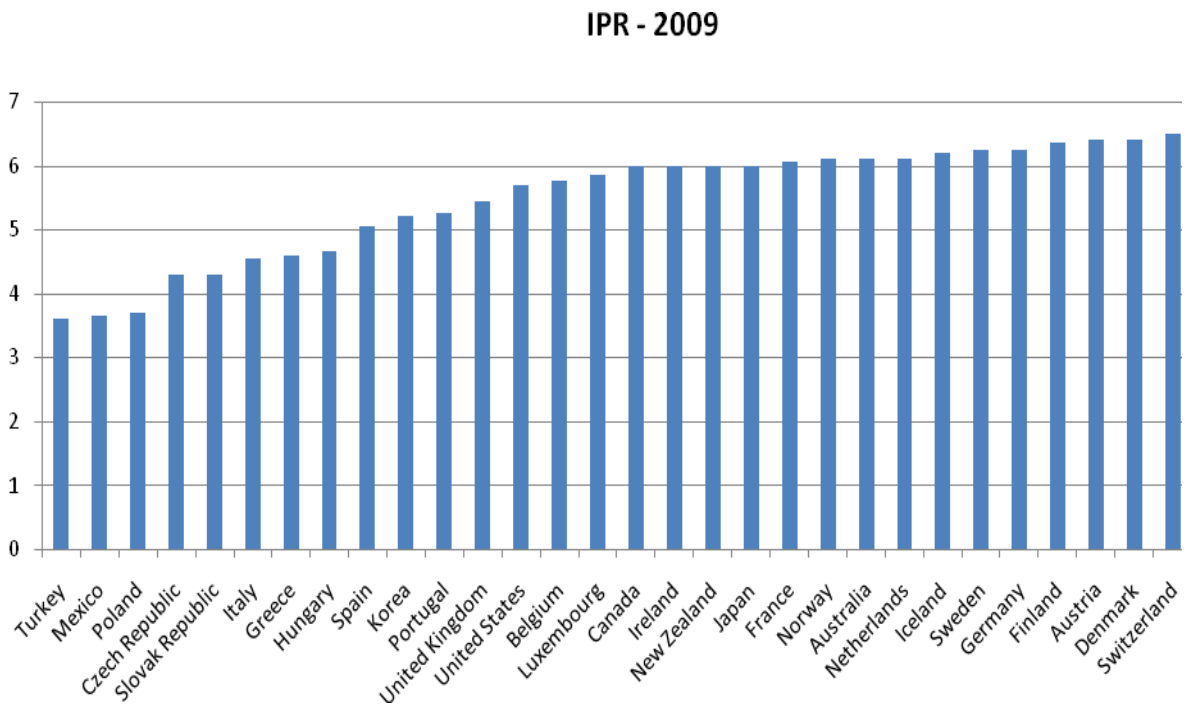
Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator

3.2.31 Intellectual Property Rights

Definition

The indicator measures intellectual property protection in the world (1 = is weak or nonexistent, 7 = is equal to the world's most stringent).

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* IPR is a direct measure of the level of IPR protection across countries.	A
	b) Assessment of the Type of Policy Indicator IPR is survey based. Therefore policy initiatives will only have an indirect impact on the indicator.	B
2. Accuracy	*a) Data Collection Method* Survey-based indicator from WEF's Executive Opinion Survey.	C
	b) Cross Country Comparability In principle the comparability should be high. However given the fact that it is an opinion-based survey there remain some uncertainties about comparability in practice. Moreover respondents from companies with less than 100 employees and less than $10,000 US dollars are excluded which could further distort comparability, particularly between richer/poorer and large/small countries.	B
3. Availability	*a) Availability across OECD Countries* For the period 2007-2009 data is available for all OECD countries.	A
	b) Availability over Time The Indicator is available on an annual basis.	A
Source	World Economic Forum – The Global Competitiveness Report.	

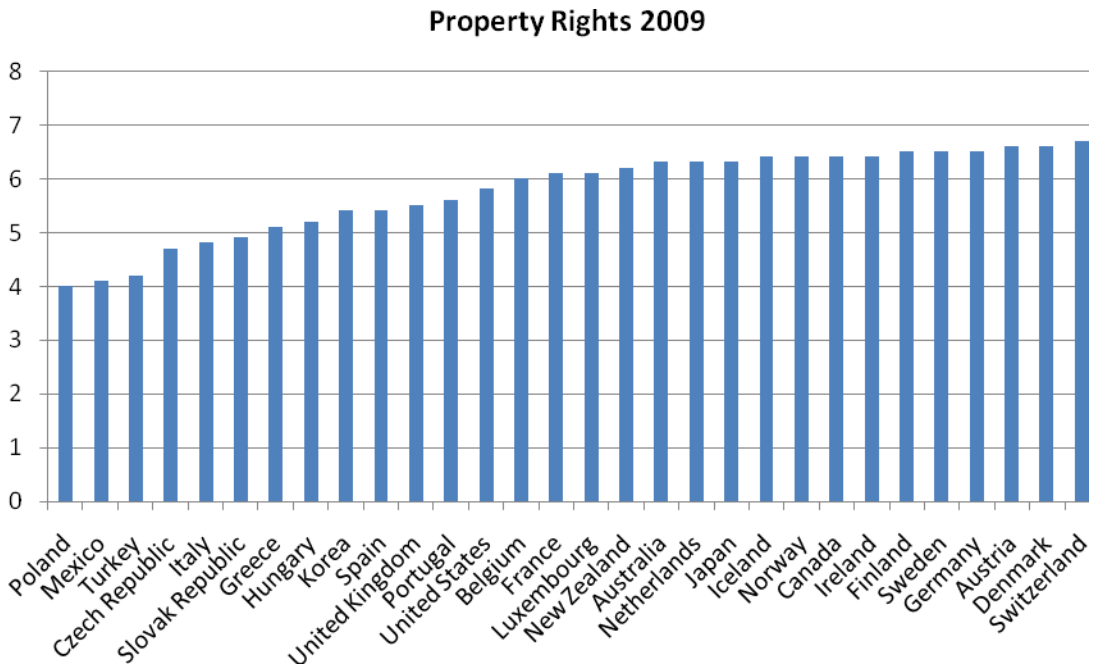

IPR - 2009
7
6
5
4
3
2
1
0
Turkey
Mexico
Poland
Czech Republic
Slovak Republic
Italy
Greece
Hungary
Spain
Korea
Portugal
United Kingdom
United States
Belgium
Luxembourg
Canada
Ireland
New Zealand
Japan
France
Norway
Australia
Netherlands
Iceland
Sweden
Germany
Finland
Austria
Denmark
Switzerland

3.2.32 Property Rights

Definition

The indicator measures property rights, including over financial assets (1 = are poorly defined and not protected by law, 7 = are clearly defined and well protected by law).

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* Property right is a direct measure of the level of protection across countries.	A
	b) Assessment of the Type of Policy Indicator Property right is survey based. Therefore policy initiatives will only have an indirect impact on the indicator.	B
2. Accuracy	*a) Data Collection Method* Survey-based indicator from WEF's Executive Opinion Survey.	C
	b) Cross Country Comparability In principle the comparability should be high. However given the fact that it is an opinion-based survey there remain some uncertainties about comparability in practice. Moreover respondents from companies with less than 100 employees and less than $10,000 US dollars are excluded which could further distort comparability, particularly between richer/poorer and large/small countries.	B
3. Availability	*a) Availability across OECD Countries* For the period 2007-2009 data is available for all OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	World Economic Forum – The Global Competitiveness Report.	

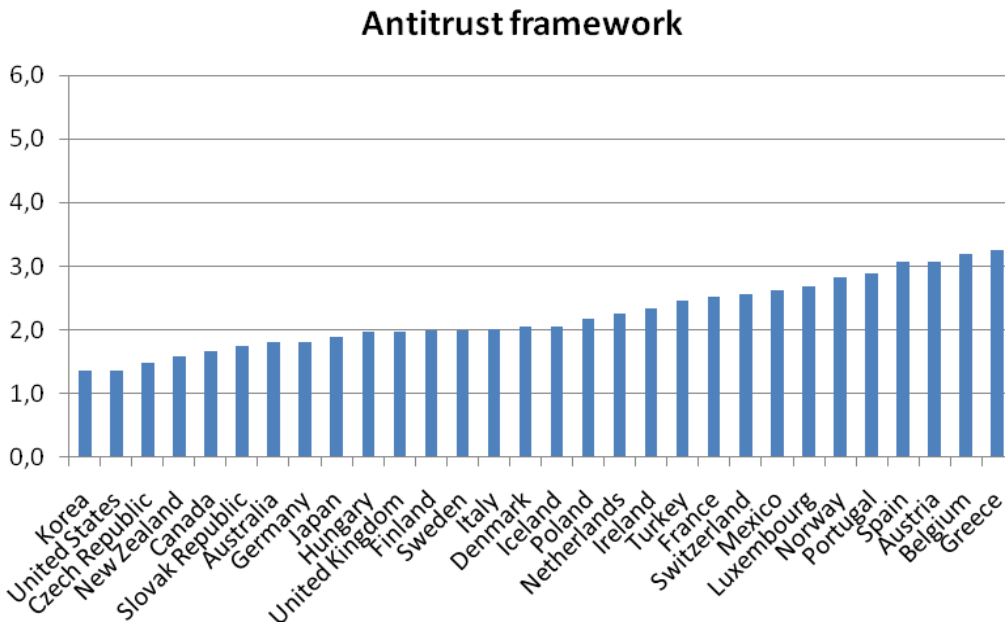

Property Rights 2009
8
7
6
5
4
3
2
1
0
Poland
Mexico
Turkey
Czech Republic
Italy
Slovak Republic
Greece
Hungary
Korea
Spain
United Kingdom
Portugal
United States
Belgium
France
Luxembourg
New Zealand
Australia
Netherlands
Japan
Iceland
Norway
Canada
Ireland
Finland
Sweden
Germany
Austria
Denmark
Switzerland

3.2.33 Antitrust Framework

Definition

The indicator measures the antitrust framework, which is policies enhancing competition typically by competition authorities. The framework covers scope and enforcement of law and independence of competition authority and is assessed by a scale from 0 to 6. (0 = best score, 6 = the worst score).

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The antitrust framework is a direct measure of the level of legal framework for dealing with cartel behaviour and other anticompetitive activities.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives reducing anticompetitive collusion by firms can have a positive effect on entrepreneurship.	A
2. Accuracy	*a) Data Collection Method* Data is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Data is fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Available for all OECD countries.	A
	b) Availability over Time Data is available for 2007.	B
Source	OECD, Competition Law and Policy Indicators for the OECD Countries.	



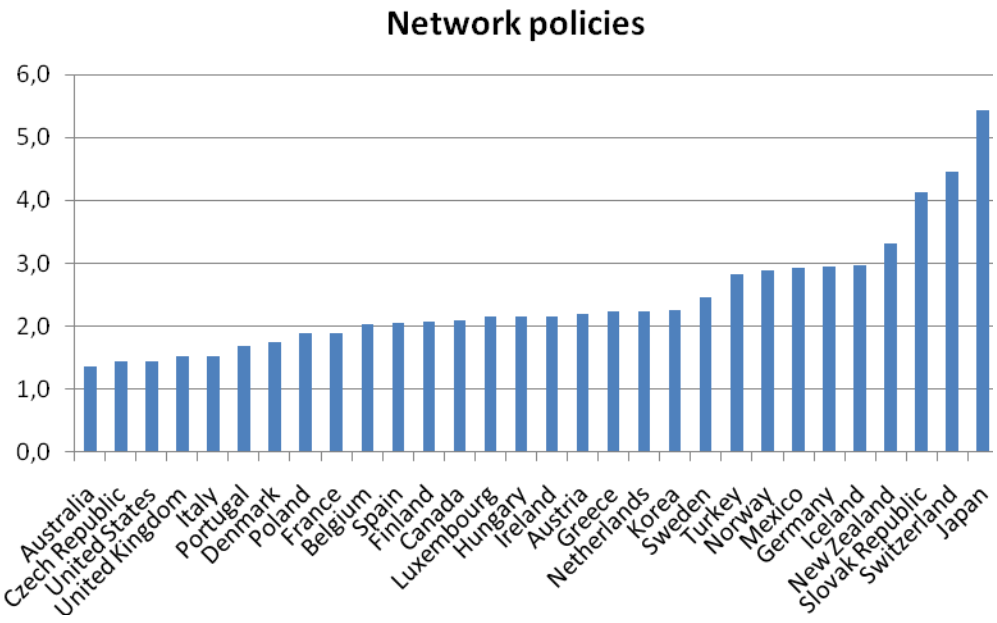
Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.34 Network Policies

Definition

The indicator covers to areas: 1) the independence of sector regulators; and 2) access issues. The independence of sector regulators constitutes elements such as institutional design, the regulator's sectoral authority and powers plus accountability. Access covers entry barriers and the degree of vertical integration in the sector. Network policies are assessed by a scale from 0 to 6. (0 = best score, 6 = the worst score).

Assessment		**Grade**
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The network policy is a direct measure of policies encouraging competition in deregulated network industries.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives increasing regulatory in-dependence and/or reducing entry barriers can have a positive effect on entrepreneurship.	A
2. Accuracy	*a) Data Collection Method* Data is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Data is fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Available for all OECD countries.	A
	b) Availability over Time Data is available for 2007.	B
Source	OECD, Competition Law and Policy Indicators for the OECD Countries.	



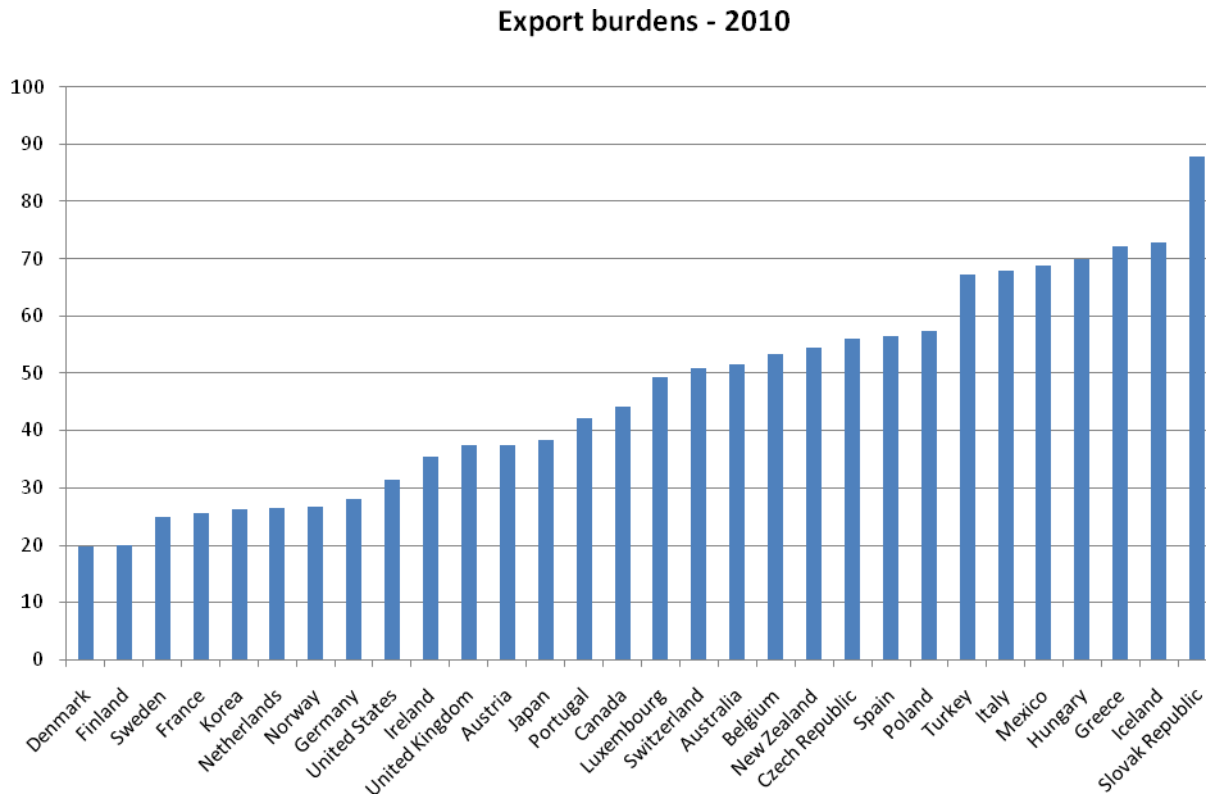
Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.35 Export Burdens

Definition

The indicator is an average of three measurements: 1) Number of all documents required to export goods, 2) Number of signatures required to export goods, 3) Time necessary to comply with all procedures required to export goods. The three sub-indicators have been normalized on a scale from 1 to 100 before taking the average and constructing the indicator.

Assessment		**Grade**
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of an entrepreneur's access to foreign markets, namely export burdens.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives reducing export burdens will have a direct impact on entrepreneurs' access to foreign markets.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based. Data originating from the World Bank.	A
	b) Cross Country Comparability Fully comparable - collected and computed using the same methodology for all countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries	A
	b) Availability over Time The Indicator is available annually.	A
Source	World Bank, Doing Business.	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator

3.2.36 Import Burdens

Definition

The indicator is an average of three measurements: 1) Number of all documents required to import goods, 2) Number of signatures required to import goods, 3) Time necessary to comply with all procedures required to import goods (Exhibit 1). The three sub-indicators have been normalized on a scale from 1 to 100 before taking the average and constructing the indicator.

Exhibit 1

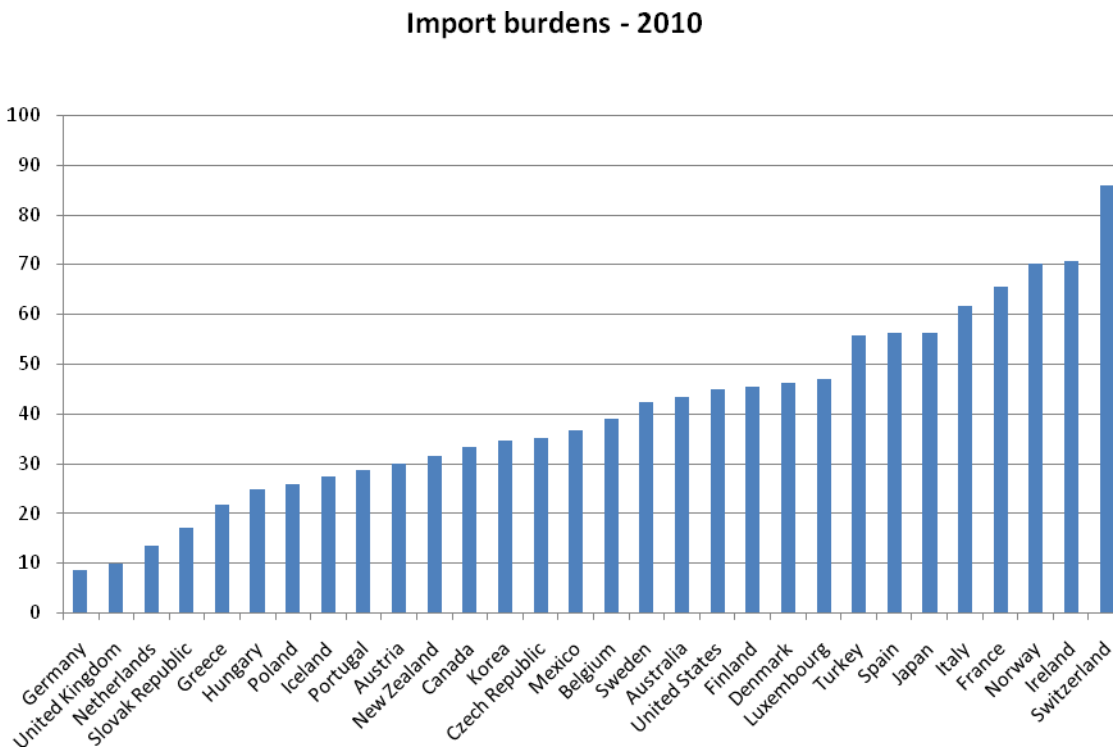
The indicator assumes the following in regards to the business and the importing process:
• The business:
o Has 200 or more employees.
o Is located in the country's most populous city.
o Is a private, limited liability company. It does not operate within an export processing zone or an industrial estate with special export or import privileges.
o Is domestically owned with no foreign ownership.
o Exports more than 10% of its sales.

• The traded product travels in a dry-cargo, 20-foot, full container load. The product:
o Is not hazardous nor does it include military items.
o Does not require refrigeration or any other special environment.
o Does not require any special phytosanitary or environmental safety standards other than accepted international standards.

• All documents required to export and import the goods are recorded. It is assumed that the contract has already been agreed upon and signed by both parties. Documents include bank documents, customs declaration and clearance documents, port filing documents, import licenses and other official documents exchanged between the concerned parties. Documents filed simultaneously are considered different documents but with the same time frame for completion.

• Time is recorded in calendar days. The time calculation for a procedure starts from the moment it is initiated and runs until it is completed. If a procedure can be accelerated for an additional cost, the fastest legal procedure is chosen. It is assumed that neither the exporter nor the importer wastes time and that each commits to completing each remaining procedure without delay. Procedures that can be completed in parallel are measured as simultaneous for the purpose of measuring time. The waiting time between procedures (for example, during unloading of the cargo) is included in the measure.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The size of import burdens is a direct measure of an entrepreneur's access to foreign markets.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives reducing the import burdens will have a direct impact on entrepreneurs' access to foreign markets.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based. Data originating from the World Bank.	A
	b) Cross Country Comparability Fully comparable - collected and computed using the same methodology for all countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries	A
	b) Availability over Time The Indicator is available annually.	A
Source	World Bank, Doing Business	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator

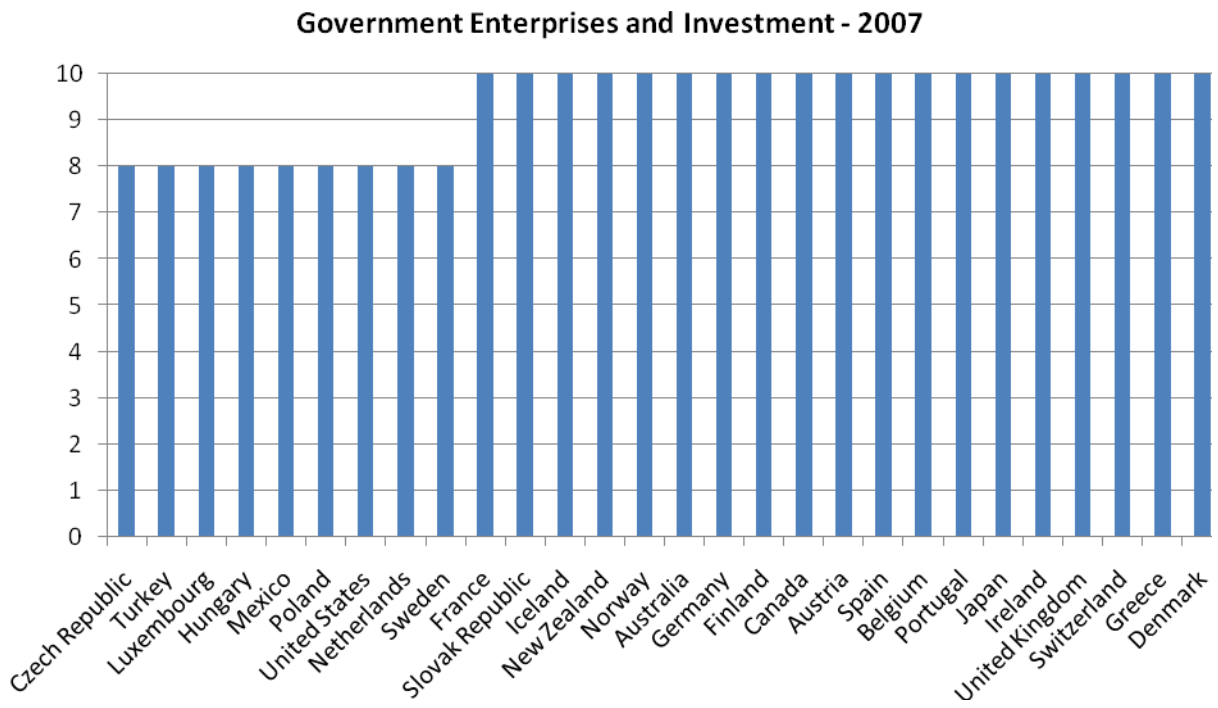
3.2.37 Government Enterprises and Investment

Definition

The indicator is a measure of the extent to which countries use private rather than government enterprises to produce goods and services. Data is composed of the number, composition, and share of output supplied by State-Operated Enterprises (SOEs) and government investment as a share of total investment.

When there are few SOEs and government investment is generally less than 15% of total investment, countries is given a rating of 10. When there are few SOEs other than those involved in industries where economies of scale reduce the effectiveness of competition (e.g., power generation) and government investment is between 15% and 20% of the total, countries receive a rating of 8, and so forth.

Assessment		**Grade**
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The involvement of SOEs and the share of government investment is a proxy measure of the degree of public involvement.	B
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Rolling back government activities can improve access to existing markets.	A
2. Accuracy	*a) Data Collection Method* The data is partly fact-based. Data originating from international organisations including World Economic Forum data which is survey based.	B
	b) Cross Country Comparability Fully comparable - collected and computed using the same methodology for all countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries apart from Korea.	A
	b) Availability over Time The indicator is available annually.	A
Source	IMF, World Bank, United Nations National Accounts and World Economic Forum. Published in Economic Freedom, Annual Report.	

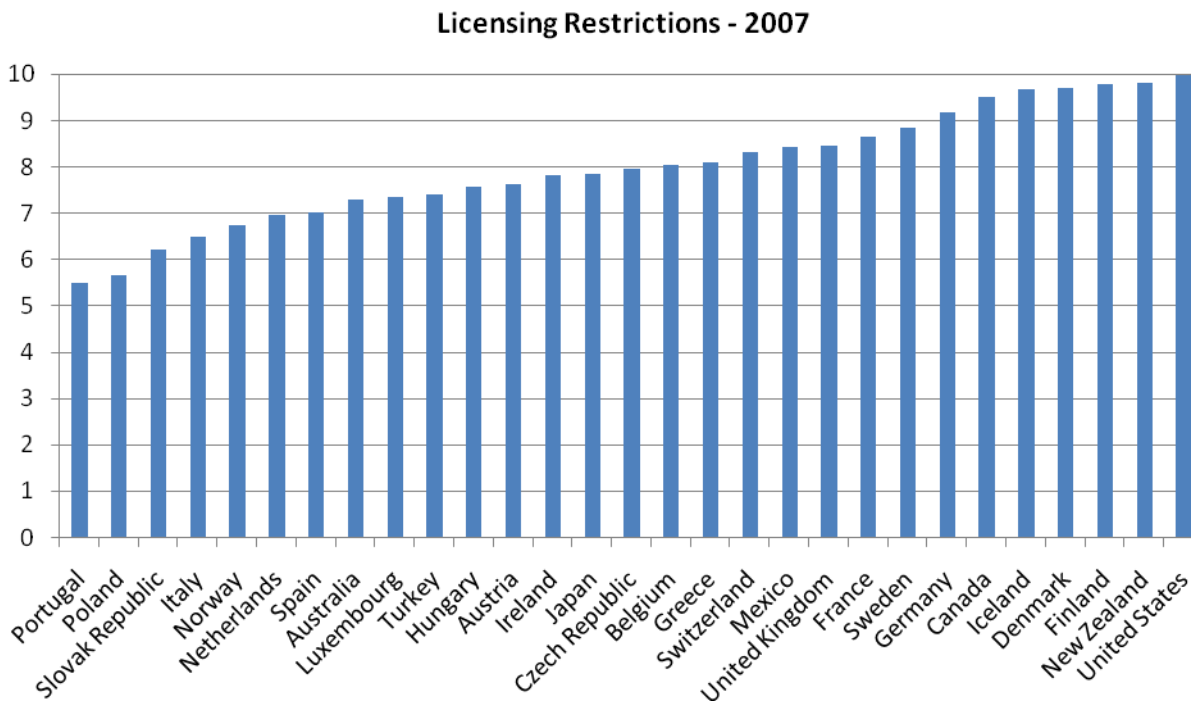

Government Enterprises and Investment - 2007
10
9
8
7
6
5
4
3
2
1
0
Czech Republic
Turkey
Luxembourg
Hungary
Mexico
Poland
United States
Netherlands
Sweden
France
Slovak Republic
Iceland
New Zealand
Norway
Australia
Germany
Finland
Canada
Austria
Spain
Belgium
Portugal
Japan
Ireland
United Kingdom
Switzerland
Greece
Denmark

3.2.38 Licensing Restrictions

Definition

Monetary costs and time in days required to obtain a license to construct a standard warehouse. Zero-to-10 ratings are constructed for (1) the time cost (measured in number of calendar days required to obtain a license) and (2) the monetary cost of obtaining the license (measured as a share of per-capita income). These two ratings are then averaged to arrive at the final rating.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The restrictions to obtain a license are a proxy measure of the degree of public involvement.	B
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Relaxing government restrictions to obtain a license improves access to existing markets.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based. Data originating from the World Bank.	A
	b) Cross Country Comparability Fully comparable - collected and computed using the same methodology for all countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 28 OECD countries.	A
	b) Availability over Time The indicator is available annually.	A
Source	World Bank. Published in Economic Freedom, Annual Report.	

