

## **SME Performance Review 2009**

Objective and methodology of the SBA Fact Sheets

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# 1 Introduction

## 1.1 What are the SBA fact sheets?

The Small Business Act<sup>1</sup> (SBA) fact sheets are statistical information tools designed as an input for assessing the business and policy environment for SMEs in Member States (hereinafter MS) and Partner Countries. They should be an interesting information source for policy makers in the Commission and in the individual countries, as well as for stakeholders and the public at large. The purpose of the fact sheets is to provide a snapshot of how the SME environment looks like in a given country, as well as how this environment has been changing over the medium term, using the prism of statistical data. This is done by grouping together a total of 88 indicators measuring a wide variety of different SME policy aspects under the ten principles of the SBA. Additionally, basic figures on the size and structure of the SME sector are presented, as well as information on recent developments in the field of SME-policy.

Recent information contained in the individual indicators is summed up and visualised in the SBA radar chart, comparing a country's position against the EU27 average. These charts encapsulate the main results of this statistical exercise in a concise and user-friendly way. The accompanying texts highlight the main findings in each section and explain how the positioning of a country for a particular area came about. SBA fact sheets have been designed as instruments complementary to the SME Performance Review Annual Report and statistics prepared on a country level in the countries.

## 1.2 Why is the SBA used as an underlying organising principle?

The SBA, as adopted by the European Institutions in 2008, is the dominant initiative in the area of EU SME policy for the years to come. A long list of political measures is to be implemented on both national and EU-level, so as to work towards the goals of this initiative. It therefore appears appropriate that an analytical and statistical tool, such as the fact sheets should organise the information according to the SBA's principles. Hence, each of the axes in the radar chart, corresponding to each of the policy areas, provides an as objective as possible indication of the situation in the given policy field in a specific country. Taking all those areas together, a specific SBA profile emerges and reveals for a country the strong as well as the weak areas.

## 1.3 Specific features of the SBA fact sheets

It is important to take note of the following points, so as to properly interpret the findings in the fact sheets.

Firstly, the fact sheets, in the current form, **are not a full scale monitoring scheme as regards the SBA implementation**. For this, the indicators would have to measure in a precise way almost 100 individual actions proposed in the framework of the SBA. This would be impossible for lack of data. Instead, the compiled information will over-

<sup>1</sup> The Small Business Act is available at:  
[http://ec.europa.eu/enterprise/entrepreneurship/sba\\_en.htm](http://ec.europa.eu/enterprise/entrepreneurship/sba_en.htm).

time provide an overview of the changes made in the various policy areas that the SBA is targeting. In that sense, this edition of the fact sheets may later on serve as a base-line scenario, against which one can assess the changing situation in the relevant areas as the SBA implementation progresses.

Secondly, the fact sheets should **not be interpreted as a comprehensive assessment of policies in the countries**. Such an analysis should be based on both hard facts, including statistical information, and qualitative information. However, the fact sheets, together with information from other sources, can help to arrive at a rather comprehensive view of a given country's SME policy. In the future, the fact sheets may be enriched with other information, which would bring them closer to becoming qualified policy assessments. The fact sheets may then eventually be used as a source of information on the SBA implementation.

Thirdly, the fact sheets **do not provide a real-time reflection of the current situation**. Most of the data in the fact sheet comes with a two-to-three-year delay. This is unavoidable as EU-wide harmonised statistics from public sources are subject to legally determined reporting and production schedules. In most cases, the impact of this is limited, as many indicators are rather slowly changing structural indicators without huge and sudden oscillations. Nonetheless, there may be years and periods where such sudden changes occur. Again, this is a qualifying point that has to be taken into account when studying the findings.

Fourthly, **the SBA fact sheets do leave out some policy areas with an either direct or indirect impact on SMEs performances, such as macro-economic or infrastructure indicators**. This focus is deliberately chosen, given the link to the SBA. This approach also ensures that the SBA radar remains at a manageable and user-friendly size. Nonetheless, it needs to be noted that there are policies outside the scope of the SBA that, in some instances, may substantially interfere with the SBA policies and may have a significant bearing on the overall business environment for SMEs (see the current economic and financial crisis).

