

**Eurostat-FORA Workshop on Entrepreneurship Indicators: R&D and Technology
Copenhagen, 30-31 October 2008**

Report: 1st Session

Anders Hoffmann from the Danish Enterprise and Construction Authority (DECA) introduced the forum and welcomed the participants. He stressed the very high political relevance of entrepreneurship and the need for very well-measured indicators. He explained that, within the OECD-Eurostat Entrepreneurship Indicator Program (EIP), indicators are divided into 3 main categories: "Determinants", "Entrepreneurial performance" and "Impact" and that each of these categories are broken down into several themes or "boxes". One of the future challenges for the EIP is to come up with relevant lists of indicators for each determinant theme. Anders Hoffmann explained that the purpose of this Eurostat-FORA Workshop is to explore the "R&D and Technology" theme.

In his introductory remarks, **Peter Bekx**, Director of Business Statistics in Eurostat, described the efforts of the European Union (EU) to support Entrepreneurship. He enumerated the current projects undertaken by Eurostat in this field, including the EIP, which was started in 2006 by the OECD and which shortly thereafter became a joint OECD-Eurostat project. He also reminded the participants of the goals of this workshop and emphasized the relevance of each of the indicator area related to R&D. Peter Bekx also noted that Eurostat is planning a survey on "Access to finance", which is another Determinant theme of the EIP. He also thanked the workshop organizers.

Marko Curavic, from the European Commission DG Enterprise, explained the need for the European Commission to base policy measures on indicators which are timely, stable and internationally comparable (including outside the EU). This is of importance, in particular in the context of the implementation of the Small Business Act. He considers that the EIP is a very good project in that sense. Marko Curavic also underlined the importance of indicators broken down by size-class.

In his presentation on Economic growth, entrepreneurship and measurement issues, **Roy Thurik**, Professor of Economics and Entrepreneurship at Erasmus University of Rotterdam, emphasized that to find the most relevant indicators to measure entrepreneurship, it is very important to clearly define the concept to be measured and to be aware of all its aspects. During this presentation, many faces of Entrepreneurship were discussed.

He distinguished two major notions for Entrepreneurship:

- The occupational entrepreneurship, which relates to persons working on their own account and;
- The entrepreneurial behaviour, which relates to persons pursuing opportunities without regards to the resources. This second notion corresponds to a "corporate" entrepreneurship.

Roy Thurik described the different drivers of sole entrepreneurship from the demand side and from the supply side as well as the quasi self-employment. This showed that sole entrepreneurship is a very heterogeneous area.

He also stressed that latent entrepreneurship and nascent entrepreneurship are very important steps in the entrepreneurial process. Continuing the enumeration of entrepreneurship dimensions, Roy Thurik mentioned that distinction should also be made between constructive and destructive entrepreneurship; between imitative and innovative entrepreneurship and between product and process entrepreneurship.

Finally he revisited the Schumpeterian theory and showed how it evolved over time.

Tim Davis, from the OECD, described the history and the different steps of the Entrepreneurship Indicators project. He reminded participants of the reasons for measuring entrepreneurship, described the outcomes of the initial feasibility study and reviewed the launch of the program in 2006 with support from the Kauffman Foundation, the Danish-led ICE consortium, Eurostat and the OECD.

The presentation underlined all the work completed over the past 2-3 years, including the work on definitions for “Entrepreneur”, “Entrepreneurial activity” and “Entrepreneurship”; the discussions to come-up with a list of indicators; the decision to focus on employer enterprises for business demography data; and, the publication of the Eurostat-OECD Manual on Business Demography Statistics. Tim Davis further mentioned that a joint OECD-Eurostat Entrepreneurship Measurement Manual will be prepared in the coming months. He also listed the countries that have participated in the first round of data collection and stated that a key objective for the future is to involve other countries.

In closing, he reminded the group that a programme objective was to make the production and publication of entrepreneurship data “routine” and took the opportunity to preview some charts from the forthcoming OECD Digest of Entrepreneurship Indicators to be released on November 17.

Bruno Robino, from the European Investment Fund (EIF), described the role of the EIF in supporting SMEs and Entrepreneurship. This presentation focused more on the “Access to finance” EIP determinant theme. The importance of SMEs in the EU was illustrated with some figures: these enterprises represent 99% of the businesses and account for 55% of employment in the former EU15 area and 72 % in the new Member States.

The EIF was described as the EU specialized financial institution for SMEs, acting through venture capital and guarantees for SMEs portfolios and financial engineering. The geographical distribution of the portfolio was also presented. Bruno Robino described the Venture capital and Private equity markets covered by the fund.

Two important initiatives from the EU were also mentioned: The joint European resources for micro to medium enterprises (JEREMIE) that aims at increasing the deployment of self-sustaining financial instruments for SMEs; and the joint action to support microfinance institutions in Europe (JASMINE) a component of the Microfinance Action Plan, to provide funding/technical assistance through co-financing facility.

Day 1: Thursday, 30 October (08.30-17.30)

08.30 - 09.30 Registration and Breakfast

Morning session:

Chair: Isabel Grilo, DG ENTR, European Commission
Rapporteur: Benoît Arnaud, OECD

09.30 - 10.00 Opening Statements

Peter Bekx, Director Business Statistics, Eurostat
Marko Curavic, DG Enterprise, European Commission
Anders Hoffmann, The Danish Enterprise and Construction Authority (DECA)

10.00 - 10.45 Economic growth, entrepreneurship and measurement issues

By Roy Thurik, Professor of Economics and Entrepreneurship, Erasmus University Rotterdam

10.45 - 11.15 Tea/coffee break with fresh fruit

11.15 - 11.45 Why Measuring Entrepreneurship - The joint OECD/ Eurostat EIP

By Tim Davis, OECD

11.45 - 12.30 The role of the EIF in support of SMEs and entrepreneurship

By Bruno Robino, European Investment Fund