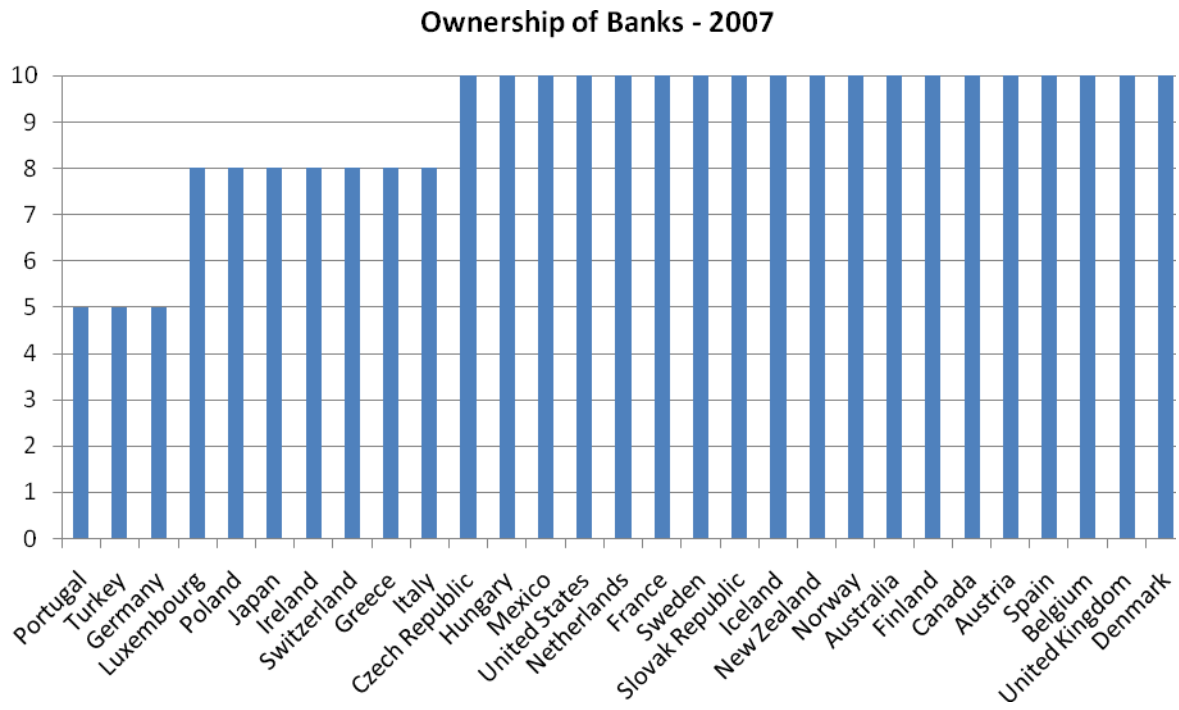

Licensing Restrictions - 2007
10
9
8
7
6
5
4
3
2
1
0
Portugal
Poland
Slovak Republic
Italy
Norway
Netherlands
Spain
Australia
Luxembourg
Turkey
Hungary
Austria
Ireland
Japan
Czech Republic
Belgium
Greece
Switzerland
Mexico
United Kingdom
France
Sweden
Germany
Canada
Iceland
Denmark
Finland
New Zealand
United States

3.2.39 Ownership of Banks

Definition

Data on the percentage of bank deposits held in privately owned banks is used to construct rating intervals of public ownership in the financial sector.
When privately held deposits total between 95% and 100%, countries are given a rating of 10, while a zero rating is assigned when private deposits are 10% or less of the total. Intermediate ratings are given accordingly.

Assessment		**Grade**
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The share of privately held deposits is a proxy measure of the degree of public involvement.	B
	b) Assessment of the Type of Policy Indicator Policy focused indicator. For instance, increased government ownership of banks will have a direct negative impact on the indicator.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based. Data originating from the World Bank.	A
	b) Cross Country Comparability Fully comparable - collected and computed using the same methodology for all countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries apart from Korea.	A
	b) Availability over Time The indicator is available annually.	A
Source	World Bank. Published in Economic Freedom, Annual Report.	

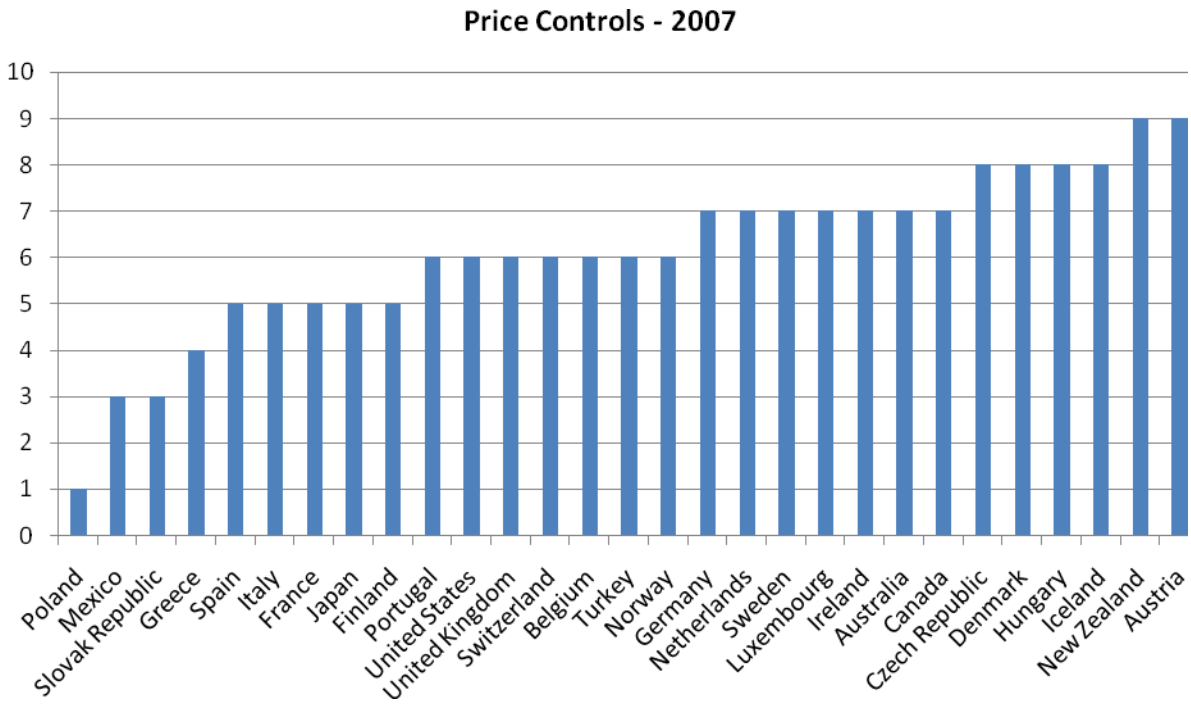

Ownership of Banks - 2007
10
9
8
7
6
5
4
3
2
1
0
Portugal
Turkey
Germany
Luxembourg
Poland
Japan
Ireland
Switzerland
Greece
Italy
Czech Republic
Hungary
Mexico
United States
Netherlands
France
Sweden
Slovak Republic
Iceland
New Zealand
Norway
Australia
Finland
Canada
Austria
Spain
Belgium
United Kingdom
Denmark

3.2.40 Price Controls

Definition

The indicator measures the extent to which prices are determined by the market or by government involvement.
Countries were given a rating of 10 if no price controls or marketing boards were present. When price controls are limited to industries where economies of scale may reduce the effectiveness of competition (e.g., power generation), a country is given a rating of 8. When price controls are applied in only a few other industries, such as agriculture, a country is given a rating of 6. When price controls are levied on energy, agriculture, and many other staple products that are widely purchased by households, a rating of 4 is given. When price controls applied to a significant number of products in both agriculture and manufacturing, the rating is 2.

Assessment		**Grade**
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The level of price controls is a proxy measure of the degree of public involvement.	B
	b) Assessment of the Type of Policy Indicator Rolling back government price controls might create new business opportunities in certain sectors. Nevertheless, data is survey based and therefore public policies will only have an indirect effect	B
2. Accuracy	*a) Data Collection Method* The indicator is opinion-based as information is provided by senior economist and sovereign risk analysts at leading global banks and money management and securities firms (IMD World Competitiveness Yearbook).	C
	b) Cross Country Comparability In principle the comparability should be high. However, given the fact that the indicator is based on an opinion-based survey there remain some uncertainties about comparability in practice.	B
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries apart from Korea.	A
	b) Availability over Time The indicator is available annually.	A
Source	IMD World Competitiveness Yearbook. Published in Economic Freedom, Annual Report.	

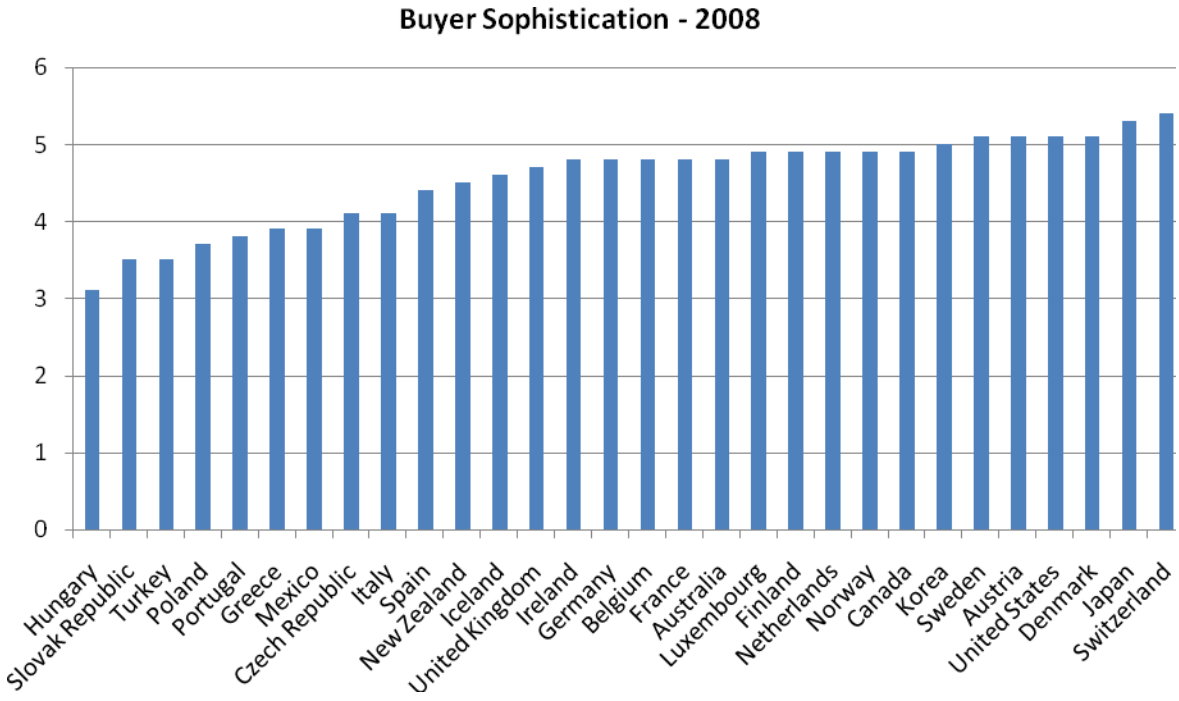

Price Controls - 2007
10
9
8
7
6
5
4
3
2
1
0
Poland
Mexico
Slovak Republic
Greece
Spain
Italy
France
Japan
Finland
Portugal
United States
United Kingdom
Switzerland
Belgium
Turkey
Norway
Germany
Netherlands
Sweden
Luxembourg
Ireland
Australia
Canada
Czech Republic
Denmark
Hungary
Iceland
New Zealand
Austria

3.2.41 Buyer Sophistication

Definition

The indicator is based on a survey questionnaire and measures how buyers make purchasing decisions (1 = based solely on the lowest price, 7 = based on a sophisticated analysis of performance).

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The indicator is a proxy measure of private demand by enterprises and consumers.	B
	b) Assessment of the Type of Policy Indicator Policy initiatives will only have an indirect impact on people's opinion on purchasing decisions.	B
2. Accuracy	*a) Data Collection Method* Survey-based indicator from WEF's Executive Opinion Survey.	C
	b) Cross Country Comparability In principle the comparability should be high. However given the fact that it is an opinion-based survey there remain some uncertainties about comparability in practice. Moreover respondents from companies with less than 100 employees and less than $10,000 US dollars are excluded which could further distort comparability, particularly between richer/poorer and large/small countries.	B
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries	A
	b) Availability over Time The indicator is available annually.	A
Source	World Economic Forum – The Global Competitiveness Report.	

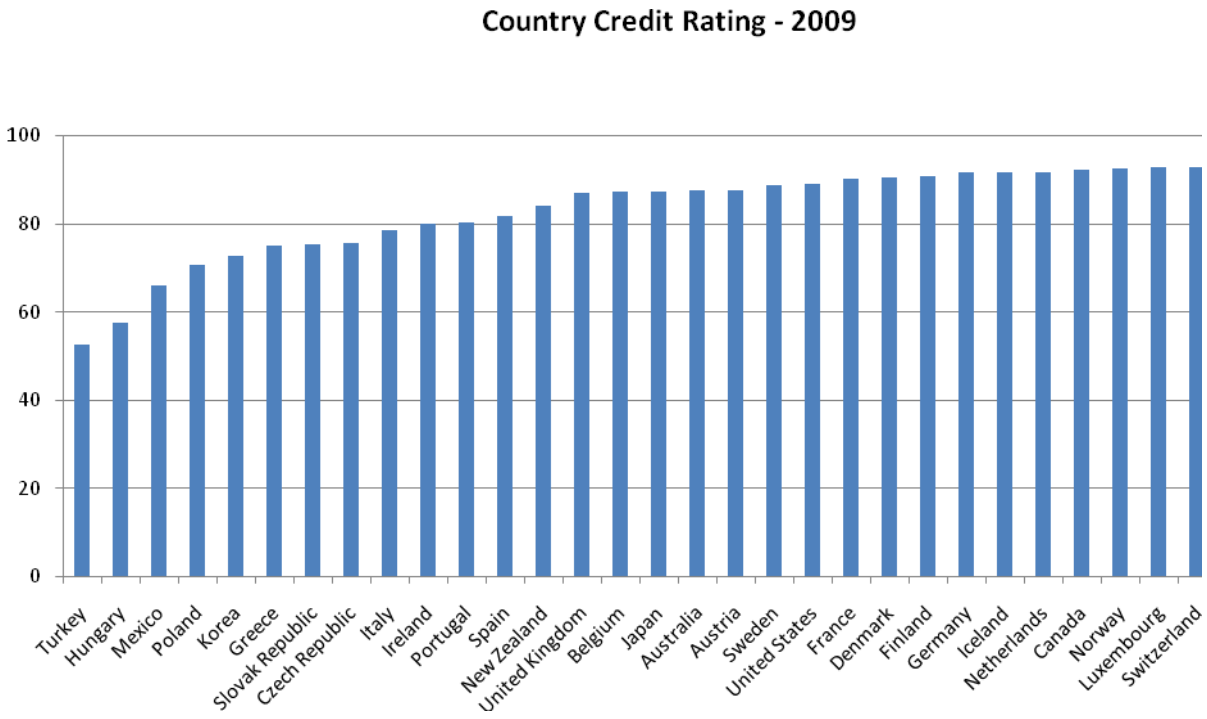

Buyer Sophistication - 2008
6
5
4
3
2
1
0
Hungary
Slovak Republic
Turkey
Poland
Portugal
Greece
Mexico
Czech Republic
Italy
Spain
New Zealand
Iceland
United Kingdom
Ireland
Germany
Belgium
France
Australia
Luxembourg
Finland
Netherlands
Norway
Canada
Korea
Sweden
Austria
United States
Denmark
Japan
Switzerland

3.2.42 Country Credit Rating

Definition

The indicator measures the country credit rating, which is based on an assessment by the Institutional Investor Magazine Ranking. The ranking goes from 1 (worst) to 100 (best).

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* Country credit rating indicates the risks of lending capital to specific countries, but it is only a proxy measure of the supply and accessibility of debt-capital to individual entrepreneurs.	B
	b) Assessment of the Type of Policy Indicator The country credit rating is the outcome of individual investor's assessments of each country's credibility. Policy initiatives will only have an indirect impact on other people's assessment of each country's credibility.	B
2. Accuracy	*a) Data Collection Method* The indicator is opinion-based as information is provided by senior economist and sovereign risk analysts at leading global banks and money management and securities firms.	C
	b) Cross Country Comparability In principle the comparability should be high. However, given the fact that the indicator is based on an opinion-based survey there remain some uncertainties about comparability in practice.	B
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries for at least of the most recent years, 2005-2007.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	IMD World Competitiveness Yearbook.	

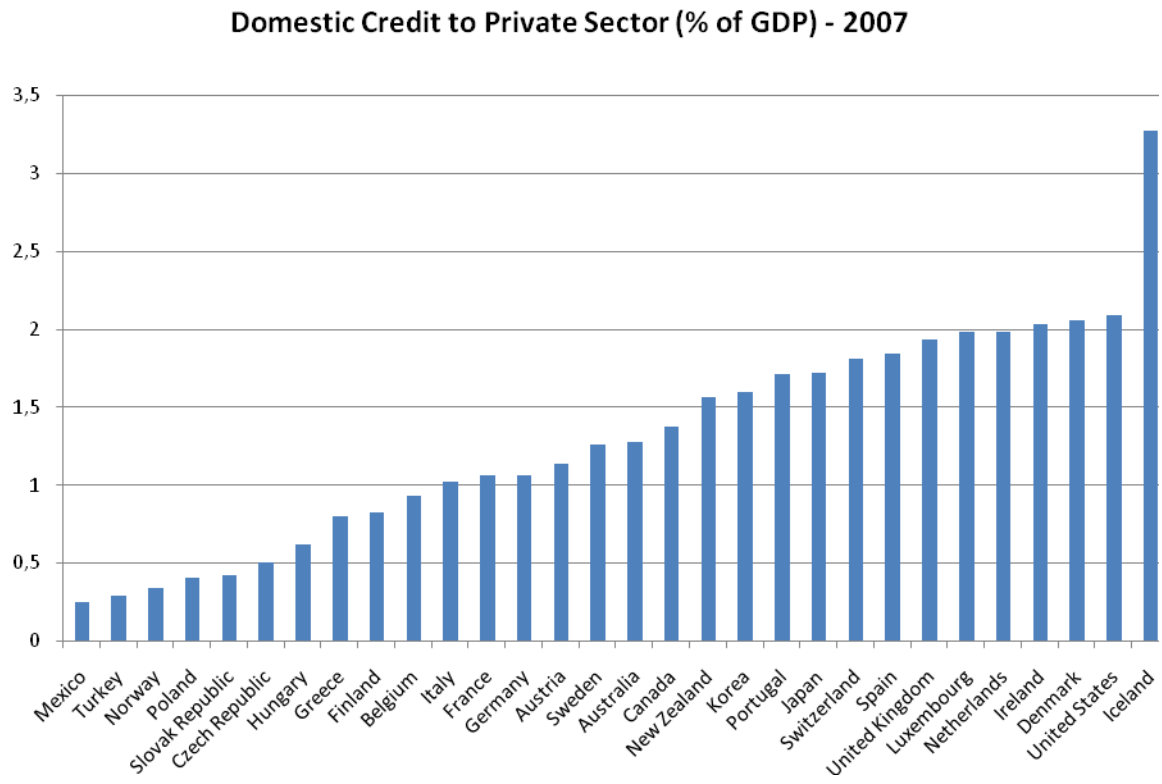

Country Credit Rating - 2009
100
80
60
40
20
0
Turkey
Hungary
Mexico
Poland
Korea
Greece
Slovak Republic
Czech Republic
Italy
Ireland
Portugal
Spain
New Zealand
United Kingdom
Belgium
Japan
Australia
Austria
Sweden
United States
France
Denmark
Finland
Germany
Iceland
Netherlands
Canada
Norway
Luxembourg
Switzerland

3.2.43 Domestic Credit to Private Sector (% of GDP)

Definition

The indicator refers to financial resources provided to the private sector - such as through loans, purchases of non-equity securities, and trade credits and other accounts receivable - that establish a claim for repayment. For some countries these claims include credits to public enterprises.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The ratio of domestic credit to private sector relative to GDP is a direct measure of the supply of debt-capital.	A
	b) Assessment of the Type of Policy Indicator The ratio of private credit relative to GDP is the outcome of an efficient policy framework for getting access to capital and thus not a direct measure of the regulation per se. Policy initiatives will only have an indirect impact on an indicator measuring the outcome of regulation.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from IMF.	A
	b) Cross Country Comparability Fully comparable. The same methodology is used in every country.	A
3. Availability	*a) Availability across OECD Countries* The indicator is available for all OECD countries and for most World Bank countries.	A
	b) Availability over Time The indicator is updated annually.	A
Source	Published in World Development Indicators, World Bank. Data are from the IMF's *International Financial Statistics*.	



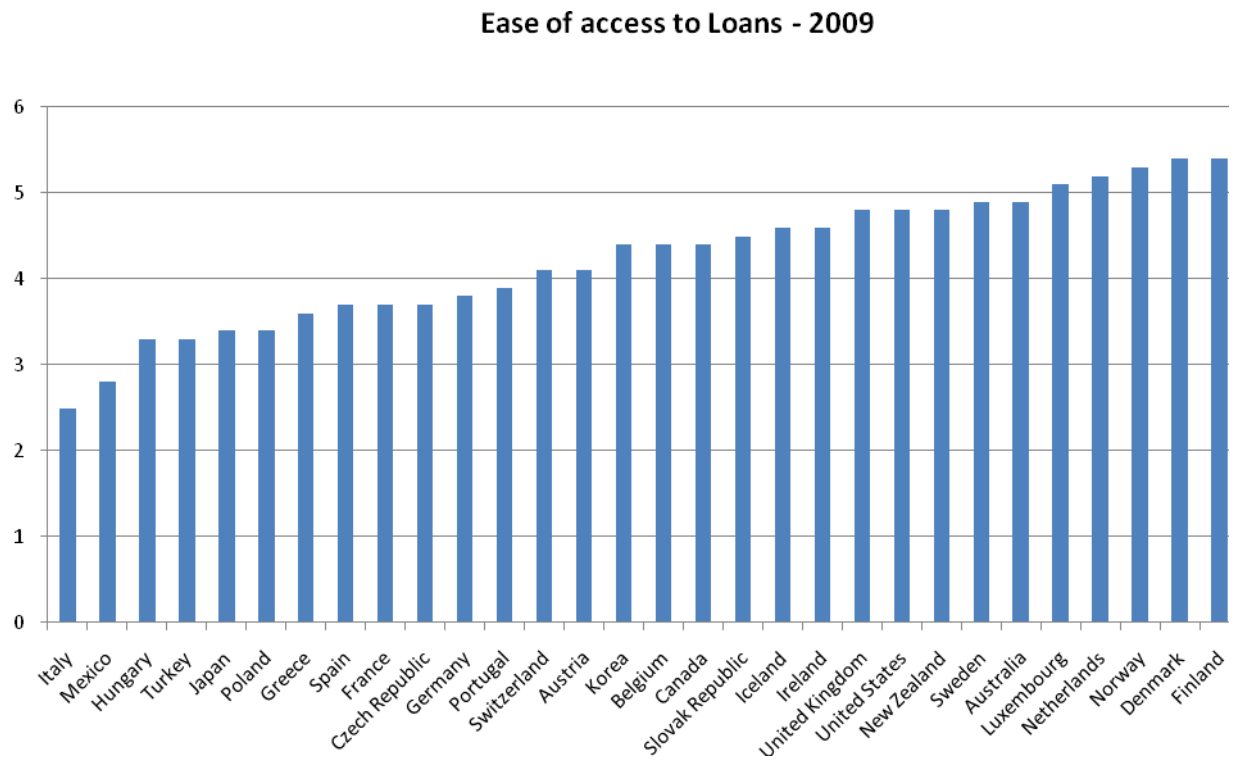
Note: 2006 for Iceland, Korea and Norway.

3.2.44 Ease of Access to Loans

Definition

The indicator is based on a survey questionnaire and measures how easy it is to obtain a bank loan in your country with only a good business plan and no collateral (1 = impossible, 7 = easy).

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* Ease of access to bank loans is an indirect measure of the ease with which entrepreneur's may obtain loans.	B
	b) Assessment of the Type of Policy Indicator Ease of access to bank loans is survey based and therefore policy initiatives in the area only will have an indirect effect.	B
2. Accuracy	*a) Data Collection Method* Survey-based indicator from WEF's Executive Opinion Survey.	C
	b) Cross Country Comparability In principle the comparability should be high. However given the fact that it is an opinion-based survey there remain some uncertainties about comparability in practice. Moreover respondents from companies with less than 100 employees and less than $10,000 US dollars are excluded which could further distort comparability, particularly between richer/poorer and large/small countries.	B
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The Indicator is available for 2004, 2007 - 2009.	A
Source	World Economic Forum – The Global Competitiveness Report.	

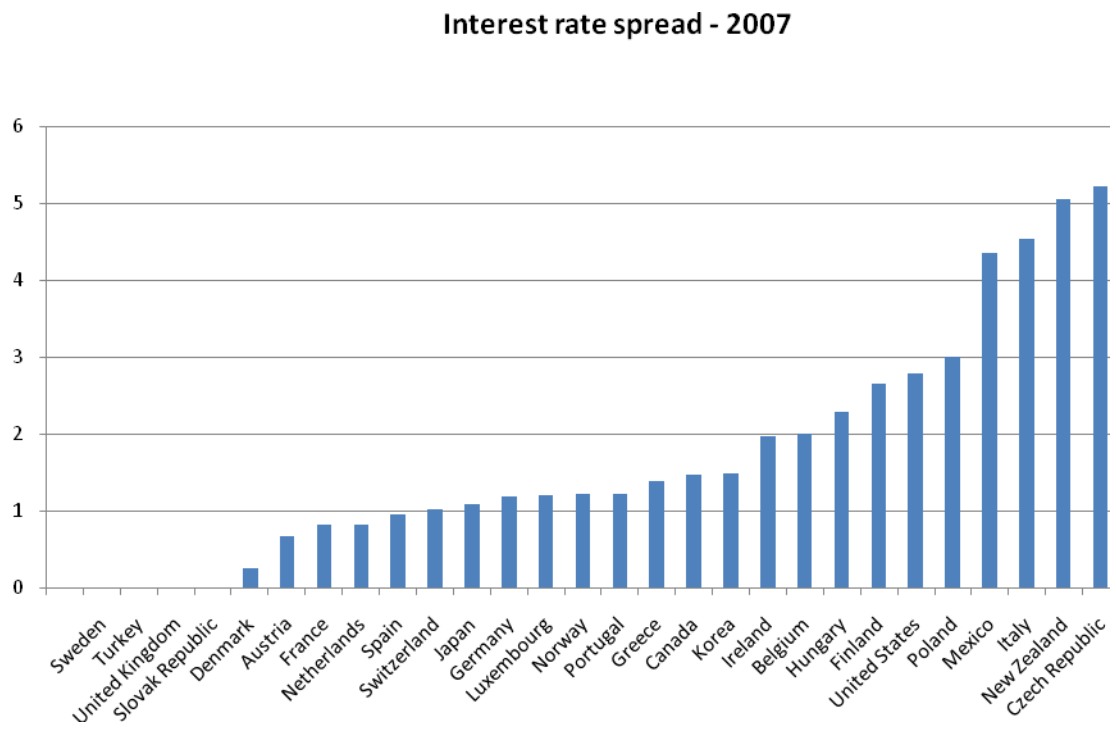

Ease of access to Loans - 2009
6
5
4
3
2
1
0
Italy
Mexico
Hungary
Turkey
Japan
Poland
Greece
Spain
France
Czech Republic
Germany
Portugal
Switzerland
Austria
Korea
Belgium
Canada
Slovak Republic
Iceland
Ireland
United Kingdom
United States
New Zealand
Sweden
Australia
Luxembourg
Netherlands
Norway
Denmark
Finland

3.2.45 Interest Rate Spread

Definition

The indicator measures the lending rate minus deposit rate based on an average of annual rates for each country.

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The interest rate spread reflects the level of price competition in the credit markets, but is only a proxy measure of the supply and accessibility of debt-capital.	B
	b) Assessment of the Type of Policy Indicator The interest rate spread relative to GDP is the outcome of an efficient policy framework for capital markets and thus not a direct measure of the regulation per se. Policy initiatives will only have an indirect impact on an indicator measuring the outcome of regulation.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based.	A
	b) Cross Country Comparability Fully comparable. The same methodology is used in every country.	A
3. Availability	*a) Availability across OECD Countries* Over the period 1998 to 2007 data is available for 29 OECD countries in at least one of the years.	A
	b) Availability over Time The indicator is available annually with varying country coverage up to 2007.	A
Source	IMF – International Financial Statistics.	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.46 Legal Rights Index

Definition

Legal Rights Index measures the degree to which collateral and bankruptcy laws facilitate lending (exhibit 1).