#### 1.4 Future editions of the SBA fact sheets

Finally, as has been already implicitly hinted at in some of the previous paragraphs, the fact sheets are work in progress. Apart from the rectification of the usual teething problems that such novel exercises come with, future editions will look different. New statistics will become available, while existing ones may cease to exist at some point.

## 2 Methodology and Design of the SBA Fact Sheets

The fact sheets and the SBA radar charts are constructed in several steps. Each of the steps implied a number of important methodological decisions. In order to fully appreciate the findings of this exercise it is important to explain the different steps one-by-one. Therefore, this methodological section is structured around the steps necessary to arrive at the ultimate results.

- The policy areas relevant for this exercise have to be identified
- Appropriate indicators have to be found
- The indicators have to be grouped together under the existing SBA criteria (correlation, balance between areas)
- Sector averages have to be formed on the basis of the individual indicators in this section
- Finally, to compare the results of the normalisation, benchmarks have to be defined against which individual countries' performances can be assessed

These steps are discussed in greater detail below. A guiding principle for this approach was to make it as simple as possible, so as to ensure maximum transparency as to how the information was "processed" and the results were obtained. This transparency issue was seen as a key principle in ensuring that the fact sheets were of maximum benefit to the interested users, including those that are no statistical experts. It is noted, that the "simplicity"/"transparency" objective is -at times-at odds with the ambition of presenting the data situation with all its nuances. This is clearly a trade-off, where two competing objectives have to be weighted against each other.

### 2.1 Identification of relevant policy areas

The policy areas are based on the principles cited in the SBA communication of 25 June 2008 by the Commission. The "Small Business Act" for Europe comprises a set of 10 principles:

- I Create an environment in which entrepreneurs and family businesses can thrive and entrepreneurship is rewarded**
- II Ensure that honest entrepreneurs who have faced bankruptcy quickly get a second chance**
- III Design rules according to the "Think Small First" principle**
- IV Make public administrations responsive to SMEs' needs**
- V Adapt public policy tools to SME needs: facilitate SMEs' participation in public procurement and better use State Aid possibilities for SMEs**
- VI Facilitate SMEs' access to finance and develop a legal and business environment supportive to timely payments in commercial transactions**
- VII Help SMEs to benefit more from the opportunities offered by the Single Market**
- VIII Promote the upgrading of skills in SMEs and all forms of innovation**
- IX Enable SMEs to turn environmental challenges into opportunities**
- X Encourage and support SMEs to benefit from the growth of markets**

These principles should guide the conception and implementation of policies both at EU and national level. This is essential to create a level playing field for SMEs throughout the EU and improve the administrative and legal environment to allow these enterprises to release their full potential to create jobs and growth. The SBA is an ambitious package of concrete and far reaching new measures including 4 legislative proposals which translate these principles into action both at EU and

Member State level. It is designed to be adopted by the European Council to ensure the full political commitment of both the Commission and the Member States together with regular monitoring of its implementation.

## 2.2 Identification of relevant indicators

### 2.2.1 *Criteria for selecting the indicators*

Careful selection of the indicators is one of the most important issues for developing a useful statistical measuring instrument. The principles behind the selection of the indicators are the following.

Indicators should have a ***direct relevance to the phenomenon they are supposed to describe***. In the case of this particular exercise, this poses a number of challenges. In terms of relevance we have identified three types of indicators: (1) SME-specific indicators, (2) business-specific indicators (3) general indicators (relevant to areas outside business as well). A general challenge across all ten sectors is to find indicators that are SME specific and do not just describe overall business performances or impacts, regardless of size-class distinction. SME-specific indicators were always the first choice and non-size class specific indicators have only been resorted to in the absence of the former. As much as possible, it was avoided to include general indicators with scope broader than exclusive business relevance (e.g. measuring the skills levels of SMEs/ business employees as opposed to skills levels of a society at large). On the number of indicators per area, no upper limits have been identified as an increase in the number of indicators should be positively correlated with the accuracy of the picture emerging from the sum of the indicators.

However, it was seen as paramount to avoid duplication and that the chosen indicators were not related to each other so as to avoid that a certain aspect gets undue weights (avoidance of co-linearity). Given the substantial amount of indicators, it was impossible to check systematically for co-linearity but a common sense approach has been adopted to minimise co-linearity effects. As a consequence, data on more indicators have been collected than have been used in the averages per SBA principle; the additional data are useful for illustration purposes.

