

SMALL AND MEDIUM-SIZED ENTERPRISES

Small firms, and especially recent start-ups, can be very dynamic and innovative. A few very high-performance new and small firms can make an important contribution to employment creation and economic growth. Although the majority of small firms have more modest economic impacts individually, taken together they make an important contribution.

Definition

An enterprise is a legal entity possessing the right to conduct business on its own; for example to enter into contracts, own property, incur liabilities and establish bank accounts. It may consist of one or more establishments situated in a geographically separate area.

Employees include all persons covered by a contractual arrangement, working in the enterprise and receiving compensation for their work. They include salaried managers, students who have a formal commitment whereby they contribute to the unit's process of production in return for remuneration and/or education services, and employees engaged under a contract designed to encourage the recruitment of unemployed persons. They also include persons on sick leave, paid leave or vacation, while excluding working proprietors, active business partners, unpaid family workers and home-workers, irrespective of whether or not they are on the payroll.

Number of persons employed is defined as the total number of persons who worked in or for the concerned unit during the reference year. Total employment excludes

directors of incorporated enterprises and members of shareholders' committees who are paid solely for their attendance at meetings, labour force made available to the concerned unit by other units and charged for, persons carrying out repair and maintenance work in the unit on the behalf of other units, and home-workers. It also excludes persons on indefinite leave, military leave or those whose only remuneration from the enterprise is by way of a pension.

Comparability

An area where considerable differences do arise concerns the coverage of data on enterprises/establishments. In many countries, this information is based on business registers, economic censuses or surveys that may have a size cut-off. All countries have thresholds of one sort or another, often depending on tax legislation and legal provisions reducing administrative burdens on small enterprises. For Ireland, only enterprises with three or more persons employed are reflected, while the data for Japan and Korea do not include establishments with fewer than 4 and 5 persons employed respectively.

Data refer to 2008 in the case of the Czech Republic, Denmark, the Netherlands, the Slovak Republic, the United Kingdom and Turkey; to 2007 for Greece and Norway; and to 2005 for Iceland. Employment data for Switzerland refer to the total number of persons employed rather than to the number of employees.

Overview

The contribution of small enterprises to employment varies considerably across countries. In most economies, the share of enterprises with less than 20 persons employed exceeds 70% of the total, ranging between 69% in Ireland and above 95% in Greece. Small enterprises account for a smaller share of the total number of employees, ranging between around 9% in the United States and the Czech Republic to around 35% in Greece.

Some larger economies are characterised by a lower proportion of small enterprises, partly reflecting the greater scope for growth in larger markets (due to the existence of a greater pool of workers and larger demand) but also due to a statistical phenomenon, namely, when an enterprise opens a new establishment in the same country within which it is registered, it will move from being a small to a large enterprise. In other words, an enterprise operating in a small country often will grow by creating a new establishment abroad rather than expanding in the internal market.

Sources

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- OECD (2010), *Structural and Demographic Business Statistics* (database).

Further information

Analytical publications

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- OECD (2010), *Structural and Demographic Business Statistics 2009*, OECD Publishing.


Methodological publications

- OECD and Eurostat (2008), *Eurostat-OECD Manual on Business Demography Statistics*, OECD Publishing.

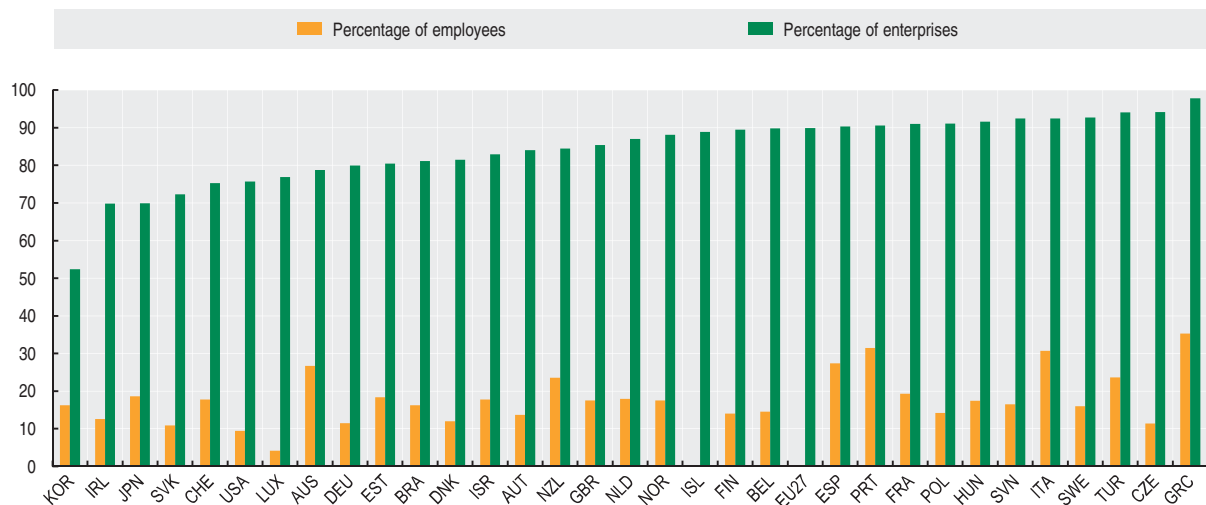
Number of employees and number of enterprises in manufacturing