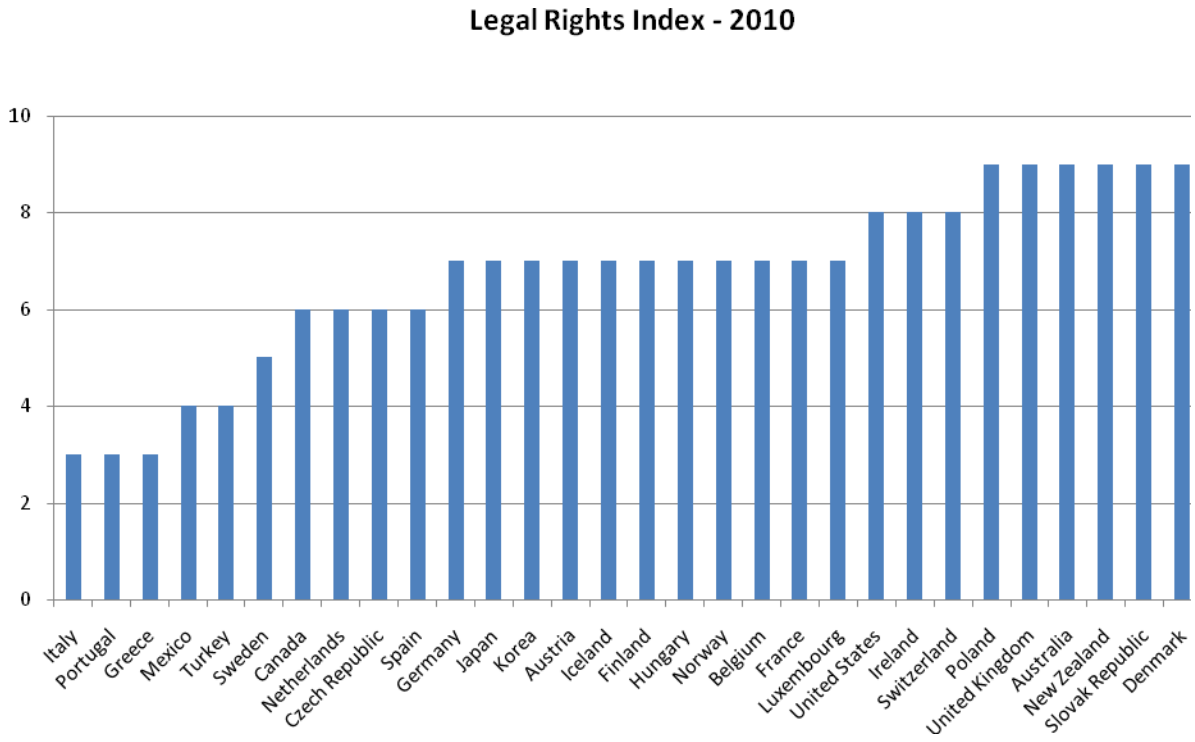
The index ranges from 0 to 10, with higher scores indicating that collateral and bankruptcy laws are better designed to expand access to credit.

Exhibit 1

The index includes 7 aspects related to legal rights in collateral law and 3 aspects in bankruptcy law. A score of 1 is assigned for each of the following features of the laws:

- General rather than specific description of assets is permitted in collateral agreements.
- General rather than specific description of debt is permitted in collateral agreements.
- Any legal or natural person may grant or take security in the property.
- A unified registry operates that includes charges over movable property
- Secured creditors have priority outside of bankruptcy.
- Secured creditors, rather than other parties such as government or workers, are paid first out of the proceeds from liquidating a bankrupt firm.
- Secured creditors are able to seize their collateral when a debtor enters reorganization; there is no “automatic stay” or “asset freeze” imposed by the court.
- Management does not stay during reorganization. An administrator is responsible for managing the business during reorganization.
- Parties may agree on enforcement procedures by contract.
- Creditors may both seize and sell collateral out of court without restriction.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The Legal Rights Index is an indirect measure of entrepreneurs' access to capital through loans. Higher protection of borrowers and lenders rights facilitates the lending process.	B
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Changing formal regulations will have a direct impact on the legal rights index.	A
2. Accuracy	*a) Data Collection Method* The data is fact-based. Data originating from the World Bank.	A
	b) Cross Country Comparability Fully comparable - collected and computed using the same methodology for all countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries	A
	b) Availability over Time The indicator is available annually.	B
Source	World Bank, Doing Business.	

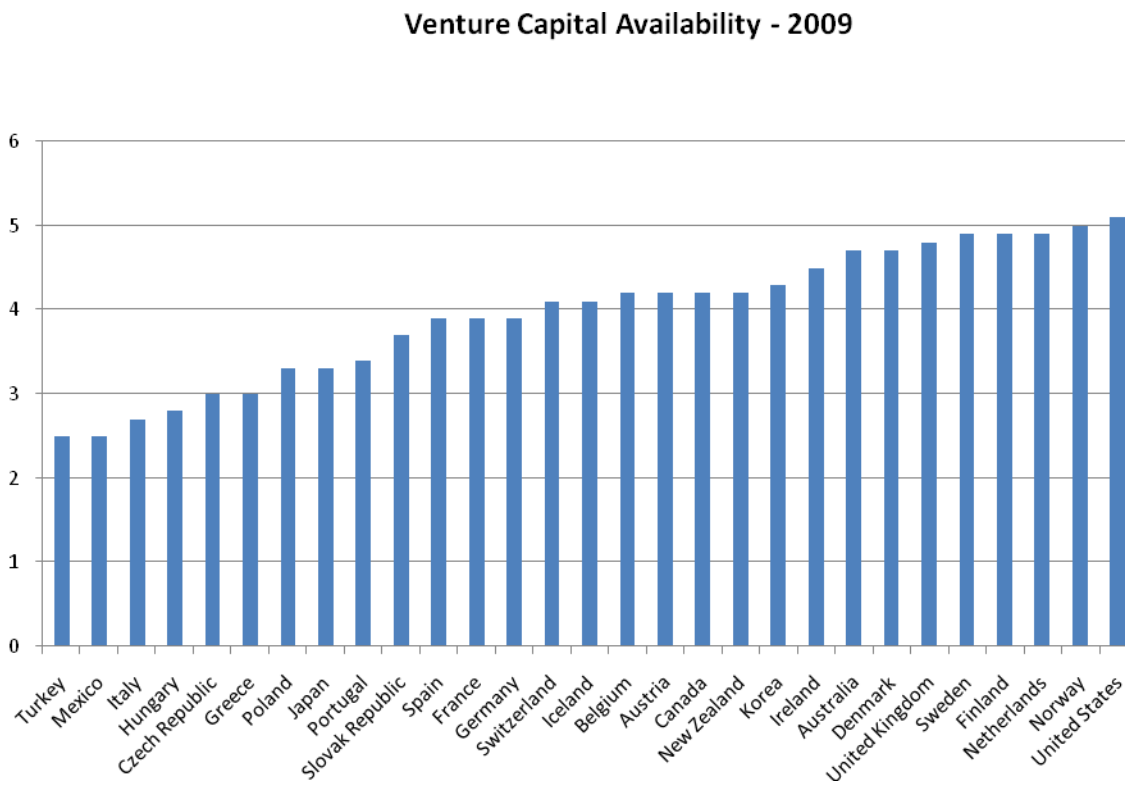

Legal Rights Index - 2010
10
8
6
4
2
0
Italy
Portugal
Greece
Mexico
Turkey
Sweden
Canada
Netherlands
Czech Republic
Spain
Germany
Japan
Korea
Austria
Iceland
Finland
Hungary
Norway
Belgium
France
Luxembourg
United States
Ireland
Switzerland
Poland
United Kingdom
Australia
New Zealand
Slovak Republic
Denmark

3.2.47 Venture Capital Availability

Definition

The indicator is based on a survey questionnaire and measures the extent to which entrepreneurs with innovative but risky projects can generally find venture capital in your country (1 = not true, 7 = true).

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* Venture capital availability is a direct measure of the availability of venture capital for a risky project.	A
	b) Assessment of the Type of Policy Indicator Venture capital availability is based on the respondent's assessment and policy initiatives will only have an indirect impact on the indicator.	B
2. Accuracy	*a) Data Collection Method* Survey-based indicator from WEF's Executive Opinion Survey.	C
	b) Cross Country Comparability In principle the comparability should be high. However given the fact that it is an opinion-based survey there remain some uncertainties about comparability in practice. Moreover respondents from companies with less than 100 employees and less than $10,000 US dollars are excluded which could further distort comparability, particularly between richer/poorer and large/small countries.	B
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	World Economic Forum – The Global Competitiveness Report.	



Notes: 2008 for Australia, Austria and Belgium.

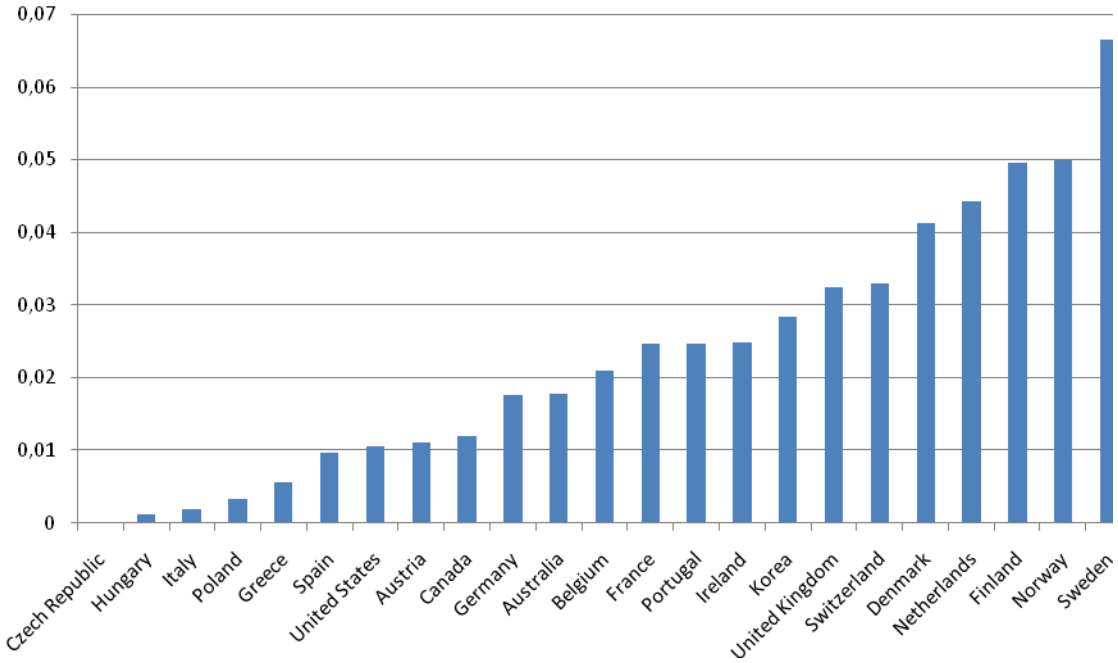
3.2.48 Venture Capital Investments in Seed and Start-Up, % of GDP

Definition

The indicator shows the level of investment performed by Venture Capital firms towards young businesses in seed and start-up phases - a firm's development phase when founders conduct research, develop products and explore market potential (seed phase) right up to the phase where a firm has established operations and has launched or is about to launch delivery of products or services (start-up phase), and which is prior to the expansion phase.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of VC investments as a per cent of GDP.	A
	b) Assessment of the Type of Policy Indicator Policy measures will only have an indirect impact on the indicator although clearly policies designed to encourage VC investments via grants or tax-credits for example will have relatively direct impacts in practice.	B
2. Accuracy	*a) Data Collection Method* The indicator is collected through national and international Venture Capital associations that conduct annual surveys on the venture capital and private equity industry.	A
	b) Cross Country Comparability Comparability across countries is very good, although differences in when phases occur will have an impact (this notably affects comparisons of Japan, Korea and Mexico with other countries).	A
3. Availability	*a) Availability across OECD Countries* For the period 2007-2008 data is available for 23 OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis for most countries.	A
Source	OECD Entrepreneurship Indicators Programme based on the following sources: ABS: Australian Bureau of Statistics EVCA: European Private Equity & Venture Capital Association VEC: Venture Enterprise Center KVCA: Korean Venture Capital Association NZVCA: New Zealand Private Equity & Venture Capital Association	

Venture Capital Investments in Seed and Start-Up, % of GDP - 2008

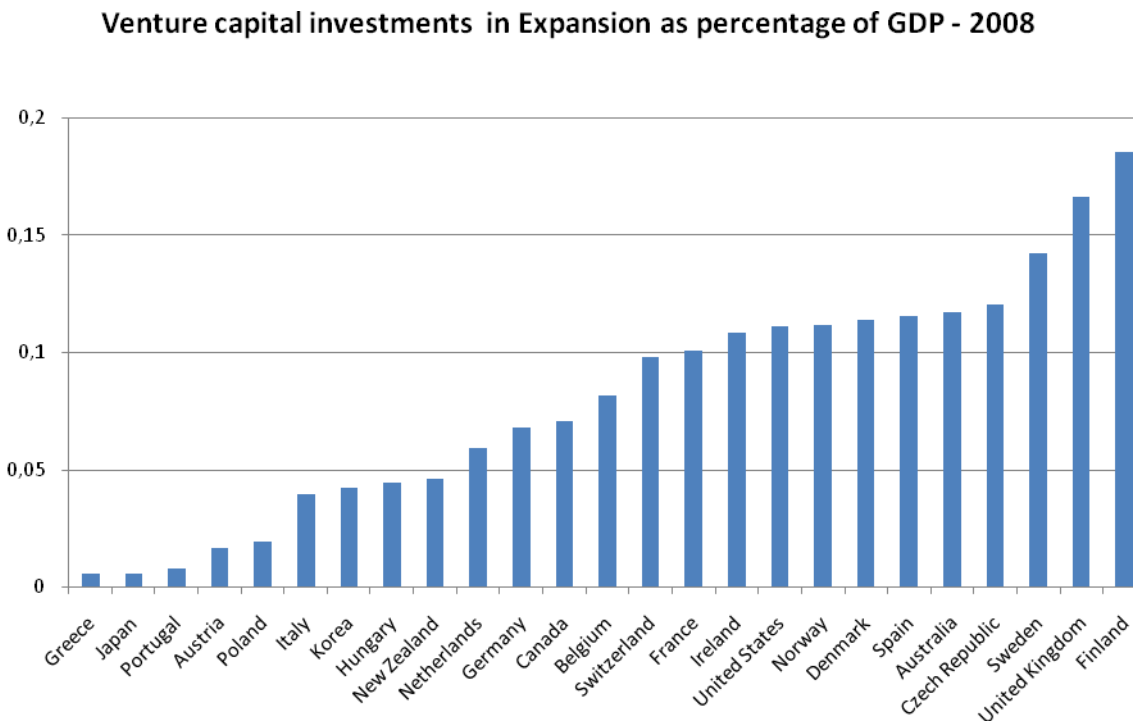


3.2.49 Venture Capital Investments in Expansion, % of GDP

Definition

The indicator shows the level of investment performed by the VC sector for young firms in an expansion phase (the phase following the seed and start-up phase).

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of VC investments as a per cent of GDP.	A
	b) Assessment of the Type of Policy Indicator Policy measures will only have an indirect impact on the indicator although clearly policies designed to encourage VC investments via grants or tax-credits for example will have relatively direct impacts in practice.	B
2. Accuracy	*a) Data Collection Method* The indicator is collected through national and international Venture Capital associations that conduct annual surveys on the venture capital and private equity industry.	A
	b) Cross Country Comparability Comparability across European countries is very good.	A
3. Availability	*a) Availability across OECD Countries* For the period 2007-2008 data is available for 23 OECD countries.	A
	b) Availability over Time The Indicator is available on an annual basis for most countries.	
Source	OECD Entrepreneurship Indicators Programme based on the following sources: ABS: Australian Bureau of Statistics EVCA: European Private Equity & Venture Capital Association VEC: Venture Enterprise Center KVCA: Korean Venture Capital Association NZVCA: New Zealand Private Equity & Venture Capital Association	



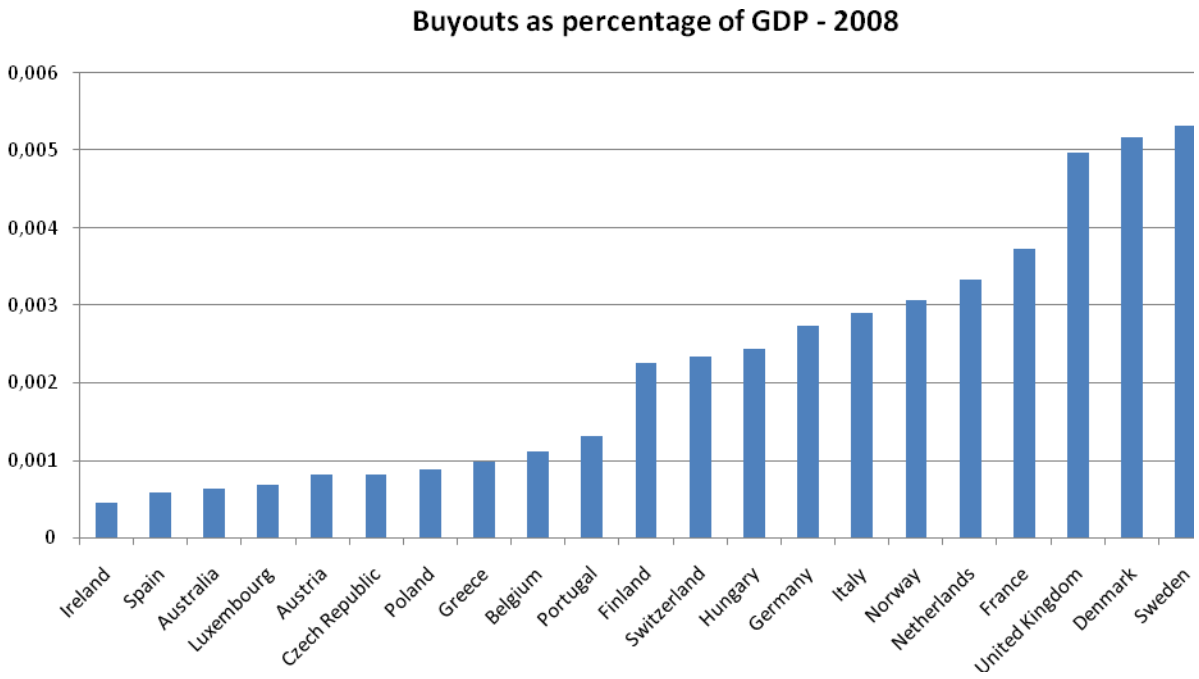
Notes: 2007 for Japan and New Zealand.

3.2.50 Buyouts

Definition

The indicator measures transactions in which a business, business unit or company is acquired from the current shareholders.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of later stage/buy-out investments as a per cent of GDP.	A
	b) Assessment of the Type of Policy Indicator Policy initiatives will only have an indirect impact on the number of buyouts.	B
2. Accuracy	*a) Data Collection Method* The indicator is collected through national and international Venture Capital associations that conduct annual surveys on the venture capital and private equity industry.	A
	b) Cross Country Comparability Comparability across European countries is very good.	A
3. Availability	*a) Availability across OECD Countries* For the period 2007-2008 data is available for 23 OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis for most countries.	A
Source	OECD Entrepreneurship Indicators Programme based on the following sources: ABS: Australian Bureau of Statistics EVCA: European Private Equity & Venture Capital Association VEC: Venture Enterprise Center KVCA: Korean Venture Capital Association NZVCA: New Zealand Private Equity & Venture Capital Association	

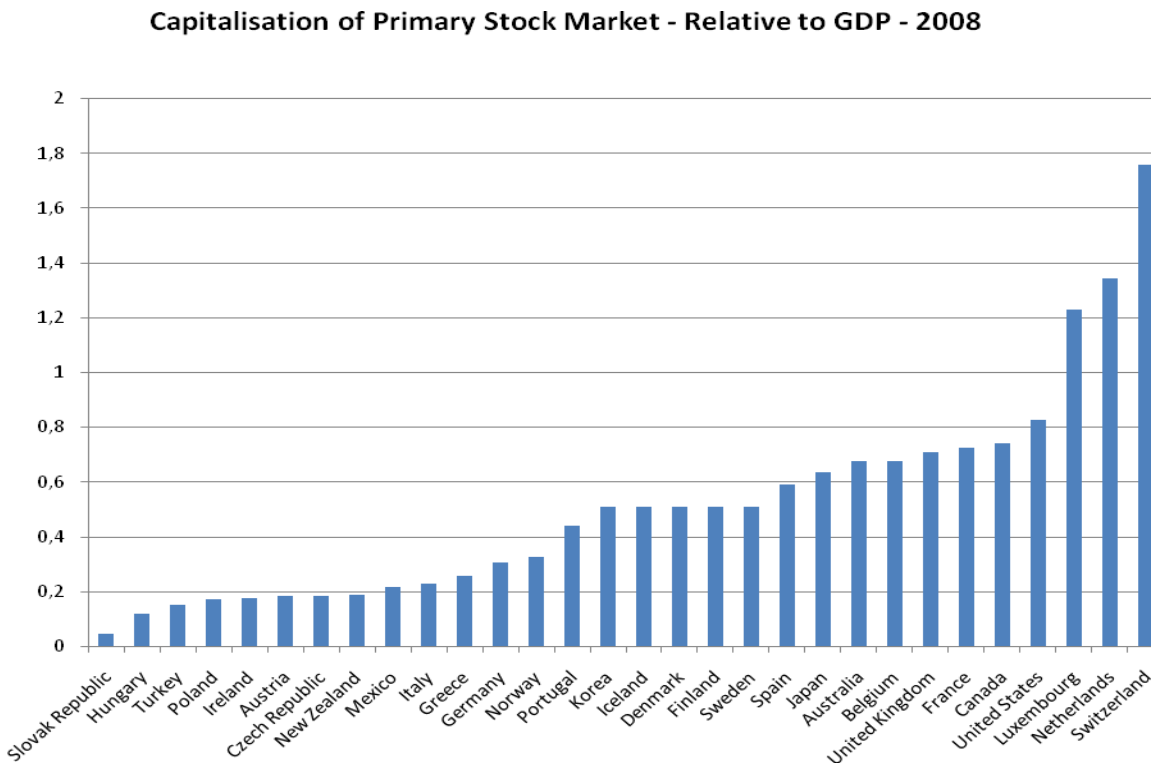

Buyouts as percentage of GDP - 2008
0,006
0,005
0,004
0,003
0,002
0,001
0
Ireland
Spain
Australia
Luxembourg
Austria
Czech Republic
Poland
Greece
Belgium
Portugal
Finland
Switzerland
Hungary
Germany
Italy
Norway
Netherlands
France
United Kingdom
Denmark
Sweden

3.2.51 Capitalisation of Primary Stock Market

Definition

The indicator measures the capitalisation of the primary stock market (the value of the issued shares on the market) relative to GDP.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of the supply and accessibility of expansion capital. An efficient primary stock market is a facilitator of access to expansion capital and indirectly a source to more capital in earlier investment phases.	A
	b) Assessment of the Type of Policy Indicator The size of the primary capital market is primarily the outcome of market-based initiatives and an efficient policy framework for stock markets. It is not a direct measure of the regulation per se. Policy initiatives will only have an indirect impact on an indicator measuring the outcome of regulation.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based and originates from the World Federation of Exchange.	A
	b) Cross Country Comparability Notwithstanding the differences in the coverage of Primary Stock Markets the indicator is fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 24 OECD countries in 2007-2008.	A
	b) Availability over Time The indicator is updated annually.	A
Source	World Federation of Exchange.	



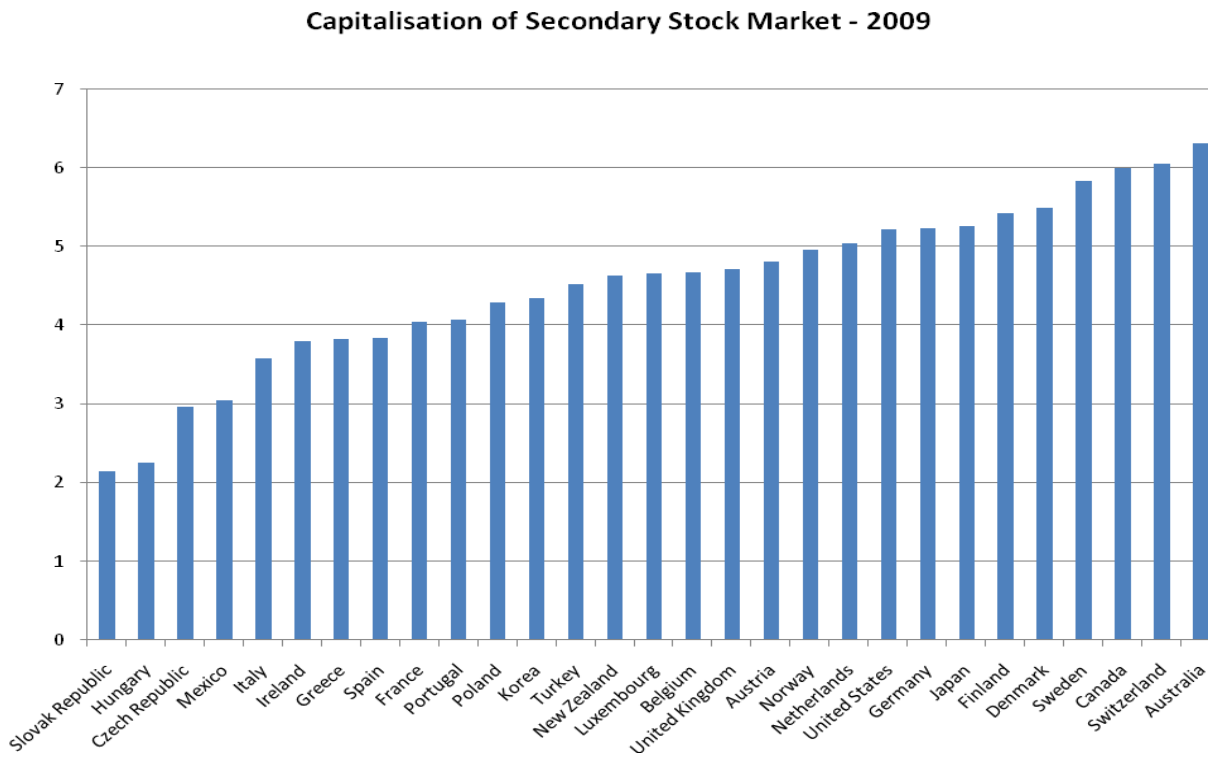
Notes: 2001 for Belgium, Czech Republic, France, Netherlands, Portugal and Slovak Republic

3.2.52 Capitalisation of Secondary Stock Market

Definition

This indicator is an assessment of the efficiency of stock markets providing finance to companies. Ranking goes from 1 (worst) to 10 (best).

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* Assessment of efficiency of stock markets indicates the accessibility of capital in a country. However, it is only a proxy measure of finance possibilities for individual entrepreneurs.	B
	b) Assessment of the Type of Policy Indicator Ranking is the outcome of senior business leader's assessment of each country's stock markets for providing adequate finance to companies. Thus, the indicator is opinion-based. Policy measures can only have an indirect impact on the opinions of senior business leaders.	B
2. Accuracy	*a) Data Collection Method* The indicator is opinion-based as information is provided by senior business leaders who represent a cross-section of the business community in each country.	C
	b) Cross Country Comparability Data fully comparable. The same methodology is used in every country.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time Indicator is available on an annual basis.	A
Source	IMD World Competitiveness Yearbook.	

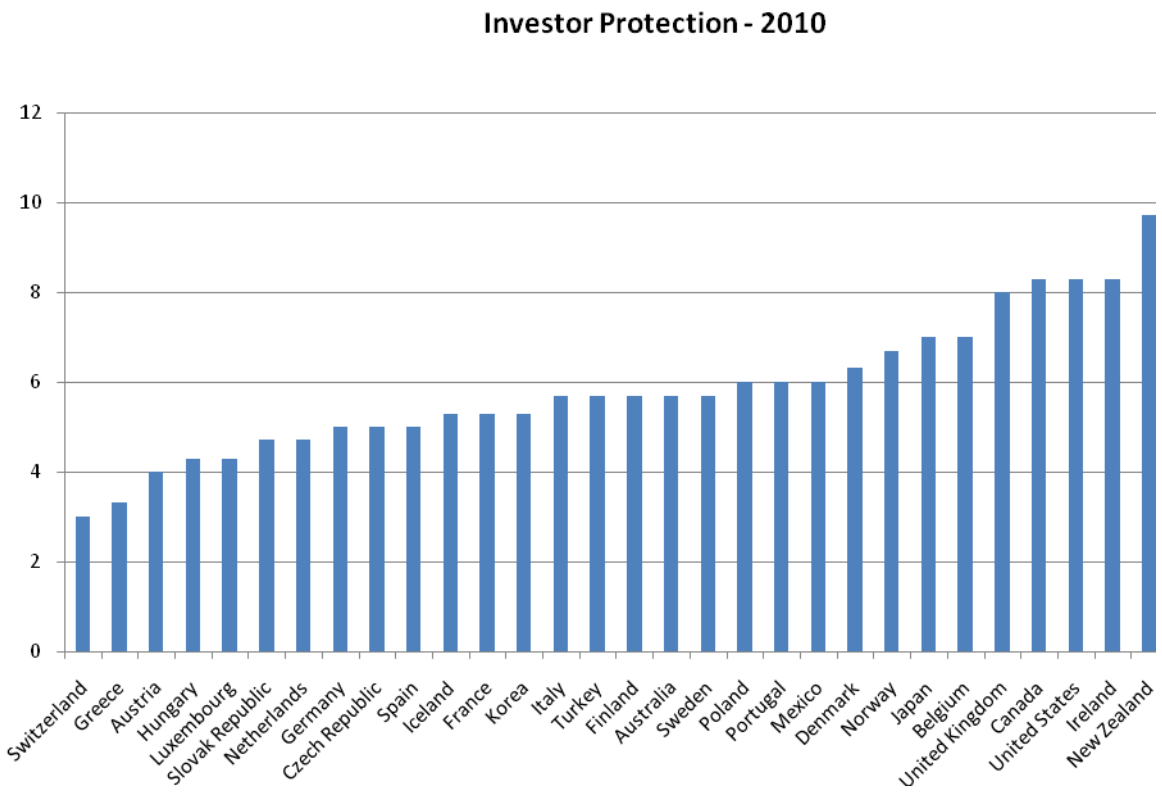

Capitalisation of Secondary Stock Market - 2009
7
6
5
4
3
2
1
0
Slovak Republic
Hungary
Czech Republic
Mexico
Italy
Ireland
Greece
Spain
France
Portugal
Poland
Korea
Turkey
New Zealand
Luxembourg
Belgium
United Kingdom
Austria
Norway
Netherlands
United States
Germany
Japan
Finland
Denmark
Sweden
Canada
Switzerland
Australia

3.2.53 Investor Protection

Definition

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain. The main indicators include: transparency of transactions (Extent of Disclosure Index), liability for self-dealing (Extent of Director Liability Index), shareholders' ability to sue officers and directors for misconduct (Ease of Shareholder Suit Index), strength of Investor Protection Index (the average of the three index).