Preferably, indicators should be ***policy indicators***, *i.e.* they should provide a proxy for the degree of policy activity developed in a country in that area. This is a condition for measuring progress made. Hence preference was given to those indicators that directly measure a given policy action, e.g. Share of Structural Funds dedicated to stimulating entrepreneurship and SMEs (% of total allocation). However, in the absence of such indicators, a second best option may be the use of performance indicators. These often only indirectly reflect policy measures by revealing the impact of a given policy measure. However, as their values can also be impacted by other, non-policy, factors these indicators are more indirect proxies for the policy area in question and have to be treated with caution. Hence, it was decided on a case-by-case basis whether the inclusion of a certain performance indicator was adequate or not.

The indicators should be ***reliable and adhere to specific quality standards***. The decision to consider or not certain indicators was made involving quality assessments

based on those proposed in the paper by Hoffmann, Larsen, and Oxholm<sup>1</sup>. In short, the paper stakes out a three-way-quality-categorization-scheme of indicators (“A” signifying “good”, “B” signifying “acceptable” and “C” signifying “questionable”) with a view to three main characteristics – relevance, accuracy and availability. A good number of indicators, rated in the paper according to the scheme, were used in the fact sheets. In this case, the guiding principle was to allow only “A”- and “B”- rated indicators to enter the scheme and to allow for “C”-rated ones only under exceptional circumstances. For indicators that were not directly mentioned and rated in that paper, the criteria were applied in the same spirit, and the same aspects were screened (official versus private-sourced information, vetting by impartial authorities, harmonisation according to EU-wide definitions and availability for the vast majority, if not all, countries).

The choice of indicators preferred those that already take into account the size differences of countries’ economies. If that was not the case, the indicator was – before normalisation – adjusted for this factor (by e.g. scaling it by the country’s GDP, population, number of SMEs, etc.)

In the spirit of consistency with other indicators, the SBA fact sheets strove to take into account all related indicators or rating schemes that are produced in- and outside DG ENTR. This included, among others, the Innovation Scoreboard, the Entrepreneurship scorecards, the work on SME finance indicators by Directorate D, the Entrepreneurship Indicator Project (EIP) by the OECD/Eurostat and the Indicators developed by the so-called Lisbon Methodology (LIME) - group. The aim was not to duplicate those efforts, but in stead to build on this work and extract those indicators and methodologies that fit into this project, also aiming to achieve a maximum of compatibility with those rating schemes.

In principle with all indicators, a higher value should represent a superior situation, *i.e.* on the normalised scale a value closer to 1 (the upper end of the scale) would be ‘better’ than one close to 0 (the lower end of the scale). In some cases the order might be reversed (*i.e.* the fewer the better as with number of days it takes to register a business), in those cases the methodology is adapted in order to ensure that the same logic prevails.

### 2.2.2 Sources used

The sources of the individual indicators are included in the separate master table containing the relevant data and meta-data regarding all indicators used for this project. The master table is available on the project’s website as soon as it is launched. Please note that for ease of reference, a truncated list of indicators and their sources is annexed to this document.

<sup>1</sup> Hoffmann, A., Larsen, M. and Oxholm, S. (2006) Quality Assessment of Entrepreneurship Indicators, (FORA, Copenhagen)



### 3 Grouping of the indicators according to the SBA principles

All indicators used for the fact sheets have been classified in one of the 10 SBA areas. When composing an individual section, it was tried as much as possible to make the indicator composition in a given area, e.g. "access to finance", resemble those of related indicator or rating schemes by DG ENTR or other services of the Commission (an example is the area of "innovation" where the selected indicators for the respective sub-section on the SBA profile emulate those used in DG ENTR's "Innovation Scoreboard"). This was a key guiding principle for the decision on the precise placement of individual indicators. Obviously, there are indicators that could fit into more than one category. For those items case-by-case calls were made, based on a detailed analysis of the nature of the specific indicator and its fit with the other indicators in the respective areas.



## 4 The calculation of sector data and the normalisation process

First of all, for each variable the latest available observation was taken<sup>1</sup>.