Breakdown by size-class of enterprise, 2009 or latest available year

	Number of persons employed									
	As a percentage of total number of employees in manufacturing					As a percentage of total number of enterprises in manufacturing				
	Less than 10	10-19	20-49	50-249	250 or more	Less than 10	10-19	20-49	50-249	250 or more
Australia	..	..	..	..	..	..	..	..	..	..
Austria	6.9	6.8	11.1	27.3	48.0	71.9	12.1	8.5	5.8	1.8
Belgium	7.5	7.0	13.1	..	..	82.4	7.4	5.9	..	..
Canada	..	..	..	..	..	..	..	..	..	..
Chile	..	..	..	..	..	..	..	..	..	..
Czech Republic	5.9	5.5	10.5	29.8	48.3	90.6	3.5	3.0	2.3	0.6
Denmark	5.6	6.4	14.0	27.7	46.3	70.8	10.7	10.6	6.5	1.4
Estonia	10.1	8.3	16.5	39.6	25.6	69.2	11.2	10.7	7.7	1.1
Finland	7.8	6.2	10.8	23.3	51.9	82.0	7.5	5.8	3.7	1.0
France	12.1	7.2	11.9	22.9	45.9	84.1	6.9	5.2	3.0	0.8
Germany	4.3	7.2	8.1	25.7	54.7	60.5	19.4	8.9	8.9	2.2
Greece	30.4	4.9	12.1	25.6	27.1	96.5	1.2	1.3	0.8	0.2
Hungary	10.4	7.0	11.6	27.1	43.8	85.4	6.2	4.6	3.1	0.7
Iceland	..	..	..	..	..	80.2	8.7	6.7	3.8	0.7
Ireland	5.8	6.8	12.3	30.3	44.9	49.6	20.3	15.8	11.3	3.0
Israel	10.2	7.6	13.0	29.5	39.7	70.8	12.1	9.4	6.5	1.2
Italy	15.6	15.1	17.7	24.8	26.8	81.9	10.6	5.1	2.1	0.3
Japan	8.4	10.2	16.9	31.0	33.5	46.2	23.8	18.1	10.2	1.8
Korea	0.2	16.1	23.5	31.5	28.8	1.1	51.3	32.6	13.6	1.4
Luxembourg	4.1	..	..	..	..	64.1	12.8	11.0	9.2	3.0
Mexico	0.2	..	..	16.8	80.2	1.0	..	..	2.1	95.5
Netherlands	8.8	9.1	16.3	31.6	34.2	77.8	9.2	7.7	4.4	0.9
New Zealand	13.1	10.5	15.2	24.4	36.8	69.4	15.1	9.8	4.8	0.9
Norway	9.3	8.2	14.6	28.2	39.6	79.6	8.6	6.9	4.1	0.9
Poland	10.2	4.0	10.2	31.0	44.5	87.5	3.6	4.4	3.6	0.9
Portugal	19.1	12.4	19.7	30.2	18.6	81.8	8.7	6.1	3.0	0.3
Slovak Republic	3.5	7.5	7.5	26.5	55.1	42.1	30.2	10.6	13.0	4.1
Slovenia	10.2	6.3	10.0	30.3	43.2	87.1	5.4	3.7	3.1	0.7
Spain	15.5	11.9	19.2	24.4	29.0	81.1	9.2	6.6	2.6	0.5
Sweden	9.2	6.8	10.9	24.0	49.1	87.2	5.5	4.0	2.6	0.7
Switzerland	8.8	9.0	13.2	29.6	39.4	56.3	19.0	13.6	9.1	2.1
Turkey	..	..	14.4	26.2	35.8	..	..	3.5	2.0	0.4
United Kingdom	10.5	7.0	12.0	26.8	43.6	74.7	10.7	8.1	5.3	1.3
United States	4.7	4.8	..	..	..	60.2	15.4	..	..	..
EU 27	..	..	..	..	..	81.0	8.9	5.9	3.6	0.8
OECD	..	..	..	..	..	..	..	..	..	..
Brazil	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..

 StatLink  <http://dx.doi.org/10.1787/888932706850>
Manufacturing enterprises with less than twenty persons employed: number of employees and number of enterprises

As a percentage of total number of employees or total number of enterprises, 2009 or latest available year


 StatLink  <http://dx.doi.org/10.1787/888932706869>





HOUSEHOLD INCOME AND WEALTH

INCOME AND SAVINGS

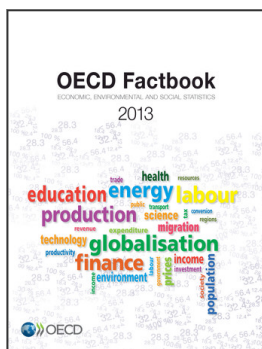
NATIONAL INCOME PER CAPITA
HOUSEHOLD DISPOSABLE INCOME
HOUSEHOLD SAVINGS

INCOME INEQUALITY AND POVERTY

INCOME INEQUALITY
POVERTY RATES AND GAPS

HOUSEHOLD WEALTH

HOUSEHOLD FINANCIAL ASSETS
HOUSEHOLD DEBT
NON-FINANCIAL ASSETS BY HOUSEHOLDS



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