Assessment		**Grade**
Overall		**A**
1. Relevance	*a) Assessment of Relevance* Investor Protection is an indirect measure of the transparency of transactions, liability for self dealing and the shareholder's ability to sue officers and directors for misconduct.	B
	b) Assessment of the Type of Policy Indicator Policy implication focused indicator. A direct measure for policy instrument. Changing formal regulation will have a direct influence.	A
2. Accuracy	*a) Data Collection Method* Data is fact based and is based on company laws, court rules of evidence and securities regulations.	A
	b) Cross Country Comparability Fully comparable. The same methodology To make the data comparable across countries, several assumptions about the business and the transaction are used.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is updated annually.	A
Source	World Bank, Doing Business.	


Investor Protection - 2010
12
10
8
6
4
2
0
Switzerland
Greece
Austria
Hungary
Luxembourg
Slovak Republic
Netherlands
Germany
Czech Republic
Spain
Iceland
France
Korea
Italy
Turkey
Finland
Australia
Sweden
Poland
Portugal
Mexico
Denmark
Norway
Japan
Belgium
United Kingdom
Canada
United States
Ireland
New Zealand

3.2.54 Market Capitalisation of Newly Listed Companies – Relative to GDP

Definition

The indicator measures the market capitalization of newly listed domestic shares relative to GDP. The market capitalization of newly listed domestic shares is the total number of new shares issued multiplied by their value on the first day of quotation.

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of the supply and accessibility of new capital.	A
	b) Assessment of the Type of Policy Indicator The market capitalization of newly listed companies is primarily the outcome of market-based initiatives and an efficient policy framework for stock markets. Policy initiatives will therefore only have an indirect impact on the market capitalization of newly listed companies.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based and originates from the World Federation of Exchange.	A
	b) Cross Country Comparability Fully comparable because the same methodology is used in all countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 24 OECD countries at least once over the period 2006 to 2008.	A
	b) Availability over Time The indicator is updated annually.	A
Source	World Federation of Exchange.	

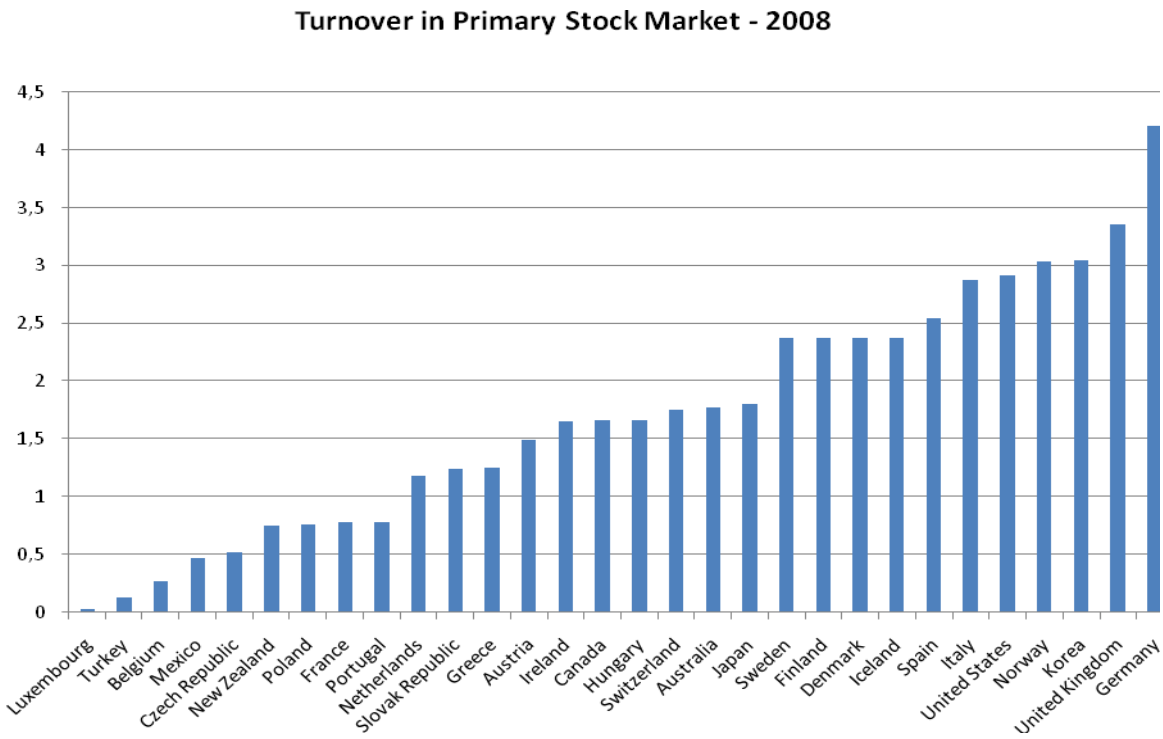
Notes: Luxembourg outlier (value: 0,08).

3.2.55 Turnover in Primary Stock Market

Definition:

The indicator measures the total shares traded on the stock market exchange in percentage of GDP.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The total number of shares traded on the stock market is an indication of the well functioning and efficiency of the capital market. The total number of shares is a direct measure of the accessibility of expansion capital via the stock market.	A
	b) Assessment of the Type of Policy Indicator The total number of shares traded on the stock market is primarily the outcome of market-based initiatives and an efficient policy framework for stock markets. It is not a direct measure of the regulation per se. Policy initiatives will only have an indirect impact on an indicator measuring the outcome of regulation.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based and originates from the World Bank and Standard and Poor's Emerging Market Database.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* The indicator is available for 24 OECD countries for the period 2006-2009.	A
	b) Availability over Time The indicator is updated annually.	A
Source	World Bank and Standard and Poor's Emerging Market Database.	



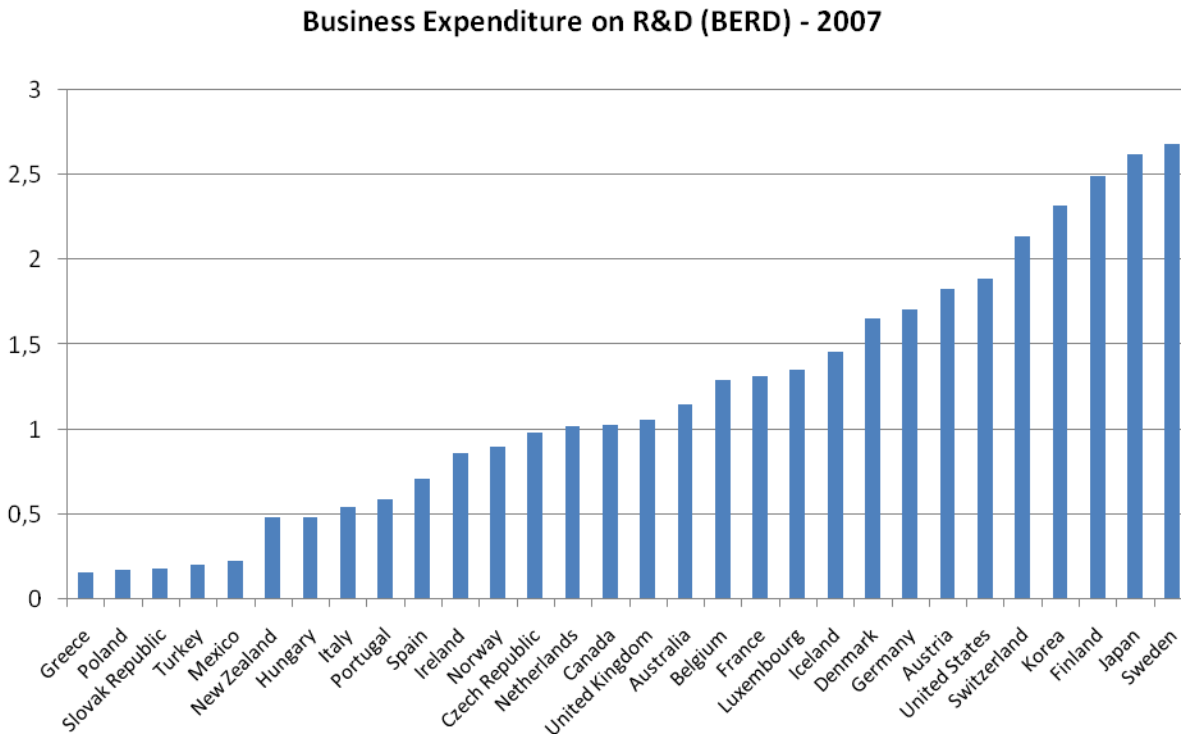
Notes: 2001 for Belgium, Czech Republic, France, Netherlands, Portugal and Slovak Republic

3.2.56 Business Expenditure on R&D - BERD

Definition

The indicator measures business expenditure on R&D – BERD – as percentage of GDP.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The level of business expenditure on R&D has direct influence on the possibilities for entrepreneurs including development of new products and production methods.	A
	b) Assessment of the Type of Policy Indicator Policy measures will have an indirect impact on business expenditure on R&D.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is updated annually.	A
Source	OECD, Science and Technology Statistics.	



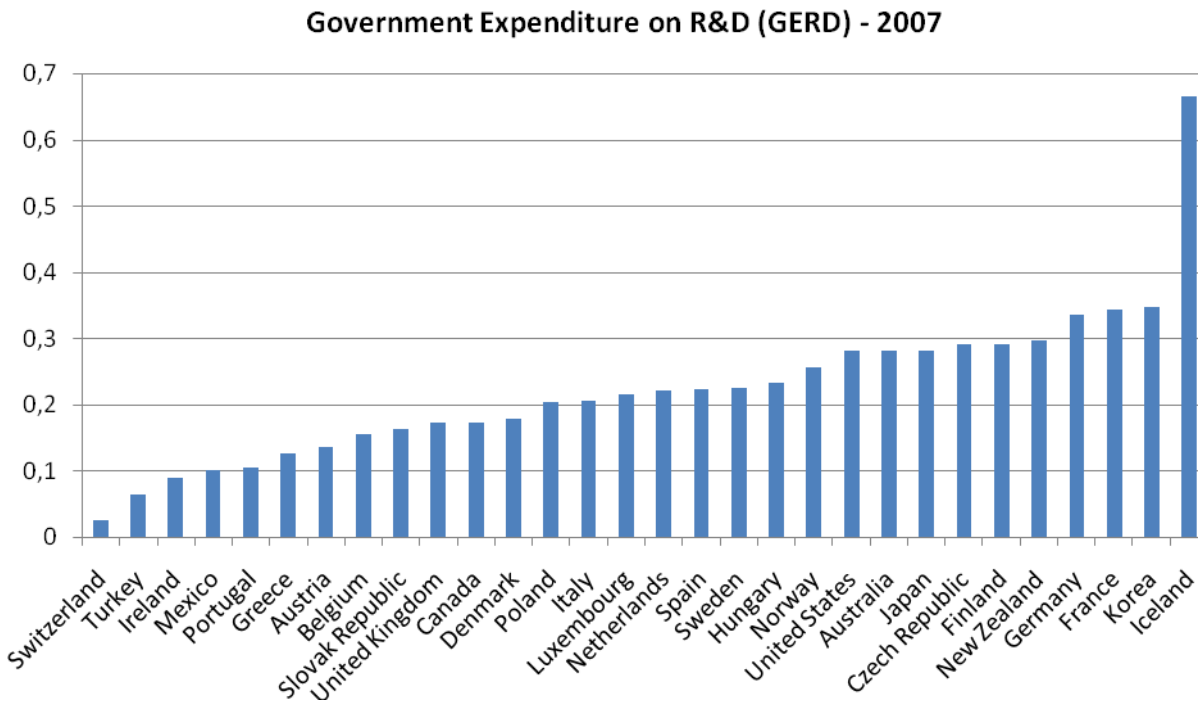
Notes: 2006 for Australia, Japan, Korea, Poland, Turkey and United Kingdom. 2005 for Iceland, Mexico and New Zealand. 2004 for Switzerland.

3.2.57 Government Expenditure on R&D – GERD

Definition

The indicator measures government expenditure on R&D - GERD - as percentage of GDP.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The level of government expenditure on basic R&D has direct influence on the possibilities for commercialising products.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives reducing government R&D expenditure will have a direct impact on the indicator.	A
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is updated annually.	A
Source	OECD, Science and Technology Statistics.	



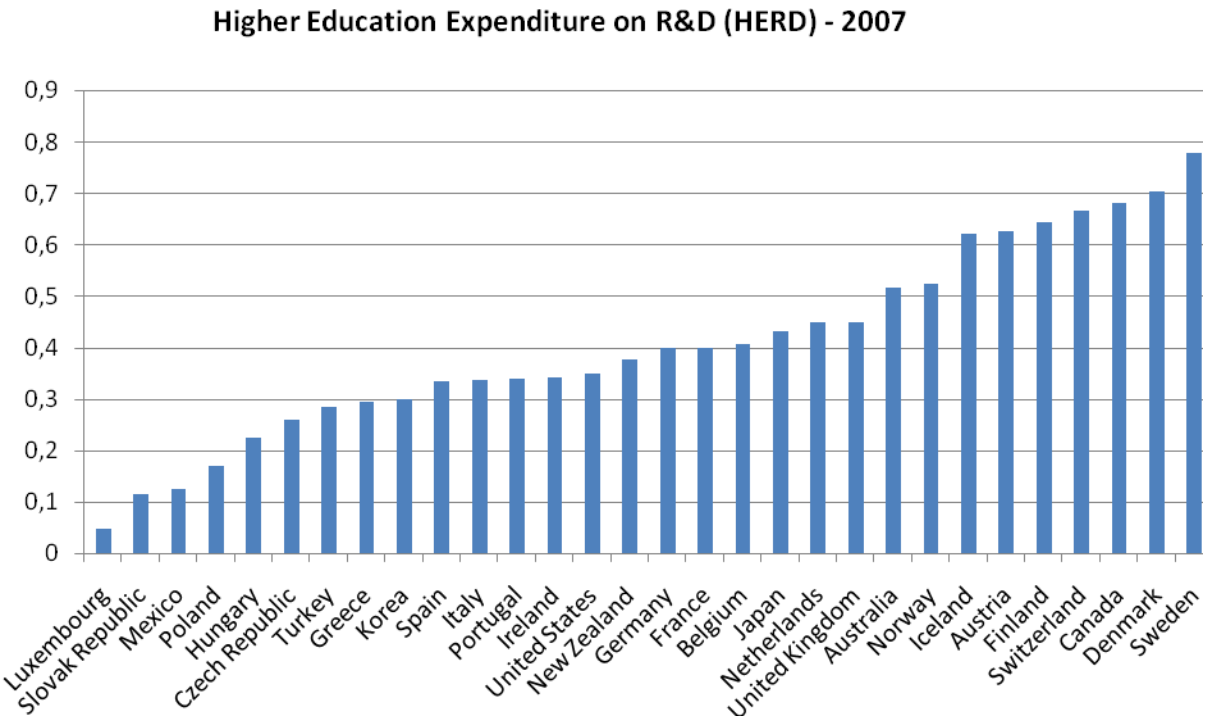
Notes: 2006 for Australia, Japan, Korea, Poland, Switzerland, Turkey and United Kingdom. 2005 for Iceland, Mexico and New Zealand.

3.2.58 Higher Education Expenditure on R&D – HERD

Definition

The indicator measures higher education expenditure on R&D – GERD – as percentage of GDP.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* Research performed at universities and at other institutions of tertiary education has direct influence on the possibilities for commercialising new products or production methods.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives reducing public R&D funds for higher education will have a direct impact on the indicator.	A
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries	A
	b) Availability over Time The indicator is updated annually.	A
Source	OECD, Science and Technology Statistics.	

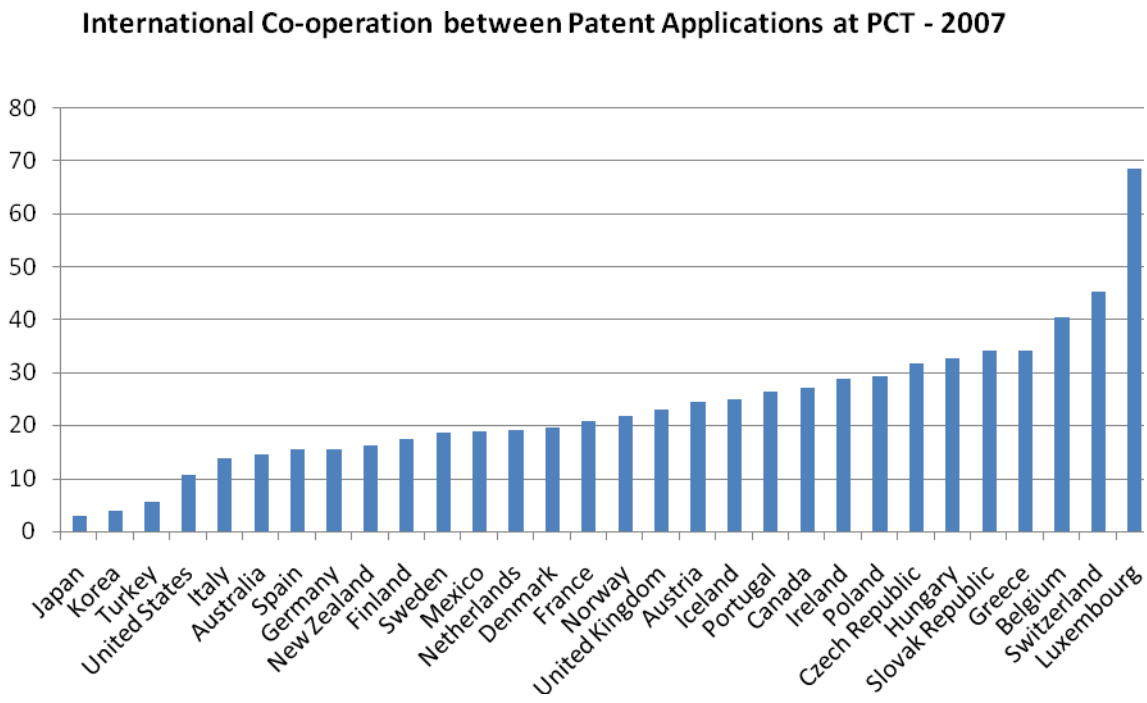

Higher Education Expenditure on R&D (HERD) - 2007
0,9
0,8
0,7
0,6
0,5
0,4
0,3
0,2
0,1
0
Luxembourg
Slovak Republic
Mexico
Poland
Hungary
Czech Republic
Turkey
Greece
Korea
Spain
Italy
Portugal
Ireland
United States
New Zealand
Germany
France
Belgium
Japan
Netherlands
United Kingdom
Australia
Norway
Iceland
Austria
Finland
Switzerland
Canada
Denmark
Sweden

3.2.59 International Co-operation between Patent Applications at PCT

Definition

The indicator measures international co-operation between patent applications under the Patent Cooperation Treaty (PCT). The measure is calculated as a percentage of total patents (by application date).

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The degree of international co-operation between patent applications is a proxy measure of R&D activity. Entrepreneurs can protect their own product through the patent system.	B
	b) Assessment of the Type of Policy Indicator Policy initiatives improving conditions for international patent co-operation will have an indirect impact on the indicator.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is updated annually.	A
Source	OECD, Science and Technology Statistics.	

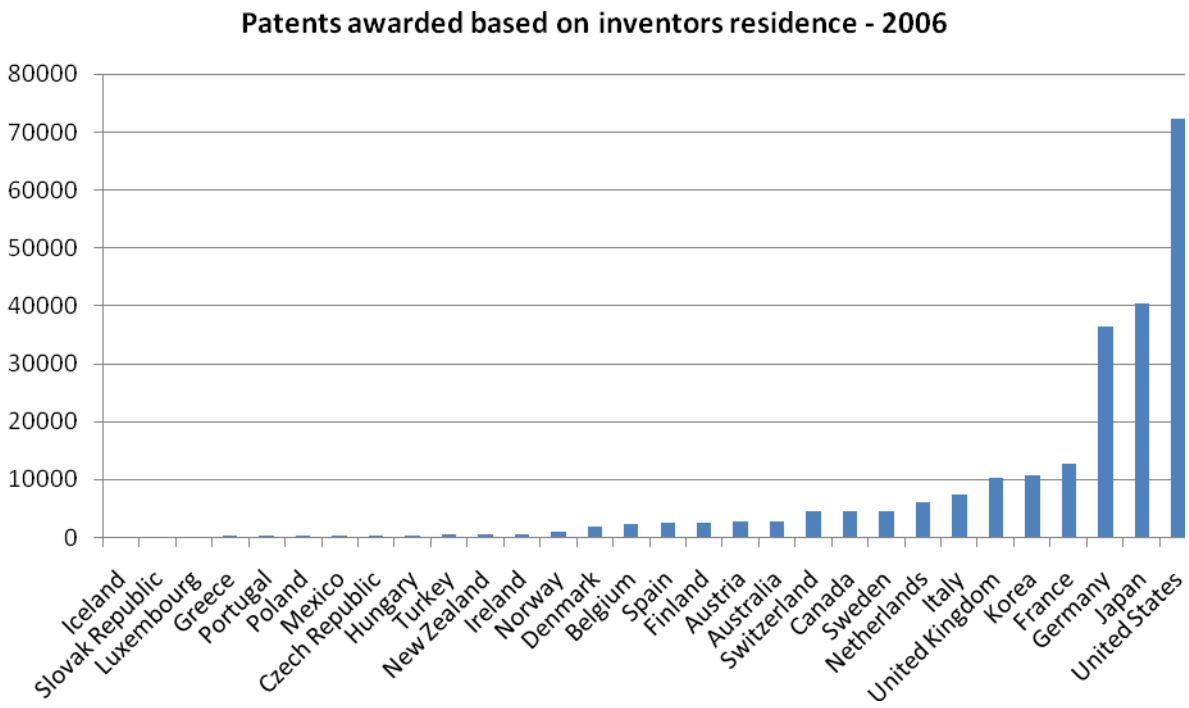

International Co-operation between Patent Applications at PCT - 2007
80
70
60
50
40
30
20
10
0
Japan
Korea
Turkey
United States
Italy
Australia
Spain
Germany
New Zealand
Finland
Sweden
Mexico
Netherlands
Denmark
France
Norway
United Kingdom
Austria
Iceland
Portugal
Canada
Ireland
Poland
Czech Republic
Hungary
Slovak Republic
Greece
Belgium
Switzerland
Luxembourg

3.2.60 Patents Awarded Based on Inventors Residence

Definition

Number of patents awarded to inventors based on there residence. The indicator is a sum of patents awarded by the European Patent Office (EPO) and US Patent and Trademark Office (USPTO).

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The number of patents is a proxy measure of R&D activity. Entrepreneurs can protect their own product through the patent system.	B
	b) Assessment of the Type of Policy Indicator Policy initiatives for protecting knowledge will have an indirect impact on the number of patents awarded.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is updated annually.	A
Source	OECD Science and Technology Statistics.	

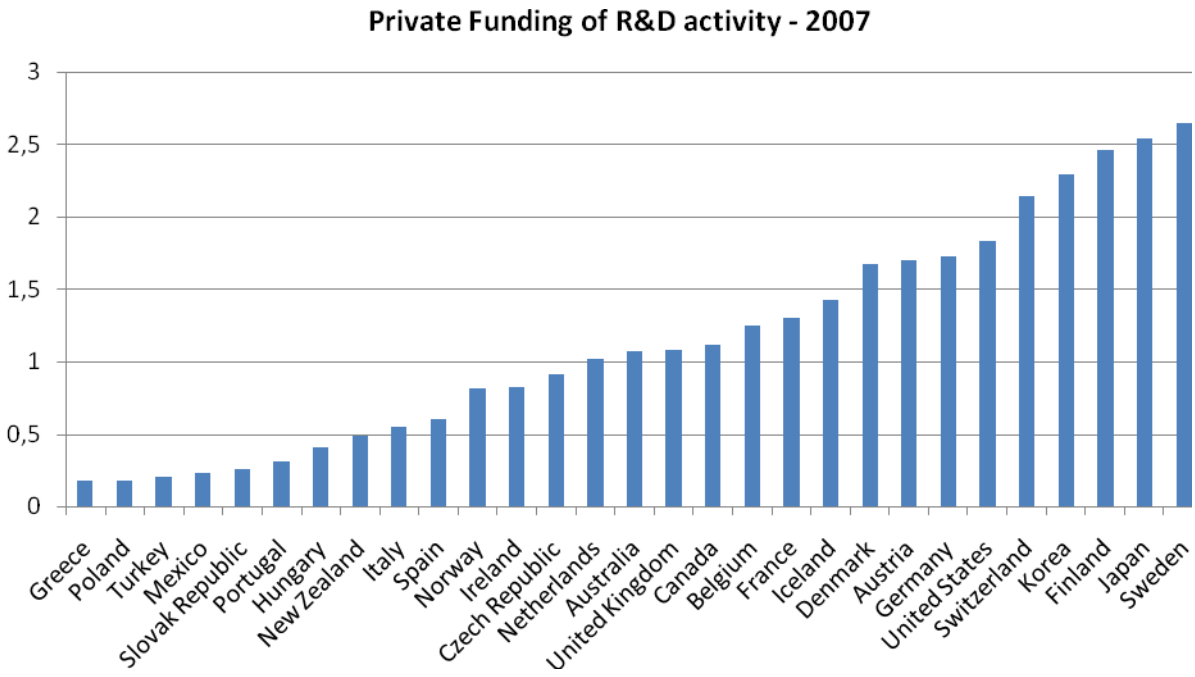

Patents awarded based on inventors residence - 2006
80000
70000
60000
50000
40000
30000
20000
10000
0
Iceland
Slovak Republic
Luxembourg
Greece
Portugal
Poland
Mexico
Czech Republic
Hungary
Turkey
New Zealand
Ireland
Norway
Denmark
Belgium
Spain
Finland
Austria
Australia
Switzerland
Canada
Sweden
Netherlands
Italy
United Kingdom
Korea
France
Germany
Japan
United States

3.2.61 Private Funding of R&D activity

Definition

Total private founded R&D investments, independent of where the founding is spent. The indicator is measured as a percentage of GDP.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The level of private founded R&D investment has direct influence on the possibilities for entrepreneurs including development of new products and production methods.	A
	b) Assessment of the Type of Policy Indicator Policy measures will have an indirect impact on private founded expenditure on R&D.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is updated annually.	A
Source	OECD, Science and Technology Statistics.	



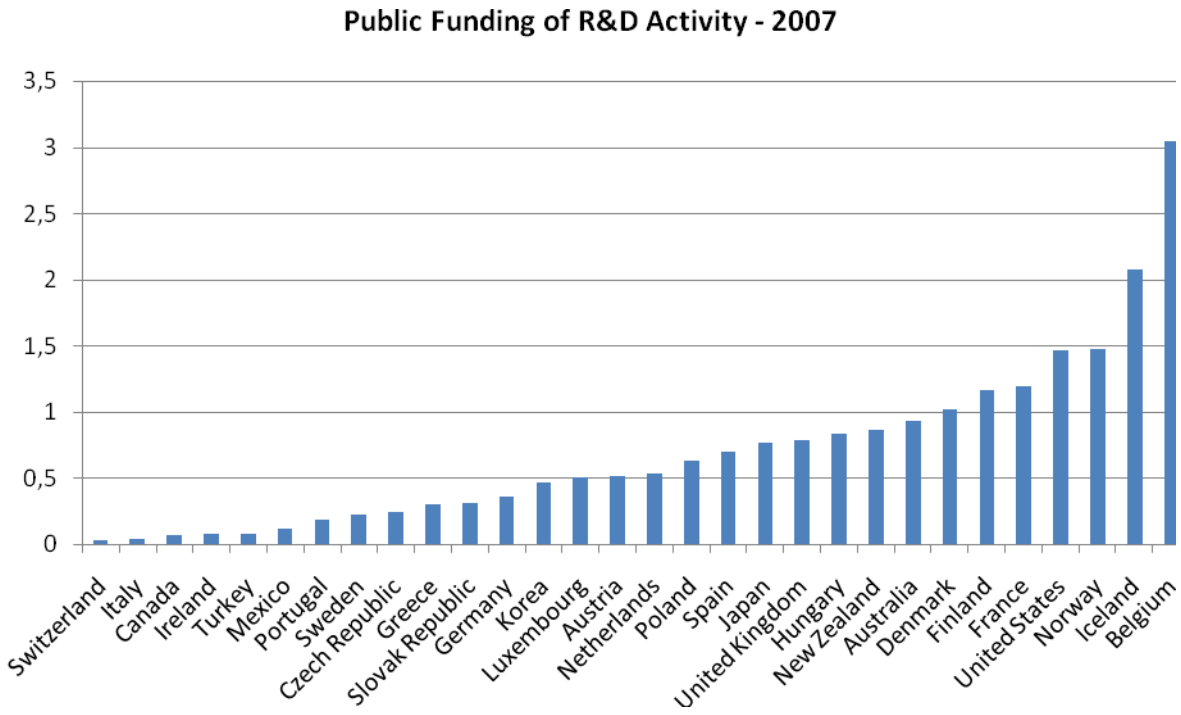
Note: 2006 for Switzerland.

3.2.62 Public Funding of R&D Activity

Definition

The indicator measures total public funding of R&D - as a percentage of GDP.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The level of public funding of R&D has direct influence on the possibilities for commercialising products and production methods.	A
	b) Assessment of the Type of Policy Indicator Policy focused indicator. Policy initiatives reducing public R&D funding will have a direct impact on the indicator.	A
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is updated annually.	A
Source	OECD, Science and Technology Statistics.	



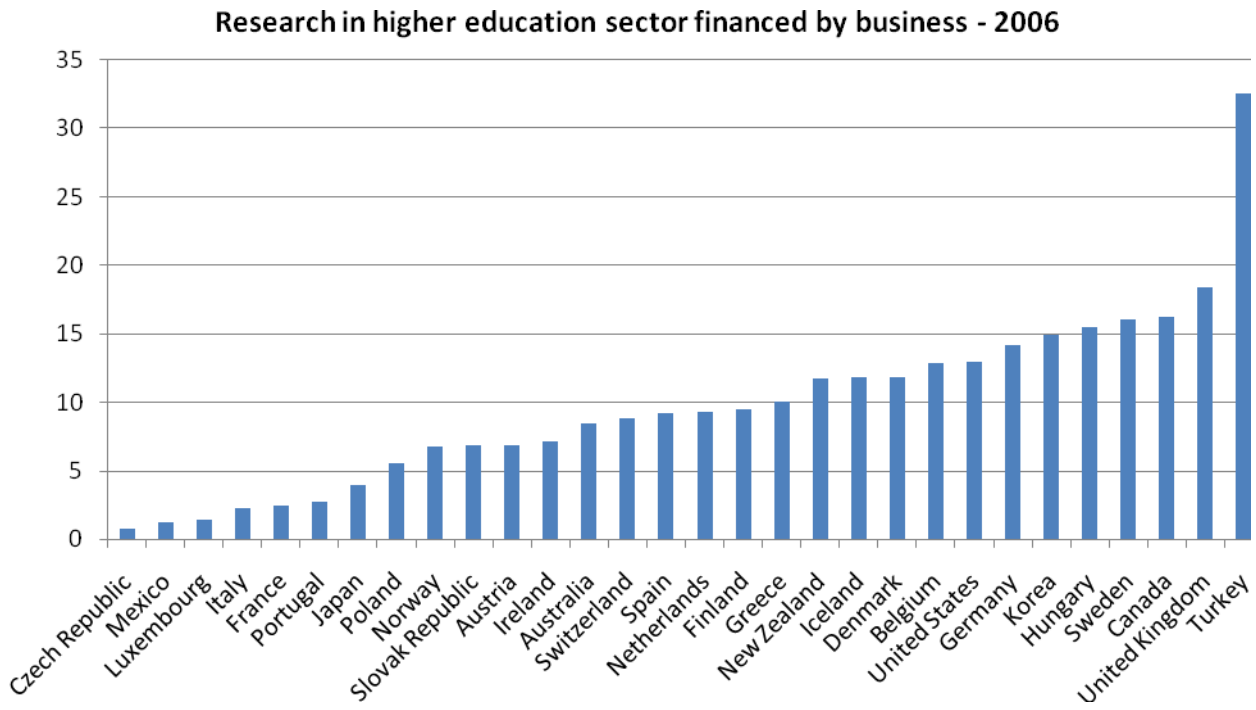
Notes: 2006 for Australia, Czech Republic, Finland, France, Germany, Japan, Korea, Norway, Poland, Spain, Sweden, Switzerland, Turkey and United Kingdom. 2005 for Greece, Iceland, Luxembourg, Mexico, New Zealand and Portugal. 2004 for Canada and 2003 for the Netherlands.

3.2.63 Research in Higher Education Sector Financed by Business

Definition

The indicator is a measure of R&D expenditure performed at higher education and funded by business - Measured as a percentage of total research expenditure.

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* Research expenditure performed at higher education - and funded by business - has an indirect influence on the transfer of non-commercial knowledge between public and private entities.	B
	b) Assessment of the Type of Policy Indicator Policy measures will have an indirect impact on private funded R&D expenditure at higher education.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is updated annually.	A
Source	OECD, Science and Technology Statistics.	



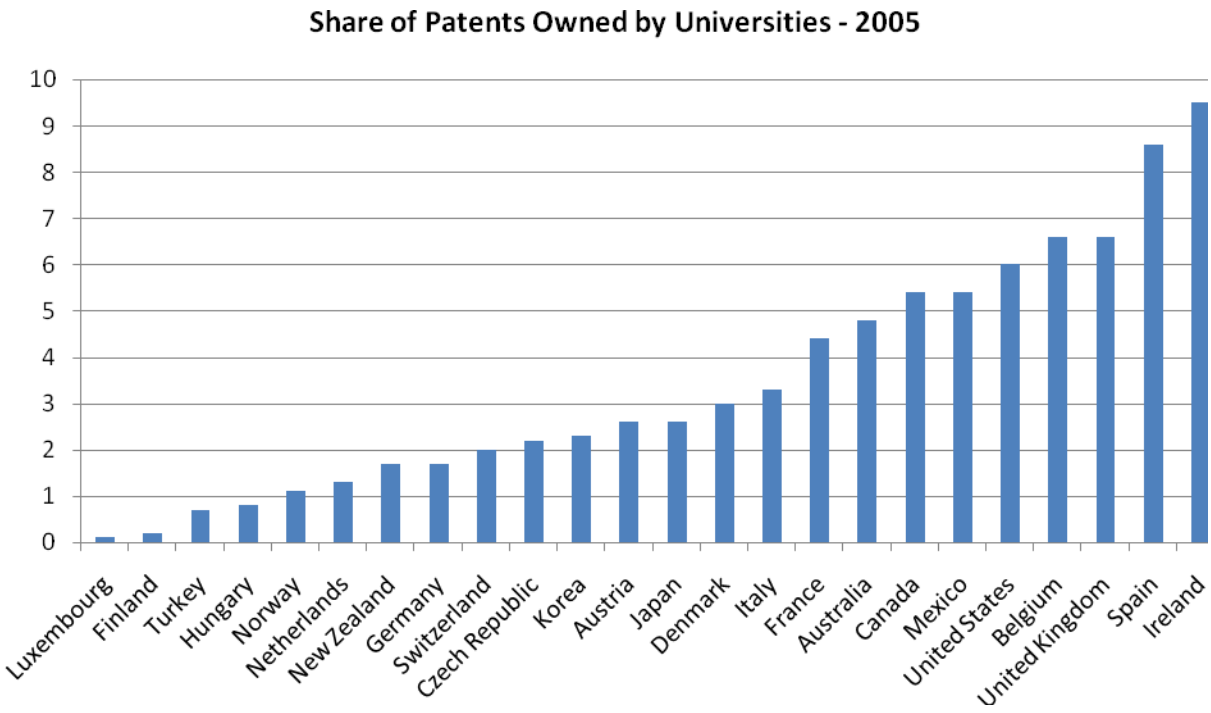
Notes: 2007 for Canada, Czech Republic, Finland, Hungary, Norway, Slovak Republic and United States. 2005 for Belgium, Greece, Iceland, Luxembourg, Mexico, New Zealand and Portugal. 2004 for Switzerland and 2003 for the Netherlands.

3.2.64 Share of Patents Owned by Universities

Definition

The indicator measures the percentage of patents owned by universities. Only countries/economies with more than 300 patents are included.

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The share of patents owned by universities is a proxy measure of the level of transfer of non-commercial knowledge to the business economy. Universities can protect their knowledge creation through the patent system.	B
	b) Assessment of the Type of Policy Indicator Policy initiatives for protecting knowledge will have an indirect impact on the number of patents owned by universities.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time Data is available for 1997 and 2005.	A
Source	OECD, Patent Database.	

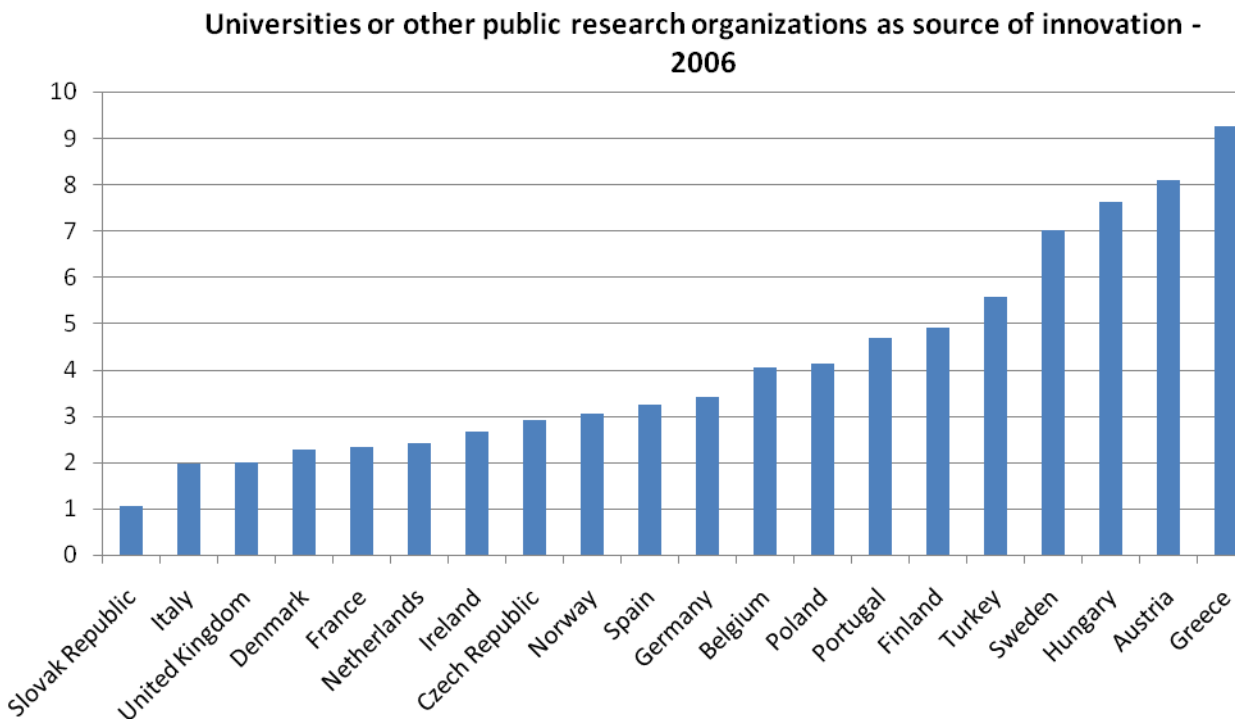

Share of Patents Owned by Universities - 2005
10
9
8
7
6
5
4
3
2
1
0
Luxembourg
Finland
Turkey
Hungary
Norway
Netherlands
New Zealand
Germany
Switzerland
Czech Republic
Korea
Austria
Japan
Denmark
Italy
France
Australia
Canada
Mexico
United States
Belgium
United Kingdom
Spain
Ireland

3.2.65 Universities or other Public Research Organizations as Source of Innovation

Definition

The indicator measures the share of innovative enterprises that states universities or other PROs as an important source of innovation.

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The indicator is a qualitative assessment of one source of knowledge transfer but a direct one.	A
	b) Assessment of the Type of Policy Indicator Policy initiatives with the purpose of encouraging public and private collaboration have an indirect impact on sources of innovation for enterprises.	B
2. Accuracy	*a) Data Collection Method* The data is action-based and originates from the European Community Innovation Survey (CIS).	B
	b) Cross Country Comparability The same methodology has been applied in all participating European countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 18 European countries for the years 2004/2006.	B
	b) Availability over Time Data is available for 2004 and/or 2006.	A
Source	Eurostat, European Community Innovation Survey (CIS).	

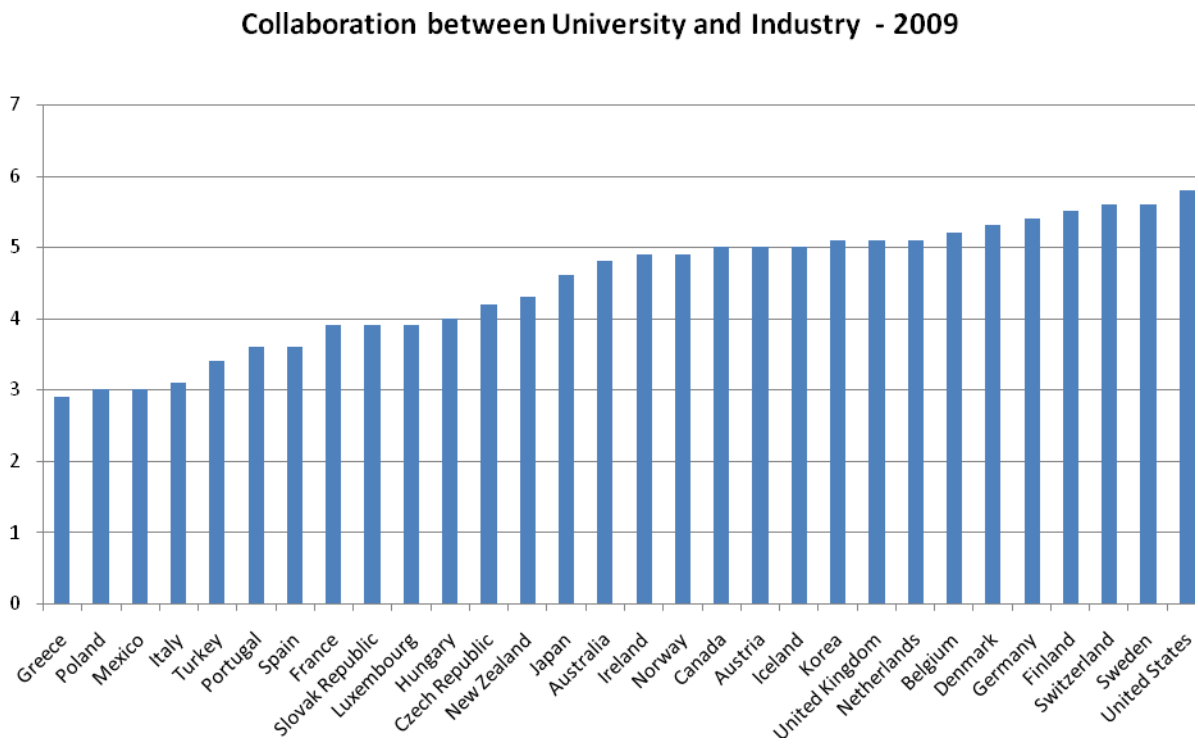

Universities or other public research organizations as source of innovation - 2006
10
9
8
7
6
5
4
3
2
1
0
Slovak Republic
Italy
United Kingdom
Denmark
France
Netherlands
Ireland
Czech Republic
Norway
Spain
Germany
Belgium
Poland
Portugal
Finland
Turkey
Sweden
Hungary
Austria
Greece

3.2.66 University/Industry Research Collaboration

Definition

This indicator is an average of responses to a survey of senior business executives, conducted by the World Economic Forum, seeking opinions on the level of collaboration between business and universities in R&D. The responses range from 1 (minimal or nonexistent) to 7 (intensive and ongoing).

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The indicator is a qualitative assessment of availability but a direct one.	A
	b) Assessment of the Type of Policy Indicator Improved collaboration between universities and businesses is an important outcome of an efficient knowledge transfer regulation and so in principle not necessarily a direct outcome, however, credits or grants given to businesses to collaborate with universities (as practised by the some governments, typically, for SMEs) could have a direct impact. However the indicator is opinion based and policy measures can only have an indirect impact on these opinions.	B
2. Accuracy	*a) Data Collection Method* The data is opinion-based and originates from the World Economic Forum, as part of its annual Global Competiveness Report.	C
	b) Cross Country Comparability In principle the comparability should be high. However given the fact that it is an opinion-based survey there remain some uncertainties about comparability in practice. Moreover respondents from companies with less than 100 employees and less than $10,000 US dollars are excluded which could further distort comparability, particularly between richer/poorer and large/small countries.	B
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The Indicator is available on an annual basis.	A
Source	World Economic Forum – The Global Competitiveness Report.	

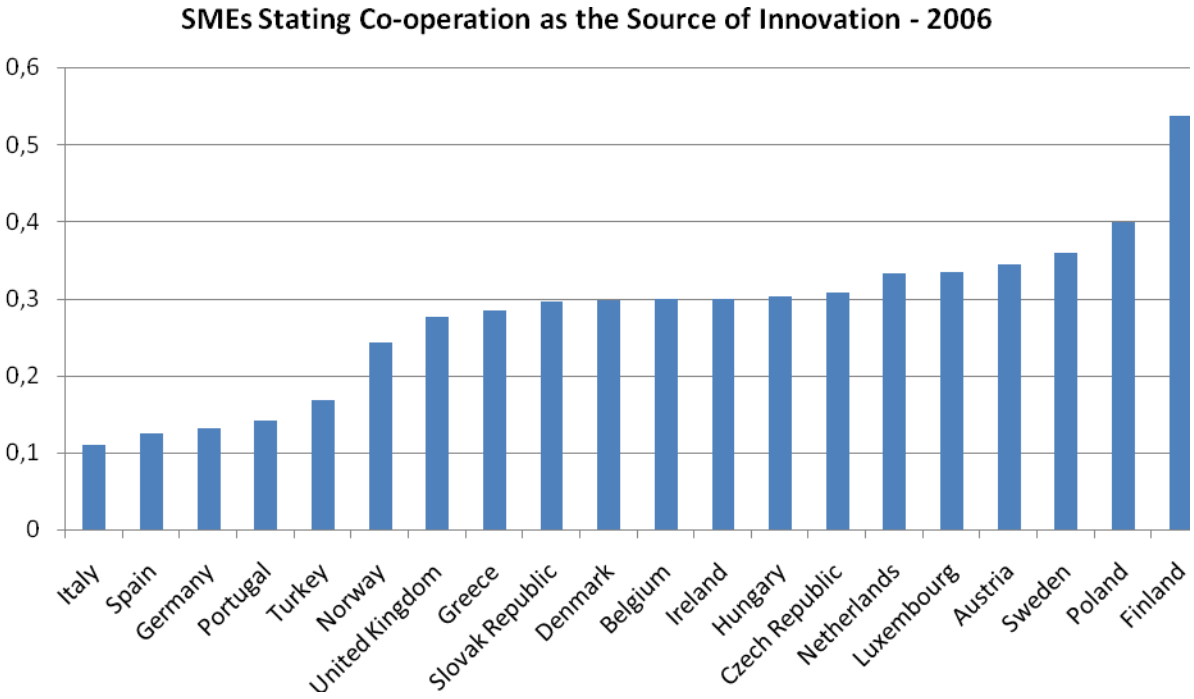

Collaboration between University and Industry - 2009
7
6
5
4
3
2
1
0
Greece
Poland
Mexico
Italy
Turkey
Portugal
Spain
France
Slovak Republic
Luxembourg
Hungary
Czech Republic
New Zealand
Japan
Australia
Ireland
Norway
Canada
Austria
Iceland
Korea
United Kingdom
Netherlands
Belgium
Denmark
Germany
Finland
Switzerland
Sweden
United States

3.2.67 SMEs Stating Co-operation as the Source of Innovation

Definition

The indicator measures the share of innovative small and medium sized enterprises (SMEs) stating any type of co-operation as the source of innovation.

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The indicator is a qualitative assessment of one source of knowledge transfer but a direct one.	A
	b) Assessment of the Type of Policy Indicator Policy initiatives with the purpose of encouraging co-operation in general have an indirect impact on sources of innovation for enterprises.	B
2. Accuracy	*a) Data Collection Method* The data is action-based and originates from the European Community Innovation Survey (CIS).	B
	b) Cross Country Comparability The same methodology has been applied in all participating European countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 19 European countries for the years 2004 and 2006.	B
	b) Availability over Time The indicator is available for 2004 and 2006.	A
Source	Eurostat, European Community Innovation Survey (CIS).	

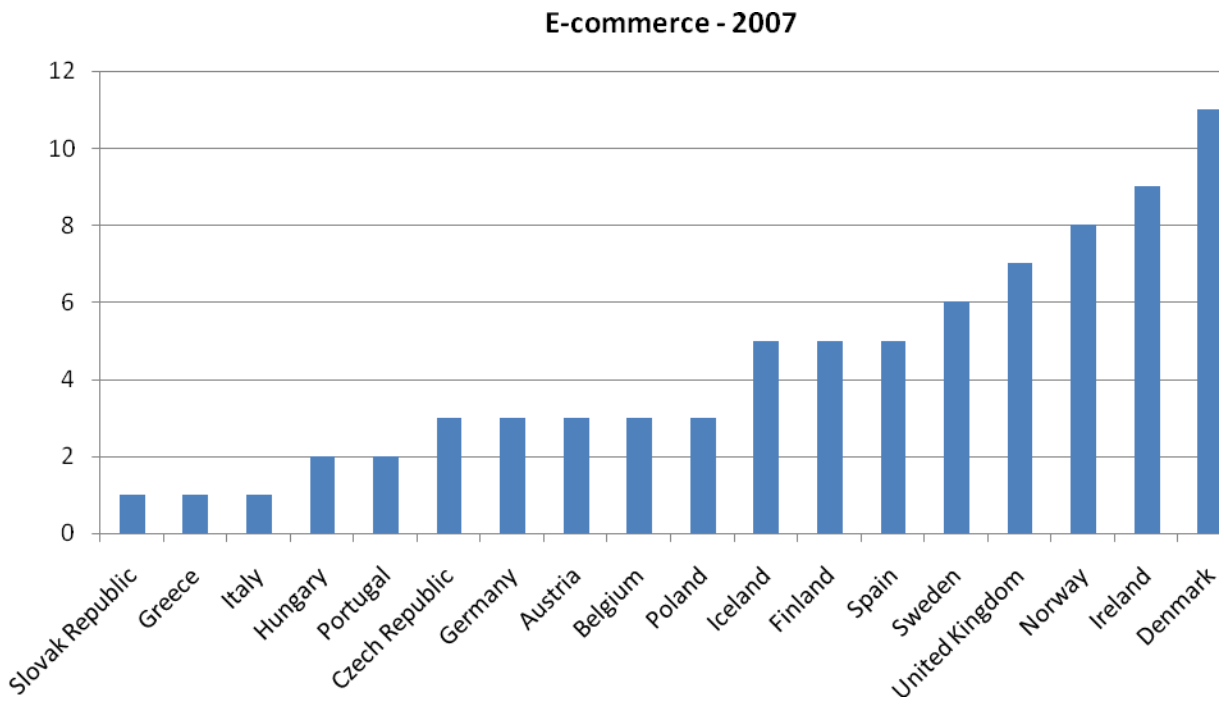

SMEs Stating Co-operation as the Source of Innovation - 2006
0,6
0,5
0,4
0,3
0,2
0,1
0
Italy
Spain
Germany
Portugal
Turkey
Norway
United Kingdom
Greece
Slovak Republic
Denmark
Belgium
Ireland
Hungary
Czech Republic
Netherlands
Luxembourg
Austria
Sweden
Poland
Finland

3.2.68 E-commerce

Definition

The indicator measures total internet sales over the last calendar year, excluding VAT, as a percentage of total turnover. The measure is based on all firms with 10 employees or more, excluding the financial sector.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The share of e-commerce is an indirect measure to which extent firms in general use existing and new technologies.	B
	b) Assessment of the Type of Policy Indicator The share of e-commerce is a proxy measure of how well ICT policies towards internet security are adopted by current and potential customers.	B
2. Accuracy	*a) Data Collection Method* The data is action-based and originates from annual model surveys on ICT (Information and Communication Technologies) usage and e-commerce in enterprises.	B
	b) Cross Country Comparability The same methodology has been applied in all participating European countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 18 European countries for the year 2007.	B
	b) Availability over Time The indicator is available on an annual basis.	A
Source	Eurostat, Information Society Statistics.	

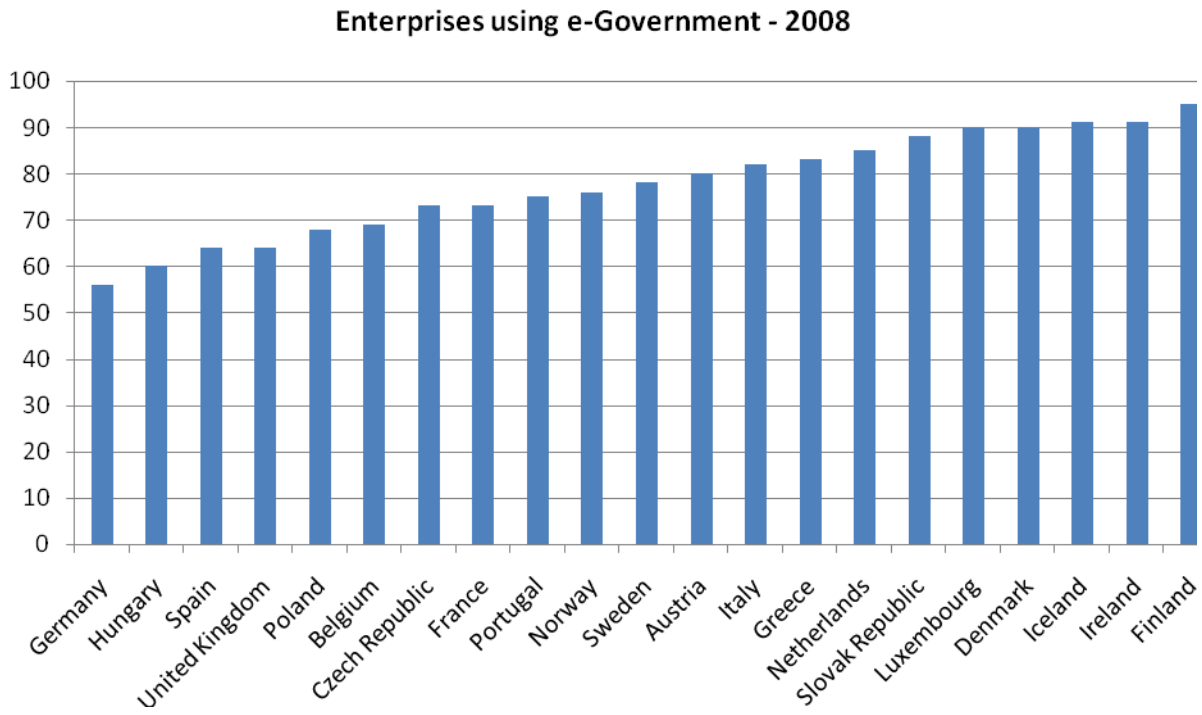

E-commerce - 2007
12
10
8
6
4
2
0
Slovak Republic
Greece
Italy
Hungary
Portugal
Czech Republic
Germany
Austria
Belgium
Poland
Iceland
Finland
Spain
Sweden
United Kingdom
Norway
Ireland
Denmark

3.2.69 Enterprises Using e-Government

Definition

The indicator measures the share of enterprises using any eGovernment services. The measure is based on all firms with 10 employees or more, excluding the financial sector.

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The use of eGovernment services is an indirect measure to which extent firms in general use existing and new technologies.	B
	b) Assessment of the Type of Policy Indicator Policy measures designed towards improvement of eGovernment services such as online accessibility of forms or counsellors etc. will have a direct impact on the enterprise usage of government services.	A
2. Accuracy	*a) Data Collection Method* The data is action-based and originates from annual model surveys on ICT (Information and Communication Technologies) usage and e-commerce in enterprises.	B
	b) Cross Country Comparability The same methodology has been applied in all participating European countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 21 European countries for the year 2008.	B
	b) Availability over Time The indicator is available on an annual basis.	A
Source	Eurostat, Information Society Statistics.	

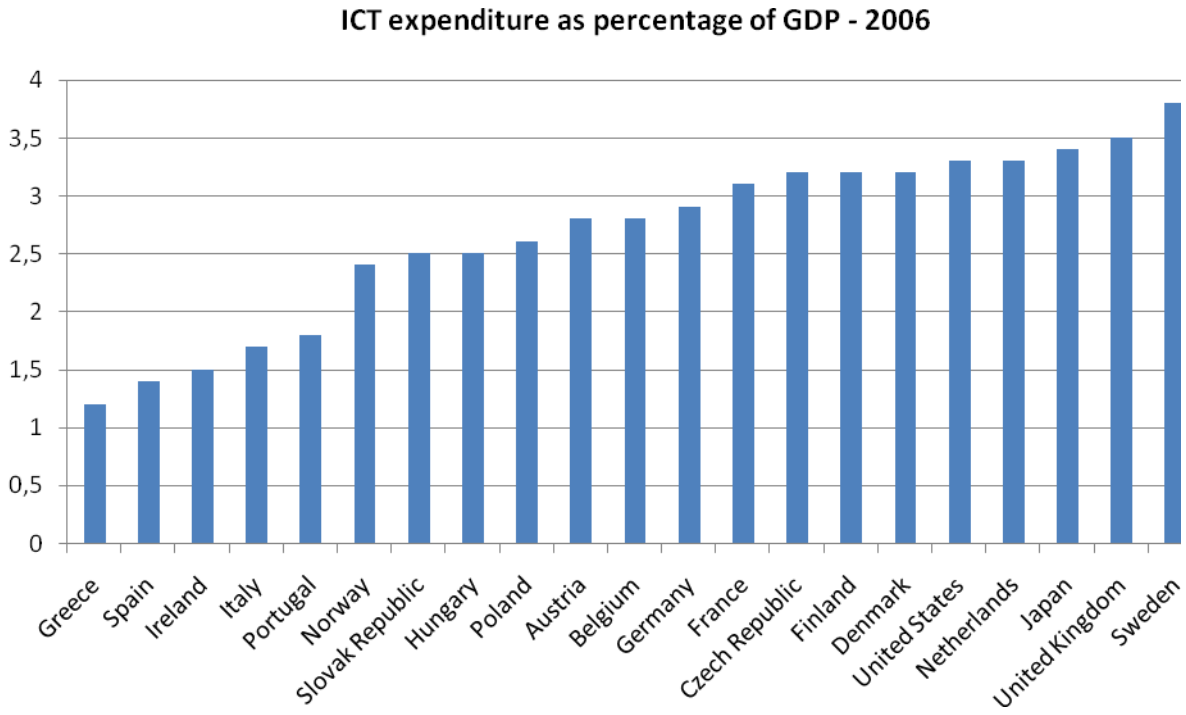

Enterprises using e-Government - 2008
100
90
80
70
60
50
40
30
20
10
0
Germany
Hungary
Spain
United Kingdom
Poland
Belgium
Czech Republic
France
Portugal
Norway
Sweden
Austria
Italy
Greece
Netherlands
Slovak Republic
Luxembourg
Denmark
Iceland
Ireland
Finland

3.2.70 ICT expenditure

Definition

The indicator measures expenditure for ICT equipment, software and services as a percentage of GDP (ICT = Information and Communication Technology).

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The level of ICT expenditure is an indirect measure to which extent firms in general use existing and new technologies.	B
	b) Assessment of the Type of Policy Indicator Policy initiatives for technology availability and take-up will have an indirect impact on the level of firm ICT expenditure.	B
2. Accuracy	*a) Data Collection Method* Data originates from both interviews with vendors and end-users and fact-based information from companies, regulatory authorities, industry associations and international organisations. Given that data is partly interview based the mark "B" is obtained.	B
	b) Cross Country Comparability Same methodology is applied for all countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 21 European countries for the year 2006.	B
	b) Availability over Time The indicator is available for 2004-2006.	A
Source	European Information Technology Observatory (EITO).	

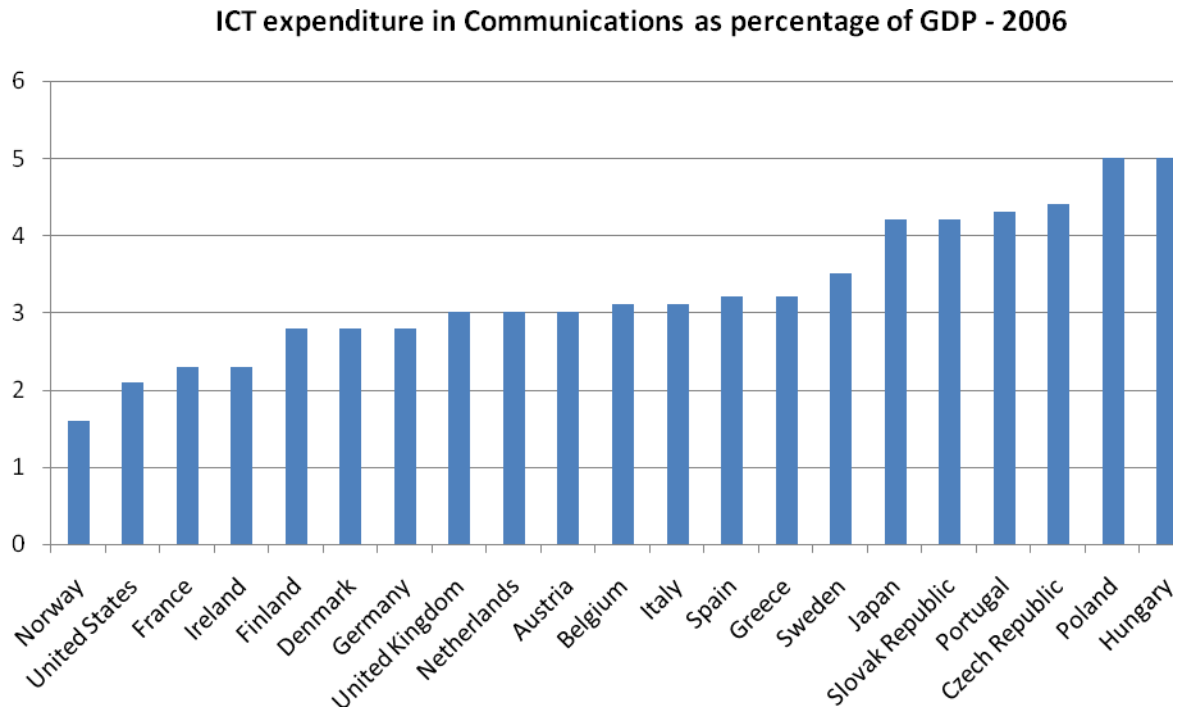

ICT expenditure as percentage of GDP - 2006
4
3,5
3
2,5
2
1,5
1
0,5
0
Greece
Spain
Ireland
Italy
Portugal
Norway
Slovak Republic
Hungary
Poland
Austria
Belgium
Germany
France
Czech Republic
Finland
Denmark
United States
Netherlands
Japan
United Kingdom
Sweden

3.2.71 ICT expenditure in Communications

Definition

The indicator measures expenditure for telecommunications equipment and carrier services as a percentage of GDP.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The level of expenditure for communications is an indirect measure to which extent firms in general use existing and new technologies.	B
	b) Assessment of the Type of Policy Indicator Policy initiatives for technology availability and take-up will have an indirect impact on the level of firm ICT expenditure.	B
2. Accuracy	*a) Data Collection Method* Data originates from both interviews with vendors and end-users and fact-based information from companies, regulatory authorities, industry associations and international organisations. Given that data is partly interview based the mark "B" is obtained.	B
	b) Cross Country Comparability Same methodology is applied for all countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 21 European countries for the year 2006.	B
	b) Availability over Time The indicator is available for 2004-2006.	A
Source	European Information Technology Observatory (EITO).	


ICT expenditure in Communications as percentage of GDP - 2006
6
5
4
3
2
1
0
Norway
United States
France
Ireland
Finland
Denmark
Germany
United Kingdom
Netherlands
Austria
Belgium
Italy
Spain
Greece
Sweden
Japan
Slovak Republic
Portugal
Czech Republic
Poland
Hungary

3.2.72 International Students in Tertiary Education

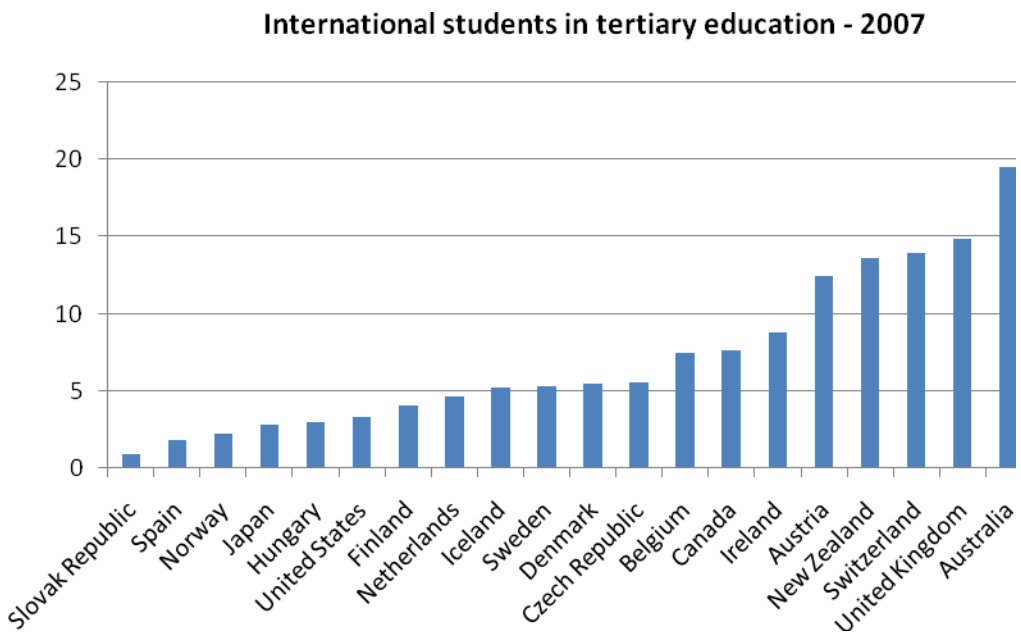
Definition

The indicator measures the share of international students in total tertiary enrolments. "International" is defined on the basis of country residence and excludes students who are permanent residents. Tertiary education consists of tertiary-type B education or tertiary-type A education and advanced research programmes.

Tertiary-type A and B programmes:

Tertiary-type A programmes (ISCED classification 5A) are largely theory-based and are designed to provide sufficient qualifications for entry to advanced research programmes and professions with high skill requirements.
Tertiary-type B programmes (ISCED 5B) are typically shorter than tertiary-type A programmes and focus on practical, technical or occupational skills for direct entry into the labour market, although they may cover some theoretical foundations.

Assessment		**Grade**
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The share of international students enrolled in tertiary education is an indirect measure of the level of business and entrepreneurship education.	B
	b) Assessment of the Type of Policy Indicator The share of international students enrolled in tertiary education is an important result of an effective educational system and thus not a direct measure of regulation per se.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based and built on the International Standard Classification of Education (ISCED 1997).	A
	b) Cross Country Comparability The data is comparable under the assumption that skills and competencies taught at each level of education are the same across countries. However, there are some differences with respect to definitions across countries (see notes to the figure).	B
3. Availability	*a) Availability across OECD Countries* Available for 22 OECD countries.	B
	b) Availability over Time The indicator is available on an annual basis.	A
Source	OECD (2009), Education at a Glance.	



Note: Canada excludes private institutions and year of reference is 2006. Belgium excludes data for social advancement education. Canada, Netherlands and Switzerland: Percentage in total tertiary underestimated because of the exclusion of programmes. Iceland, Finland, Ireland and Switzerland: International students are defined based on their country of prior education.

3.2.73 Population with Tertiary Education

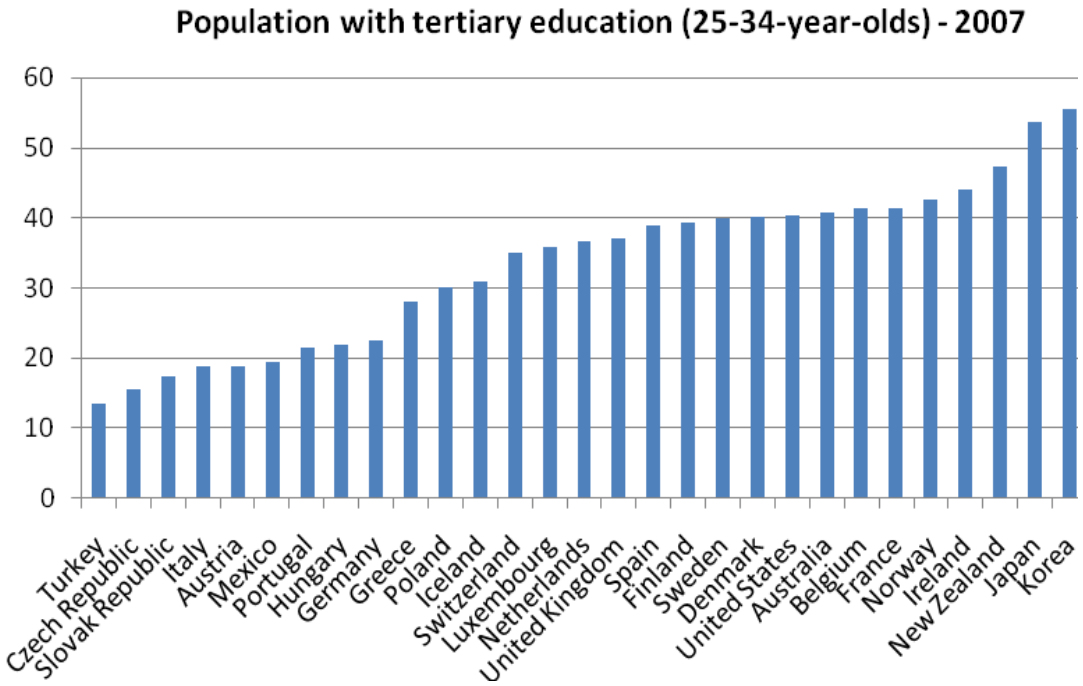
Definition

The indicator measures the share of persons between 25-34 of age with tertiary-type B education or tertiary-type A education and advanced research programmes.

Tertiary-type A and B programmes:

Tertiary-type A programmes (ISCED classification 5A) are largely theory-based and are designed to provide sufficient qualifications for entry to advanced research programmes and professions with high skill requirements. Tertiary-type B programmes (ISCED 5B) are typically shorter than tertiary-type A programmes and focus on practical, technical or occupational skills for direct entry into the labour market, although they may cover some theoretical foundations.

Assessment		**Grade**
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The share of the population having obtained a tertiary education is an indirect measure of business and entrepreneurship education.	B
	b) Assessment of the Type of Policy Indicator The share of people with tertiary education is an important outcome of an effective educational system and thus not a direct measure of regulation per se.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based and built on the International Standard Classification of Education (ISCED 1997).	A
	b) Cross Country Comparability The data is fully comparable under the assumption that skills and competencies taught at each level of education are the same across countries.	A
3. Availability	*a) Availability across OECD Countries* Available for all OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	OECD (2009), Education at a Glance.	

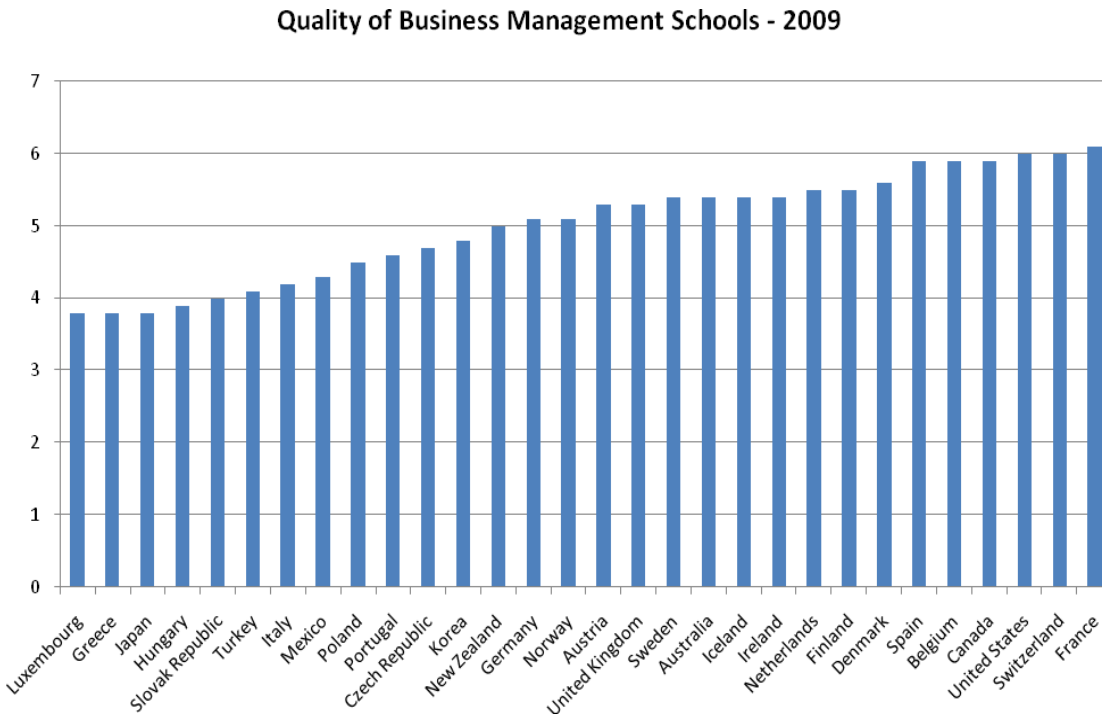

Population with tertiary education (25-34-year-olds) - 2007
60
50
40
30
20
10
0
Turkey
Czech Republic
Slovak Republic
Italy
Austria
Mexico
Portugal
Hungary
Germany
Greece
Poland
Iceland
Switzerland
Luxembourg
Netherlands
United Kingdom
Spain
Finland
Sweden
Denmark
United States
Australia
Belgium
France
Norway
Ireland
New Zealand
Japan
Korea

3.2.74 Quality of Management Schools

Definition

This indicator is an average of responses to a survey of senior business executives, conducted by the World Economic Forum, seeking opinions on the quality of management schools across countries. The responses range from 1 (limited or of poor quality) to 7 (amongst the best in the world).

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The indicator itself is a direct, albeit, qualitative measure of quality.	A
	b) Assessment of the Type of Policy Indicator Policy measures designed to improve the capacity of management schools to create future business leaders and management professionals such as increased grants or funding will have a direct impact on this indicator. However the indicator is opinion based and policy measures can only have an indirect impact on these opinions.	B
2. Accuracy	*a) Data Collection Method* The data is opinion-based and originates from the World Economic Forum, as part of its annual Global Competiveness Report.	C
	b) Cross Country Comparability In principle the comparability should be high. However given the fact that it is an opinion-based survey there remain some uncertainties about comparability in practice. Moreover respondents from companies with less than 100 employees and less than $10,000 US dollars are excluded which could further distort comparability, particularly between richer/poorer and large/small countries.	B
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time The indicator is available on an annual basis.	A
Source	World Economic Forum – The Global Competitiveness Report.	

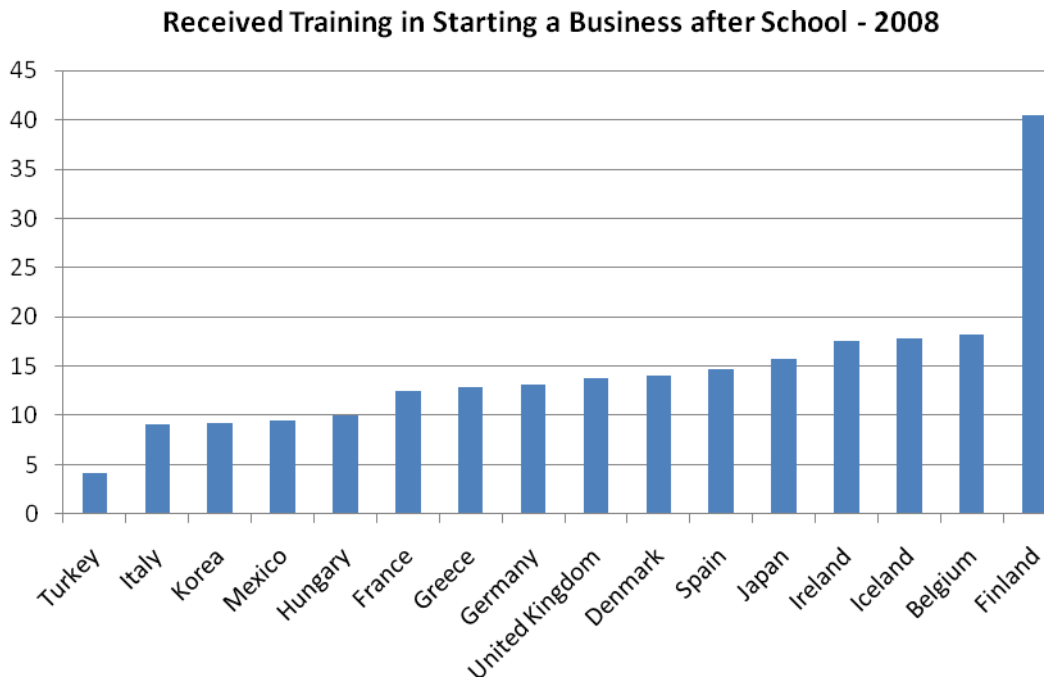

Quality of Business Management Schools - 2009
7
6
5
4
3
2
1
0
Luxembourg
Greece
Japan
Hungary
Slovak Republic
Turkey
Italy
Mexico
Poland
Portugal
Czech Republic
Korea
New Zealand
Germany
Norway
Austria
United Kingdom
Sweden
Australia
Iceland
Ireland
Netherlands
Finland
Denmark
Spain
Belgium
Canada
United States
Switzerland
France

3.2.75 Received Training in Starting a Business after School

Definition

The indicator measures the percentage of the population aged 18-64 that received training - voluntary or compulsory - in starting a business after school.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The share of the population receiving training in starting a business is a direct measure of business and entrepreneurship education.	A
	b) Assessment of the Type of Policy Indicator The share of people receiving entrepreneurship education is an important outcome of an effective educational system and thus not a direct measure of regulation per se.	B
2. Accuracy	*a) Data Collection Method* The indicator is action-based. The information comes from the GEM Adult Population Surveys which are based on a representative sample of at least 2,000 adults in each country. Respondents are asked about their attitudes to and their involvement in entrepreneurship.	B
	b) Cross Country Comparability The same methodology is used in all countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 16 OECD countries in 2008.	B
	b) Availability over Time Entrepreneurship education and training is a special topic for the GEM 2008 Executive Report.	B
Source	Global Entrepreneurship Monitor (GEM) 2008 Executive Report.	

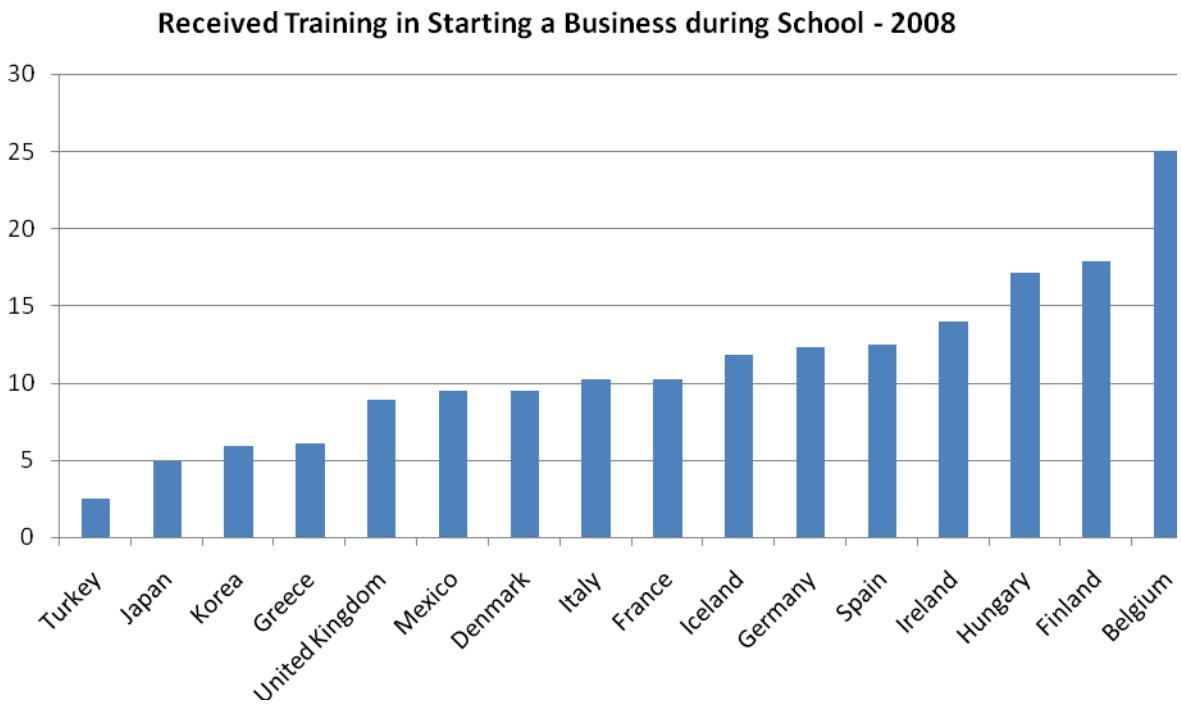

Received Training in Starting a Business after School - 2008
45
40
35
30
25
20
15
10
5
0
Turkey
Italy
Korea
Mexico
Hungary
France
Greece
Germany
United Kingdom
Denmark
Spain
Japan
Ireland
Iceland
Belgium
Finland

3.2.76 Received Training in Starting a Business during School

Definition

The indicator measures the percentage of the population aged 18-64 that received training - voluntary or compulsory - in starting a business during school.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The share of the population receiving training in starting a business is a direct measure of business and entrepreneurship education.	A
	b) Assessment of the Type of Policy Indicator The share of people receiving entrepreneurship education is an important outcome of an effective educational system and thus not a direct measure of regulation per se.	B
2. Accuracy	*a) Data Collection Method* The indicator is action-based. The information comes from the GEM Adult Population Surveys which are based on a representative sample of at least 2,000 adults in each country. Respondents are asked about their attitudes to and their involvement in entrepreneurship.	B
	b) Cross Country Comparability The same methodology is used in all countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 16 OECD countries in 2008.	B
	b) Availability over Time Entrepreneurship education and training is a special topic for the GEM 2008 Executive Report.	B
Source	Global Entrepreneurship Monitor (GEM) 2008 Executive Report.	

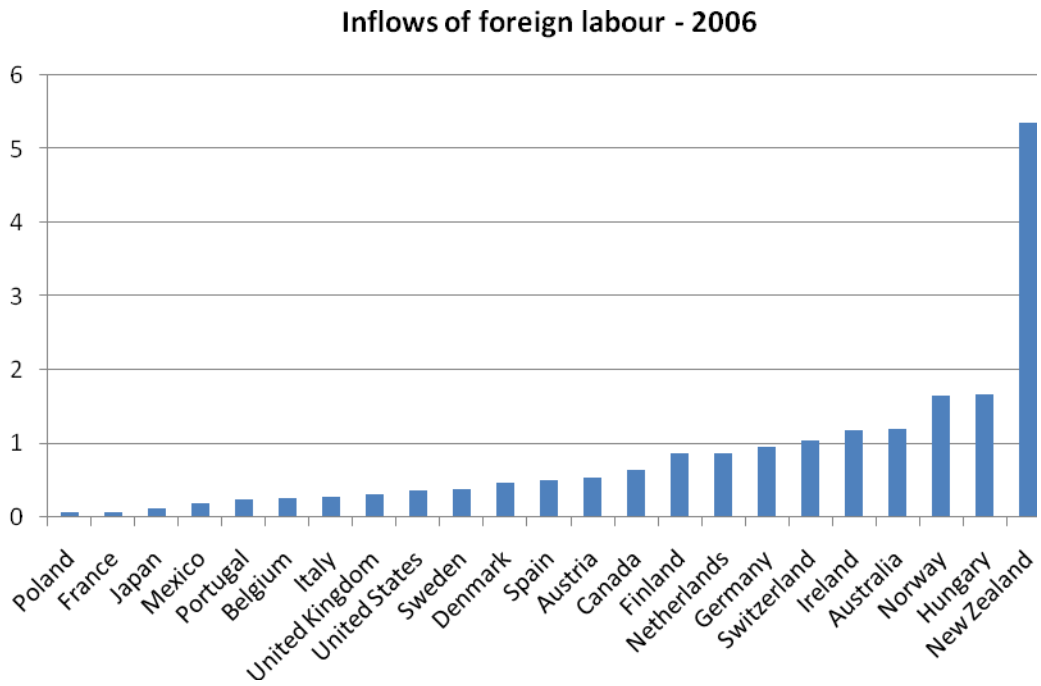

Received Training in Starting a Business during School - 2008
30
25
20
15
10
5
0
Turkey
Japan
Korea
Greece
United Kingdom
Mexico
Denmark
Italy
France
Iceland
Germany
Spain
Ireland
Hungary
Finland
Belgium

3.2.77 Inflows of foreign labour

Definition

The indicator measures the inflows of foreign workers as a percentage of the total labor force.

Assessment		Grade
Overall		**A**
1. Relevance	*a) Assessment of Relevance* The inflows of foreign workers are a direct measure of the resource pool of capable entrepreneurs with foreign background.	A
	b) Assessment of the Type of Policy Indicator The inflow of foreign labor reflects the ability to attract the best human resources available and thus not a direct measure of regulation per se.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 23 OECD countries.	A
	b) Availability over Time Data is available for 2000-2006.	A
Source	OECD, International Migration Outlook.	

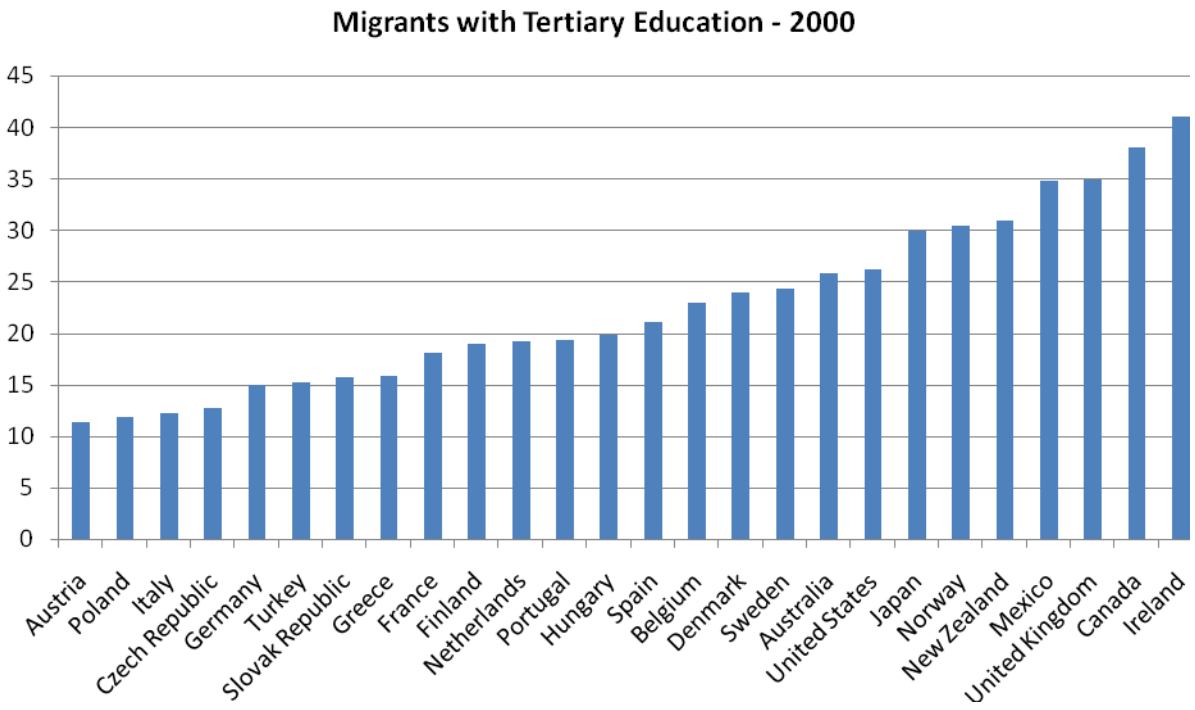

Inflows of foreign labour - 2006
6
5
4
3
2
1
0
Poland
France
Japan
Mexico
Portugal
Belgium
Italy
United Kingdom
United States
Sweden
Denmark
Spain
Austria
Canada
Finland
Netherlands
Germany
Switzerland
Ireland
Australia
Norway
Hungary
New Zealand

3.2.78 Migrants with Tertiary Education

Definition

The indicator measures the share of highly skilled migrants as a percentage of total migrants.

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The share of highly skilled migrants is a direct measure of the quality of capable entrepreneurs with foreign background.	A
	b) Assessment of the Type of Policy Indicator The share of highly skilled migrants reflects the ability to attract the best human resources available and thus not a direct measure of regulation per se.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 26 OECD countries.	A
	b) Availability over Time Data only available for year 2000.	B
Source	OECD: A Profile of Immigrant Populations in the 21st Century. Database on Immigrants in OECD Countries (DIOC).	


Migrants with Tertiary Education - 2000
45
40
35
30
25
20
15
10
5
0
Austria
Poland
Italy
Czech Republic
Germany
Turkey
Slovak Republic
Greece
France
Finland
Netherlands
Portugal
Hungary
Spain
Belgium
Denmark
Sweden
Australia
United States
Japan
Norway
New Zealand
Mexico
United Kingdom
Canada
Ireland

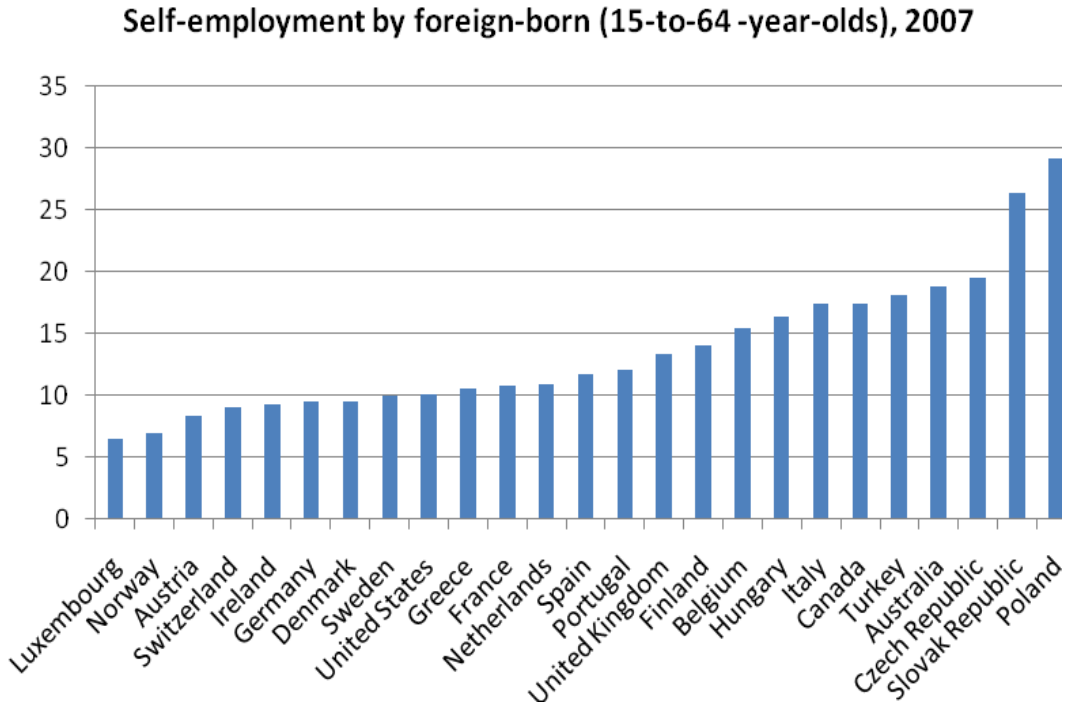
3.2.79 Self-employment by Place of Birth

Definition

The indicator measures the share of self-employment by foreign-born persons. Self-employment is measured as a percentage of total employment.

Self-employed is defined as persons who work in their own business, professional practise or farm for the purpose of earning a profit. There is no restriction on the number of employees.

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The share of foreign-born self-employed is a direct measure of the quality of capable entrepreneurs with foreign background.	A
	b) Assessment of the Type of Policy Indicator The share of highly skilled self-employed reflects the ability to attract the best human resources available and thus not a direct measure of regulation per se.	B
2. Accuracy	*a) Data Collection Method* The indicator originates from national Labour Force Surveys. Respondents are assigned to the group of self-employed based on the most objective information in the survey questionnaire.	B
	b) Cross Country Comparability The same methodology is used in all countries so in principle the comparability should be high.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 25 OECD countries.	A
	b) Availability over Time Data is updated annually.	A
Source	OECD, International Migration Outlook.	

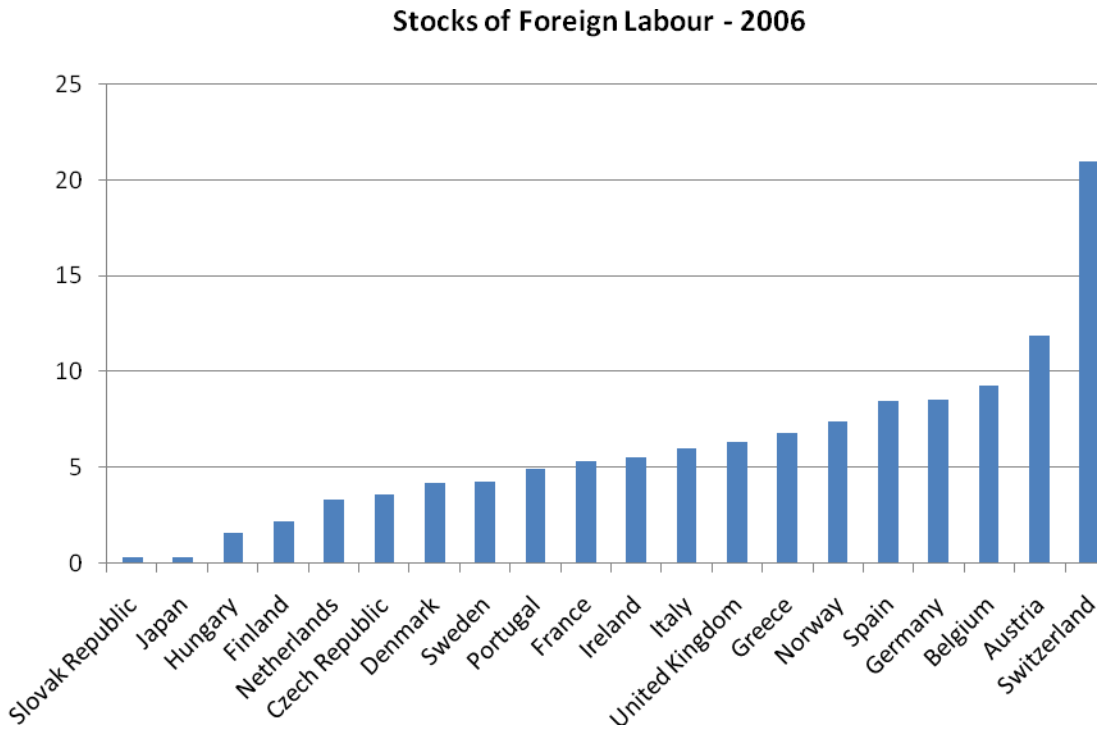

Self-employment by foreign-born (15-to-64 -year-olds), 2007
35
30
25
20
15
10
5
0
Luxembourg
Norway
Austria
Switzerland
Ireland
Germany
Denmark
Sweden
United States
Greece
France
Netherlands
Spain
Portugal
United Kingdom
Finland
Belgium
Hungary
Italy
Canada
Turkey
Australia
Czech Republic
Slovak Republic
Poland

3.2.80 Stocks of foreign labour

Definition

The indicator measures the stock of foreign workers as a percentage of the total labor force.

Assessment		Grade
Overall		**B**
1. Relevance	*a) Assessment of Relevance* The inflows of foreign workers are a direct measure of the resource pool of capable entrepreneurs with foreign background.	A
	b) Assessment of the Type of Policy Indicator The inflow of foreign labor reflects the ability to attract the best human resources available and thus not a direct measure of regulation per se.	B
2. Accuracy	*a) Data Collection Method* The indicator is fact-based, originating from OECD statistics.	A
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 20 OECD countries.	B
	b) Availability over Time Data is available for 2000-2006.	A
Source	OECD, International Migration Outlook	

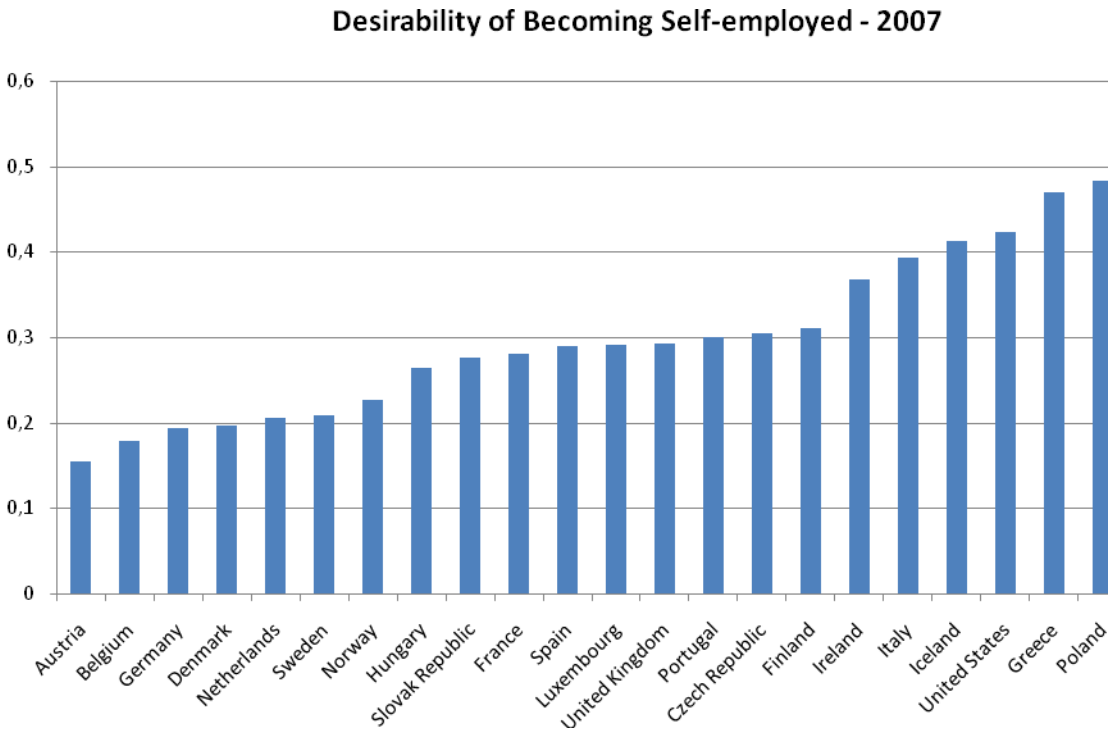

Stocks of Foreign Labour - 2006
25
20
15
10
5
0
Slovak Republic
Japan
Hungary
Finland
Netherlands
Czech Republic
Denmark
Sweden
Portugal
France
Ireland
Italy
United Kingdom
Greece
Norway
Spain
Germany
Belgium
Austria
Switzerland

3.2.81 Desirability of Becoming Self-Employed

Definition

The indicator measures people's desire to become self-employed within the next 5 years. This question was asked only to non-self-employed individuals.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The desire of becoming self-employed is a direct measure of the degree in which the national culture and norms supports entrepreneurship and consequently the starting up of a new business.	A
	b) Assessment of the Type of Policy Indicator Policy measures may have an indirect impact on the national preference to become entrepreneur.	B
2. Accuracy	*a) Data Collection Method* The indicator is opinion-based.	C
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 22 OECD countries	B
	b) Availability over Time The indicator is available for 2004 and 2007 only.	A
Source	European Commission, Flash Eurobarometer.	

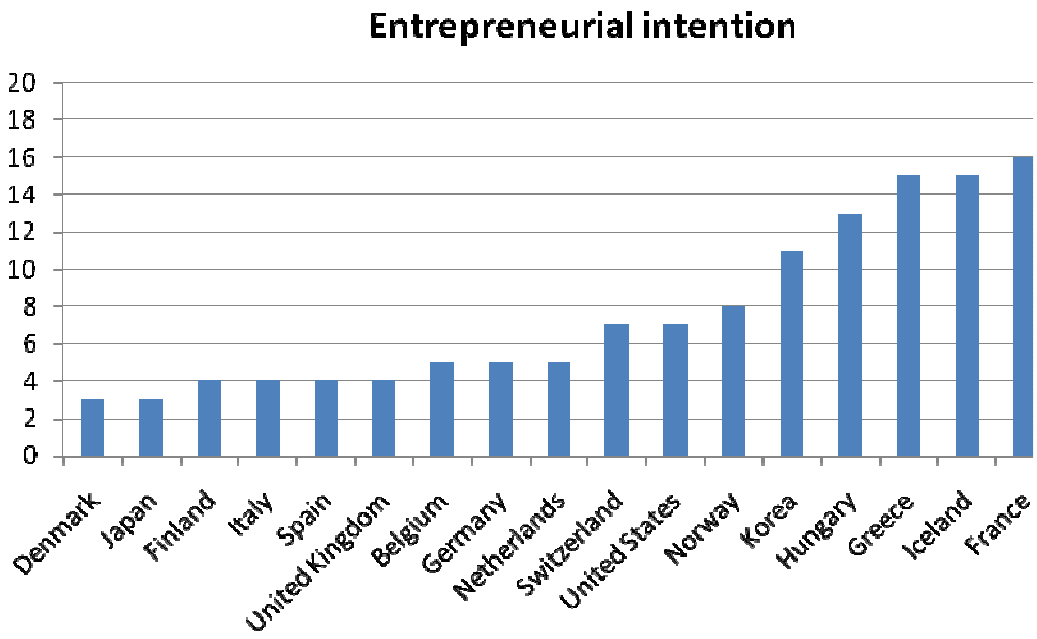

Desirability of Becoming Self-employed - 2007
0,6
0,5
0,4
0,3
0,2
0,1
0
Austria
Belgium
Germany
Denmark
Netherlands
Sweden
Norway
Hungary
Slovak Republic
France
Spain
Luxembourg
United Kingdom
Portugal
Czech Republic
Finland
Ireland
Italy
Iceland
United States
Greece
Poland

3.2.82 Entrepreneurial Intention

Definition

The indicator measures the percentage of 18-64 population (individuals involved in any stage of entrepreneurial activity excluded) who intend to start a business within three years.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The intention to start a business is a direct measure of the degree to which the national culture and norms support risk taking and consequently the desire to start one's own company.	A
	b) Assessment of the Type of Policy Indicator Policy measures may have an indirect impact on the national culture towards risk taking.	B
2. Accuracy	*a) Data Collection Method* The indicator is action-based. The information comes from the GEM Adult Population Surveys which are based on a representative sample of at least 2,000 adults in each country. Respondents are asked about their attitudes to and their involvement in entrepreneurship.	B
	b) Cross Country Comparability The same methodology is used in all countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 17 OECD countries.	B
	b) Availability over Time Data available for 2009.	B
Source	Global Entrepreneurship Monitor (GEM) 2009 Executive Report.	

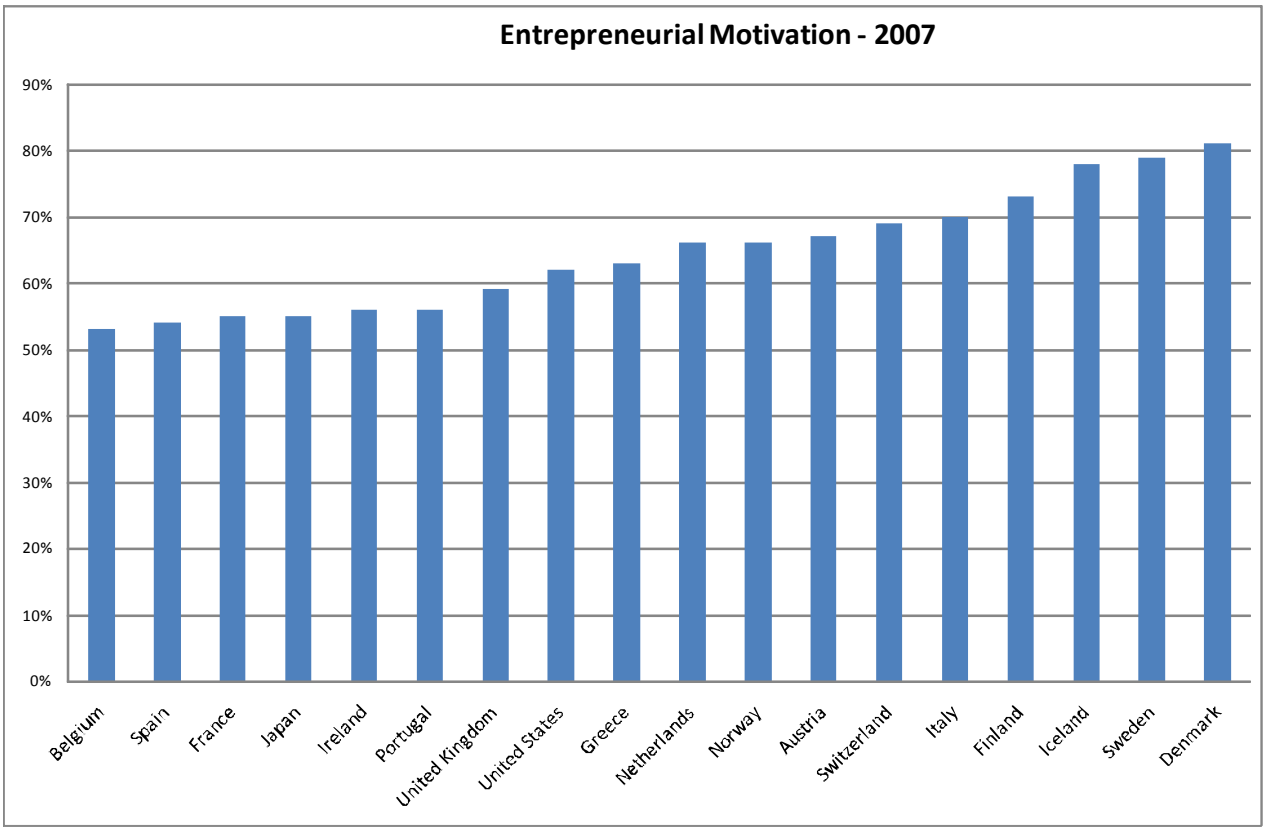

Entrepreneurial intention
20
18
16
14
12
10
8
6
4
2
0
Denmark
Japan
Finland
Italy
Spain
United Kingdom
Belgium
Germany
Netherlands
Switzerland
United States
Norway
Korea
Hungary
Greece
Iceland
France

3.2.83 Entrepreneurial Motivation

Definition

The indicator shows the percentage of early stage entrepreneurs who were motivated by either (a) a desire for independence or (b) a desire to increase their income.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The indicator is a direct measure of the motivation of entrepreneurs.	A
	b) Assessment of the Type of Policy Indicator Policy measures, such as changes to labour laws and social security safety nets will have a direct impact on the numbers of entrepreneurs that are pushed into entrepreneurship but an indirect impact on the numbers pulled into entrepreneurship (motivated by higher income or independence). However it is important to note that the indicator measures the numbers of pulled entrepreneurs as a percent of all entrepreneurs. Changes to the denominator will feed through to the overall percentage.	B
2. Accuracy	*a) Data Collection Method* The indicator is action-based. The information comes from the GEM Adult Population Surveys which are based on a representative sample of at least 2,000 adults in each country. Respondents are asked about their attitudes to and their involvement in entrepreneurship.	B
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 18 OECD countries	B
	b) Availability over Time The indicator is available for 2007 only.	B
Source	Global Entrepreneurship Monitor (GEM) 2007 Executive Report.	


Entrepreneurial Motivation - 2007
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Belgium
Spain
France
Japan
Ireland
Portugal
United Kingdom
United States
Greece
Netherlands
Norway
Austria
Switzerland
Italy
Finland
Iceland
Sweden
Denmark

3.2.84 Entrepreneurship among Managers

Definition

This indicator is measuring how senior business leaders from 55 countries worldwide, is ranking the level of entrepreneurship of business managers in the given country from a scale of 0 to 10.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* Indicates how widespread entrepreneurship is in business across countries.	A
	b) Assessment of the Type of Policy Indicator Ranking is the outcome of senior business leader's assessment of how widespread entrepreneurship is. Policy measures can only have an indirect impact on the opinions of senior business leaders.	B
2. Accuracy	*a) Data Collection Method* The indicator is opinion-based as information is provided by senior business leaders who represent a cross-section of the business community in each country.	C
	b) Cross Country Comparability Data is fully comparable. The same methodology is used in every country.	A
3. Availability	*a) Availability across OECD Countries* Data is available for all OECD countries.	A
	b) Availability over Time Indicator is available on an annual basis.	A
Source	IMD World Competitiveness Yearbook.	

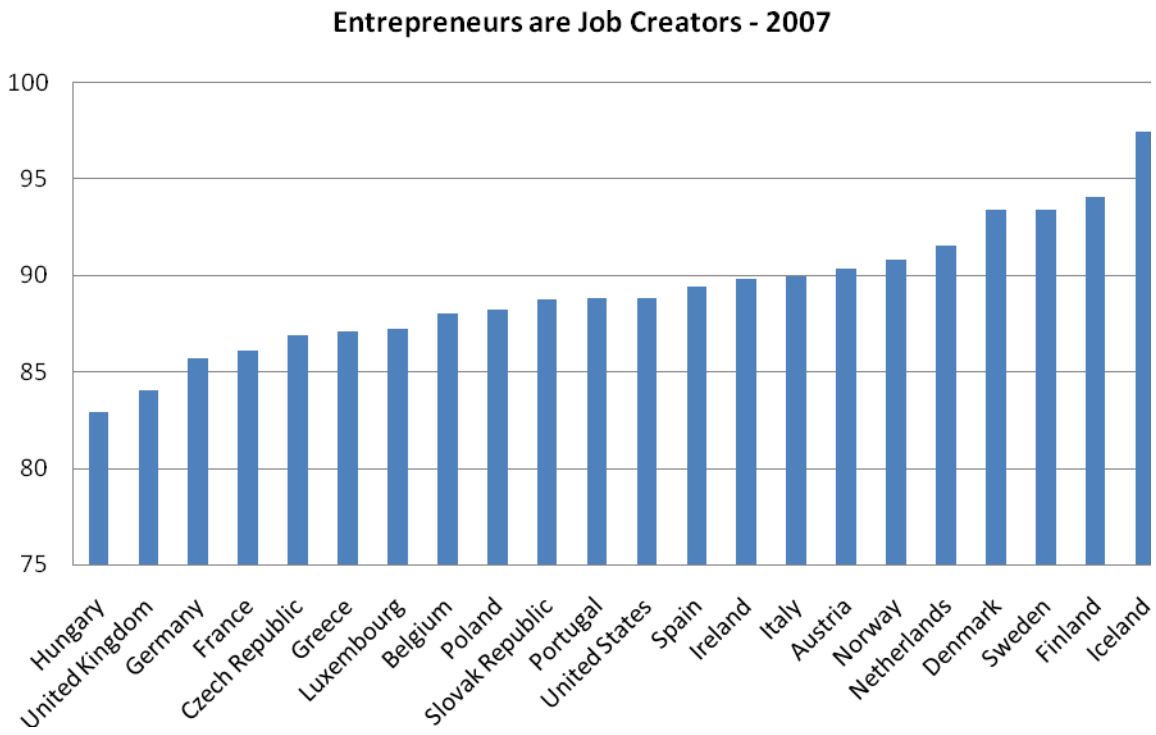

Entrepreneurship among Managers - 2009
9
8
7
6
5
4
3
2
1
0
Spain
Japan
Hungary
Mexico
United Kingdom
France
Italy
Portugal
Czech Republic
Belgium
Luxembourg
Poland
New Zealand
Sweden
Norway
Greece
Germany
Canada
Australia
United States
Finland
Ireland
Netherlands
Korea
Slovak Republic
Switzerland
Denmark
Turkey
Austria
Iceland

3.2.85 Entrepreneurs are Job Creators

Definition

The indicator measures the citizens' perceived image of entrepreneurs, i.e. if entrepreneurs are seen as job creators.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The image of entrepreneurs is a direct measure of the degree in which the national culture and norms supports entrepreneurship and consequently the starting up of a new business.	A
	b) Assessment of the Type of Policy Indicator Policy measures may have an indirect impact on the national image of entrepreneurs in general.	B
2. Accuracy	*a) Data Collection Method* The indicator is opinion-based.	C
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 22 OECD countries	B
	b) Availability over Time The indicator is available for 2007 only.	B
Source	European Commission, Flash Eurobarometer.	

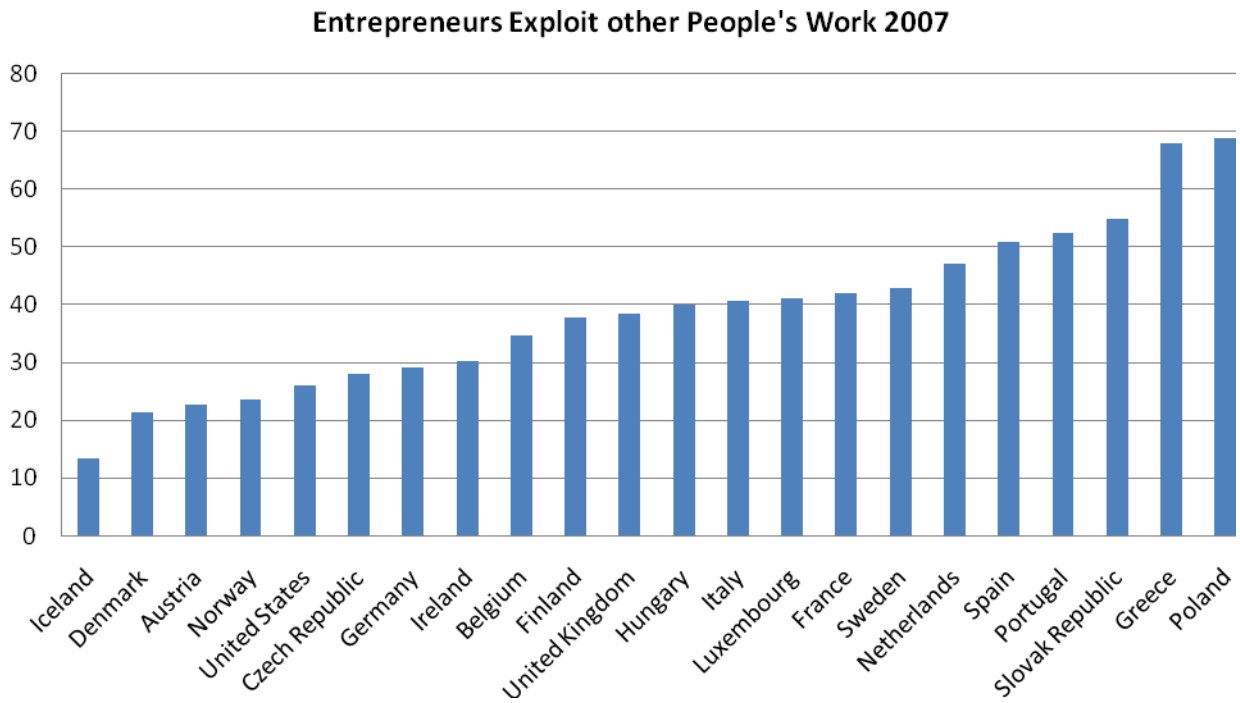

Entrepreneurs are Job Creators - 2007
100
95
90
85
80
75
Hungary
United Kingdom
Germany
France
Czech Republic
Greece
Luxembourg
Belgium
Poland
Slovak Republic
Portugal
United States
Spain
Ireland
Italy
Austria
Norway
Netherlands
Denmark
Sweden
Finland
Iceland

3.2.86 Entrepreneurs Exploit other People's Work

Definition

The indicator measures the citizens' perceived image of entrepreneurs, i.e. if entrepreneurs exploit other people's work.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The image of entrepreneurs is a direct measure of the degree in which the national culture and norms supports entrepreneurship and consequently the starting up of a new business.	A
	b) Assessment of the Type of Policy Indicator Policy measures may have an indirect impact on the national image of entrepreneurs in general.	B
2. Accuracy	*a) Data Collection Method* The indicator is opinion-based.	C
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 22 OECD countries	B
	b) Availability over Time The indicator is available for 2007 only.	B
Source	European Commission, Flash Eurobarometer.	



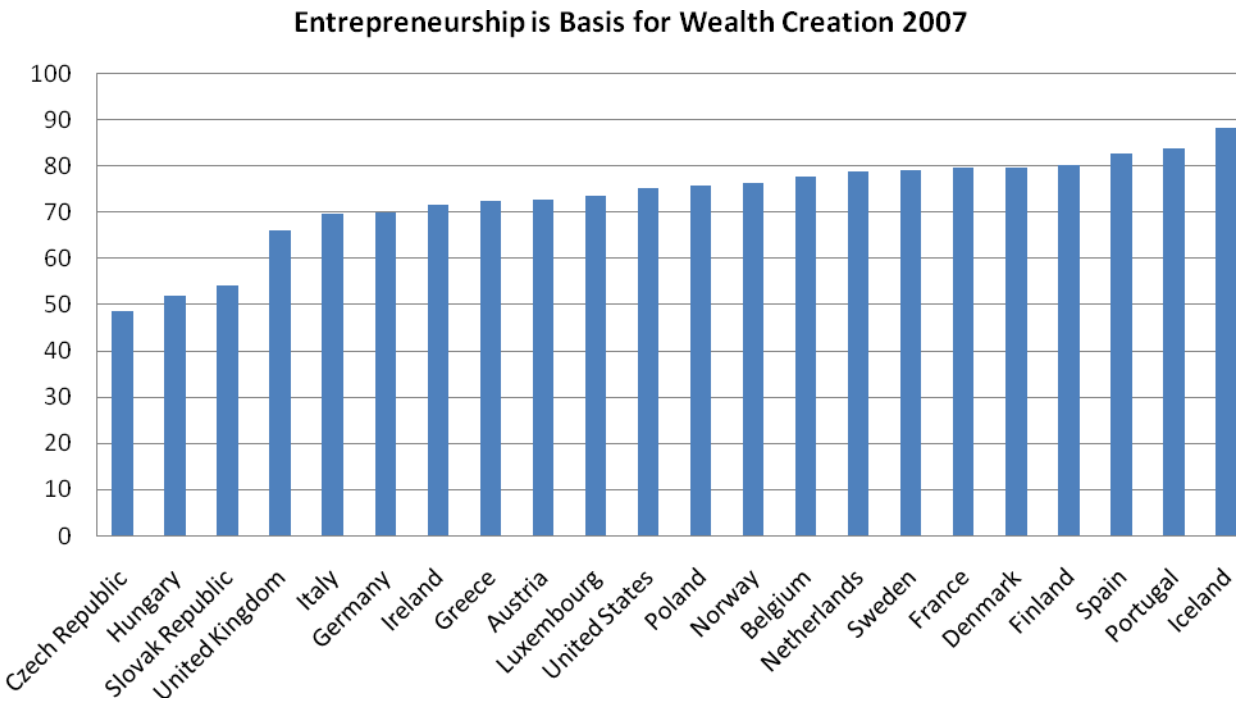
Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.87 Entrepreneurship is Basis for Wealth Creation

Definition

The indicator measures the citizens' perceived image of entrepreneurs, i.e. if entrepreneurship is seen as a basis for wealth creation.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The image of entrepreneurs is a direct measure of the degree in which the national culture and norms supports entrepreneurship and consequently the starting up of a new business.	A
	b) Assessment of the Type of Policy Indicator Policy measures may have an indirect impact on the national image of entrepreneurs in general.	B
2. Accuracy	*a) Data Collection Method* The indicator is opinion-based.	C
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 22 OECD countries	B
	b) Availability over Time The indicator is available for 2007 only.	B
Source	European Commission, Flash Eurobarometer.	

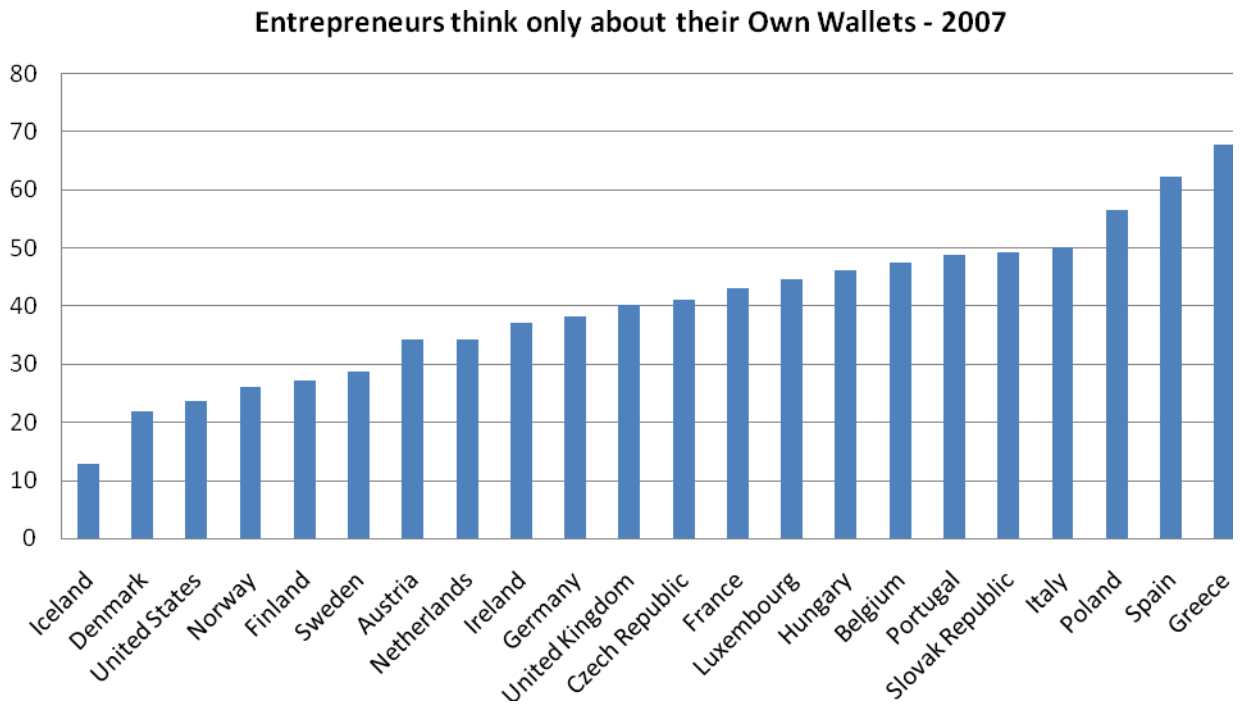

Entrepreneurship is Basis for Wealth Creation 2007
100
90
80
70
60
50
40
30
20
10
0
Czech Republic
Hungary
Slovak Republic
United Kingdom
Italy
Germany
Ireland
Greece
Austria
Luxembourg
United States
Poland
Norway
Belgium
Netherlands
Sweden
France
Denmark
Finland
Spain
Portugal
Iceland

3.2.88 Entrepreneurs think only about their Own Wallets

Definition

The indicator measures the citizens' perceived image of entrepreneurs, i.e. if entrepreneurs only think about their own wallet.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The image of entrepreneurs is a direct measure of the degree in which the national culture and norms supports entrepreneurship and consequently the starting up of a new business.	A
	b) Assessment of the Type of Policy Indicator Policy measures may have an indirect impact on the national image of entrepreneurs in general.	B
2. Accuracy	*a) Data Collection Method* The indicator is opinion-based.	C
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 22 OECD countries.	B
	b) Availability over Time The indicator is available for 2007 only.	B
Source	European Commission, Flash Eurobarometer.	



Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.89 Fear of Failure would prevent Starting a Business

Definition

The indicator measures the percentage of non-entrepreneurially active adult population aged 18-64 that sees good opportunities to start a business, where fear of failure would prevent starting a business.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The fear of failure is a direct measure of the degree to which the national culture and norms support risk taking and consequently the desire to start one's own company.	A
	b) Assessment of the Type of Policy Indicator Policy measures may have an indirect impact on the national culture towards risk taking.	B
2. Accuracy	*a) Data Collection Method* The indicator is action-based. The information comes from the GEM Adult Population Surveys which are based on a representative sample of at least 2,000 adults in each country. Respondents are asked about their attitudes to and their involvement in entrepreneurship.	B
	b) Cross Country Comparability The same methodology is used in all countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 18 OECD countries.	B
	b) Availability over Time Data available for 2008.	B
Source	Global Entrepreneurship Monitor (GEM) 2008 Executive Report.	

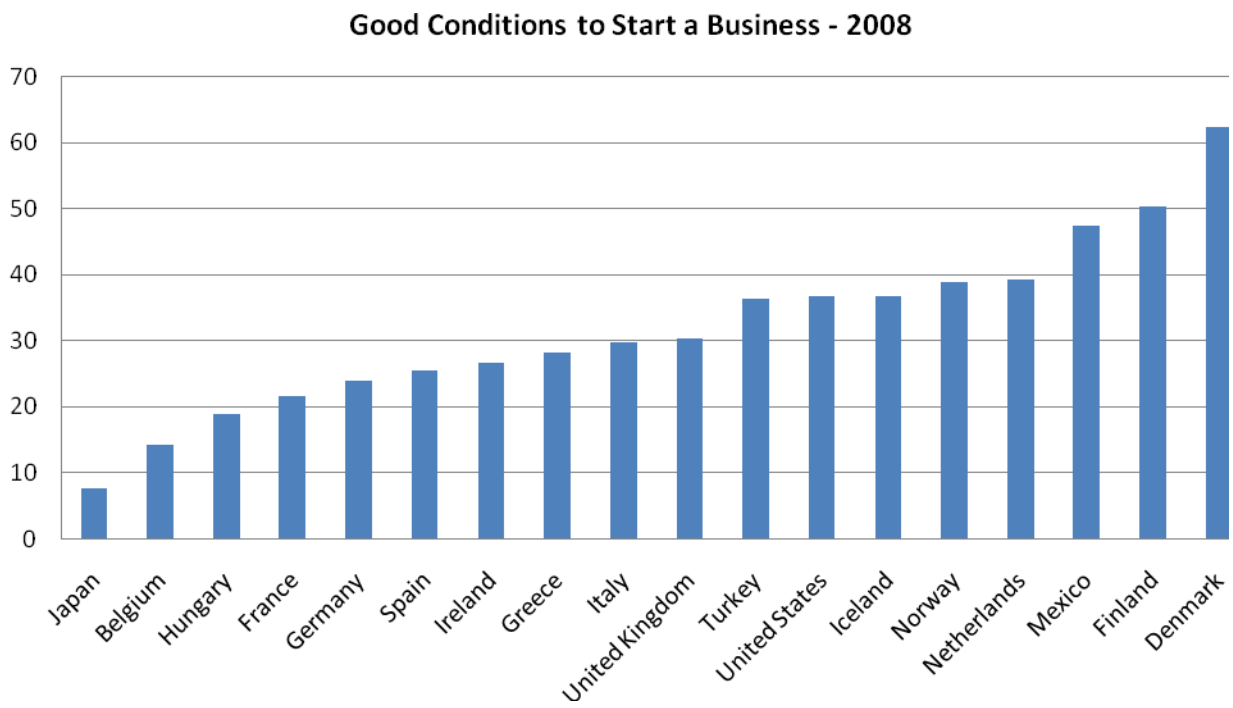
Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.90 Good Conditions to Start a Business

Definition

The indicator measures the percentage of non-entrepreneurially active adult population aged 18-64 that sees good opportunities for starting a business in the next 6 months.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The view towards business opportunities is a direct measure of the degree to which the national environment supports risk taking and consequently the desire to start one's own company.	A
	b) Assessment of the Type of Policy Indicator Policy measures may have an indirect impact on the national culture towards people's view of business opportunities.	B
2. Accuracy	*a) Data Collection Method* The indicator is action-based. The information comes from the GEM Adult Population Surveys which are based on a representative sample of at least 2,000 adults in each country. Respondents are asked about their attitudes to and their involvement in entrepreneurship.	B
	b) Cross Country Comparability The same methodology is used in all countries.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 16 OECD countries in 2008.	B
	b) Availability over Time Entrepreneurship education and training is a special topic for the GEM 2008 Executive Report.	B
Source	Global Entrepreneurship Monitor (GEM) 2008 Executive Report.	


Good Conditions to Start a Business - 2008
70
60
50
40
30
20
10
0
Japan
Belgium
Hungary
France
Germany
Spain
Ireland
Greece
Italy
United Kingdom
Turkey
United States
Iceland
Norway
Netherlands
Mexico
Finland
Denmark

3.2.91 Image of entrepreneurs

Definition

This indicator measures image of entrepreneurs according to their status in society. Entrepreneurs are ranked against civil servants and managers.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The ranking of entrepreneurs against civil servants and managers is a direct measure of how national cultures compare entrepreneurs to other categories of occupation.	A
	b) Assessment of the Type of Policy Indicator Policy measures might have an indirect impact on preferences for entrepreneurs and entrepreneurship.	B
2. Accuracy	*a) Data Collection Method* Opinion-based.	C
	b) Cross Country Comparability Data comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 22 OECD countries.	B
	b) Availability over Time The indicator is available for 2004 and 2007 only.	A
Source	European Commission, Flash Eurobarometer.	

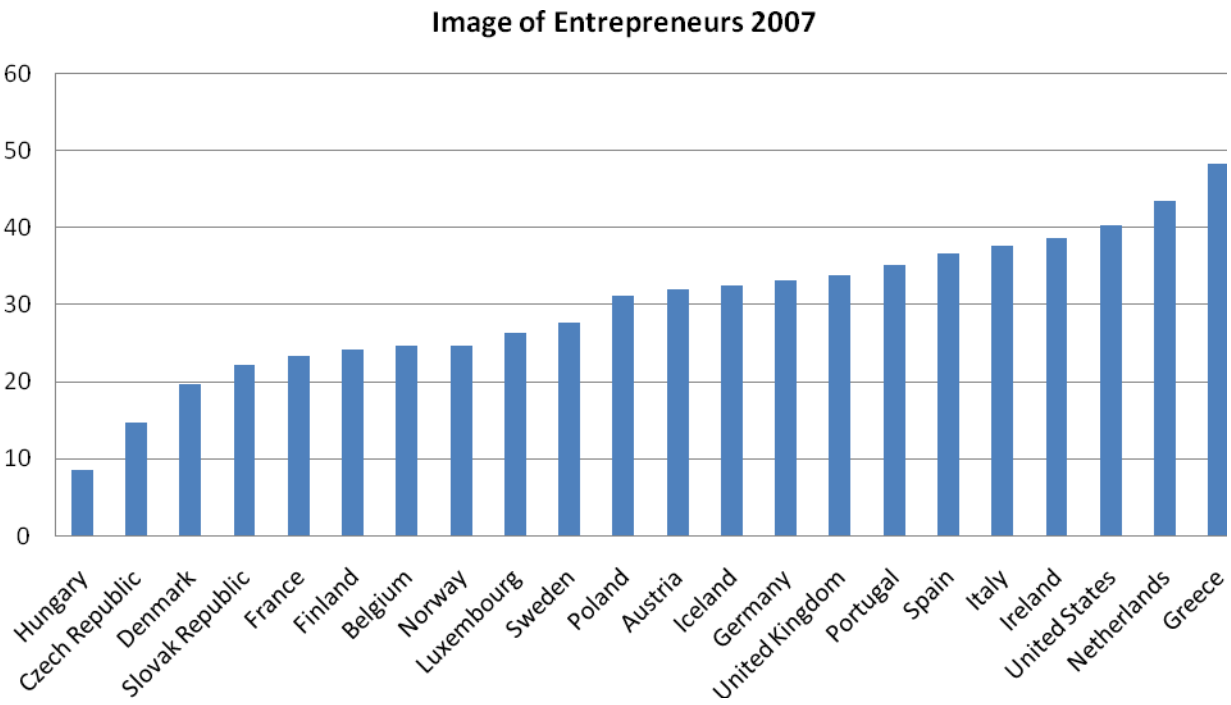


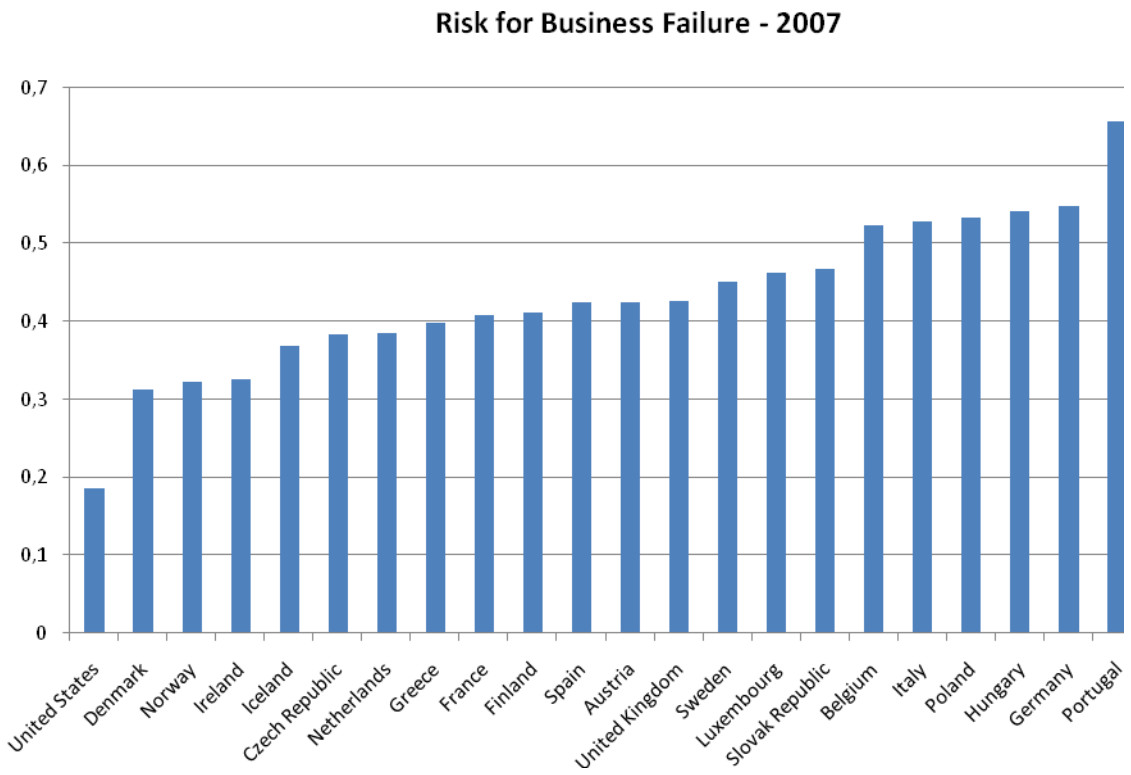
Image of Entrepreneurs 2007
60
50
40
30
20
10
0
Hungary
Czech Republic
Denmark
Slovak Republic
France
Finland
Belgium
Norway
Luxembourg
Sweden
Poland
Austria
Iceland
Germany
United Kingdom
Portugal
Spain
Italy
Ireland
United States
Netherlands
Greece

3.2.92 Risk for Business Failure

Definition

The indicator measures people's perception of being willing to start a business if a risk exists that it might fail.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The risk of business failure is a direct measure of the degree in which the national culture and norms supports entrepreneurship and consequently the starting up of a new business.	A
	b) Assessment of the Type of Policy Indicator Policy measures may have an indirect impact on the national preference to become entrepreneur.	B
2. Accuracy	*a) Data Collection Method* The indicator is opinion-based.	C
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 22 OECD countries	B
	b) Availability over Time The indicator is available for 2003, 2004 and 2007 only.	A
Source	European Commission, Flash Eurobarometer.	



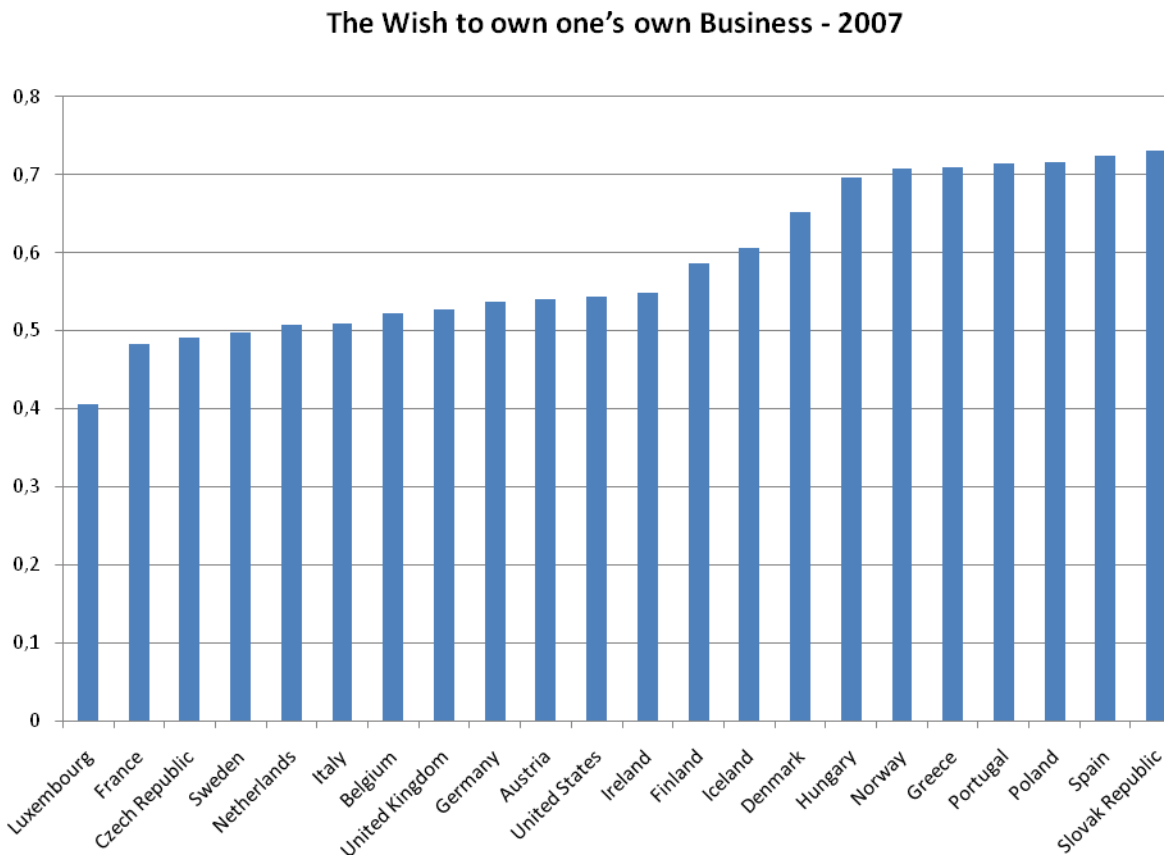
Note: Lower values are assumed to be more conducive for entrepreneurship performance than higher values for this indicator.

3.2.93 The Wish to Own one's Own Business

Definition

The indicator measures people's preferences to own their own business. Respondents who expressed a preference for self-employment were also asked whether they would prefer to own their own business or work for themselves, without necessarily owning a company.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The cultural and social norms for entrepreneurship is a direct measure of the degree in which the national culture and norms supports entrepreneurship and consequently the starting up of new business.	A
	b) Assessment of the Type of Policy Indicator Policy measures may have an indirect impact on the national preference to become entrepreneur. Furthermore, the indicator is opinion-based.	B
2. Accuracy	*a) Data Collection Method* The indicator is opinion-based.	C
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 22 OECD countries	B
	b) Availability over Time The Indicator is available for 2004 and 2007 only.	A
Source	European Commission, Flash Eurobarometer.	

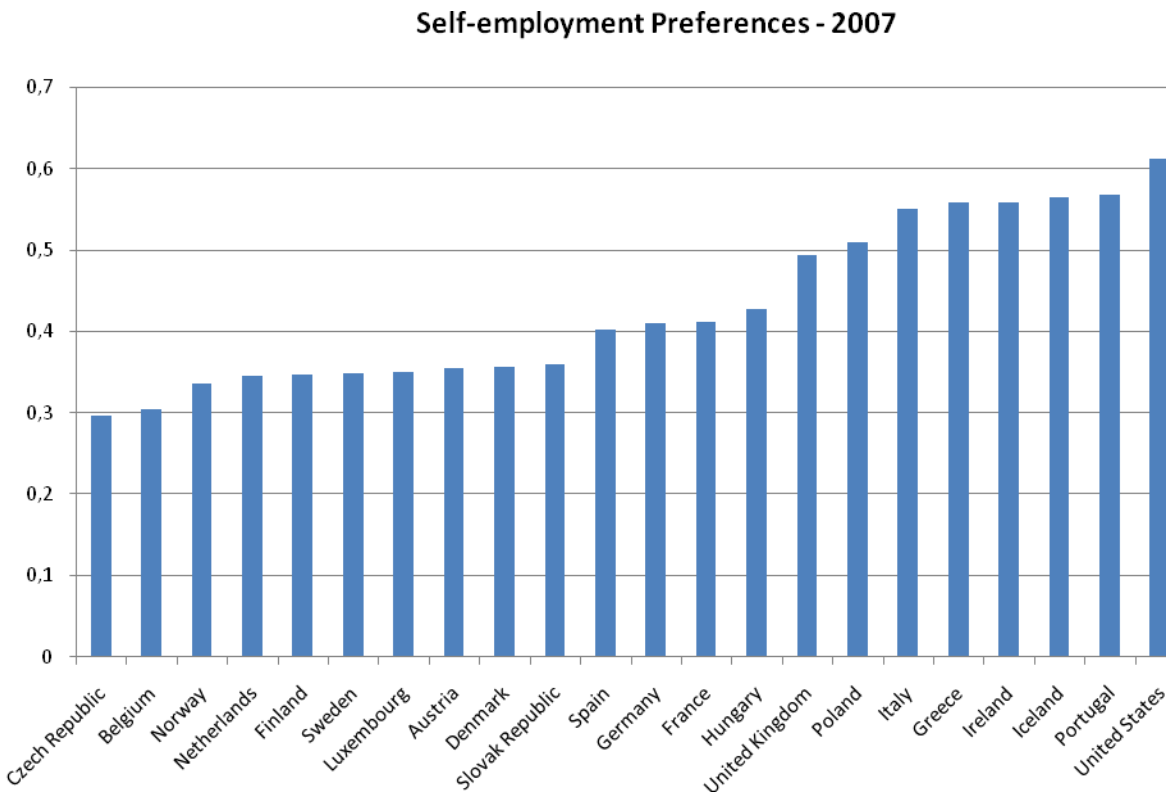

The Wish to own one's own Business - 2007
0,8
0,7
0,6
0,5
0,4
0,3
0,2
0,1
0
Luxembourg
France
Czech Republic
Sweden
Netherlands
Italy
Belgium
United Kingdom
Germany
Austria
United States
Ireland
Finland
Iceland
Denmark
Hungary
Norway
Greece
Portugal
Poland
Spain
Slovak Republic

3.2.94 Self-Employment Preferences

Definition

The indicator measures individual's preferences towards being self employed or being an employee.

Assessment		Grade
Overall		**C**
1. Relevance	*a) Assessment of Relevance* The cultural and social norms for entrepreneurship is a direct measure of the degree in which the national culture and norms supports entrepreneurship and consequently the starting up of new business	A
	b) Assessment of the Type of Policy Indicator Policy measures may have an indirect impact on the national preference to become entrepreneur. Furthermore, the indicator is opinion-based.	B
2. Accuracy	*a) Data Collection Method* The indicator is opinion-based.	C
	b) Cross Country Comparability Fully comparable.	A
3. Availability	*a) Availability across OECD Countries* Data is available for 22 OECD countries	B
	b) Availability over Time The Indicator is available for 2003, 2004 and 2007 only.	A
Source	European Commission, Flash Eurobarometer.	


Self-employment Preferences - 2007
0,7
0,6
0,5
0,4
0,3
0,2
0,1
0
Czech Republic
Belgium
Norway
Netherlands
Finland
Sweden
Luxembourg
Austria
Denmark
Slovak Republic
Spain
Germany
France
Hungary
United Kingdom
Poland
Italy
Greece
Ireland
Iceland
Portugal
United States