For each area an average<sup>2</sup> of all selected normalised indicators pertaining to that area is calculated. These sector averages were plotted on the SBA radar to represent the countries' performance in this area against the EU average. Indicators have been selected on the following criteria:

- data should be available for the six major EU economies (Germany, France, Italy, Poland, Spain and the United Kingdom), and
- either data should be available for at least 18 of the EU countries (two thirds of these countries), or the EU countries for which data are available should cover at least 75% of the total number of the EU27 SMEs in the non-financial business economy<sup>3</sup>.

However, the minimum number of indicators that would qualify for a sector average was set at four. Consequently for a number of areas where only three or less indicators could be identified, no sector average has been calculated. This particular threshold appeared a useful compromise between basing a meaningful average on a minimum number of indicators while at the same time ensuring averages for a sufficient number of areas.

In order to arrive at an average for indicators that come with different units of measurement (Euros against absolute numbers, percentages, etc.) the individual indicators were normalised to ensure comparability. For each indicator the minimum and maximum values across all 37 countries<sup>4, 5</sup> (the lowest and the highest data points, *i.e.* the two countries for which the value of the indicator was the lowest and the highest) have been identified. Then the score for any particular country was adjusted so that the lowest data point was deducted from the specific data point for the country. The result was then scaled onto the 0 -1 range by the difference between the highest data point and the lowest data point of the series (*i.e.* the difference between the country with the highest value of all countries and the country with the lowest value of all countries for

<sup>1</sup> Published data referring to statistical year 2009 are in fact observations or estimates prepared in (early) 2009 bearing, however, on information relating to statistical year 2008. For instance, opinions expressed in early 2009 can only be based on information on 2008.

<sup>2</sup> The average was calculated as an arithmetic average, composed with equal weights.

<sup>3</sup> The non-financial business economy is defined as mining and quarrying (NACE C), manufacturing (NACE D), electricity, gas and water supply (NACE E), construction (NACE F), wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods (NACE G), hotels and restaurants (NACE H), transport, storage and communication (NACE I), and real estate, renting and business activities (NACE K). The total number of SMEs in the non-financial business economy is estimated to amount to 20.7 million in EU27 in 2008.

<sup>4</sup> The 27 EU Member States and ten partner countries (please spell them out).

<sup>5</sup> Such normalised cores have only been calculated if (1) data for at least four of the six major EU economies (France, Germany, Italy, Poland, Spain, United Kingdom) were available, and (2) either data were available for 25 out of 37 countries (*i.e.*, two thirds of them) or the countries for which data were available, covered at least 75% of the Total number of SMEs in Europe-37.

the given indicator). This approach amounts to benchmarking a specific country's performance against that of the "best in class" country for that particular indicator.

To illustrate this process, the following example was calculated for indicator 8.1: Percentage of enterprises having purchased on-line over the last calendar year<sup>1</sup>:

- Original values:
  - country A (for which the profile is to be produced): 28%
  - Value for Member State X (best in class): 53%
  - Value for Member State Y (worst in class): 3%
- Calculate normalised value for country A using the following formula<sup>2</sup>:
 
$$\frac{\text{country A minus country Y (worst in class)}}{\text{country X (best in class) minus (country Y (worst in class))}}$$

$$= (28\% - 3\%) / (53\% - 3\%) = 25/50 = 0.5$$
- Hence, the normalised value for this indicator for country A is 0.5.

Next, scores per SBA-principle are calculated taking an unweighted average from the normalised individual variables provided at least 4 values are available at the EU27 level, and data for the country are available for the same variables. For instance, for principle VII: Single Market, five indicators are selected for inclusion in the index (indicators (7.1) – (7.5)). The indicator for SBA-principle VII is then calculated as in the following table:

	initial inclusion index (1= yes, 0= no)	positively (1) or negatively (0) related?	country A		EU27	
			absolute value	normalised value	absolute value	normalised value
7.1 Average transposition delay in months for overdue directives – in months	1	0	13	0.42	10	0.68
7.2 Single market directives - % transposed or notified	1	1	98	0.00	99	0.58
7.3 Number of 2 years overdue directives	1	0	6	0.50	2	0.81
7.4 Share of intra-EU exporting SMEs to all SMEs (in terms of number of enterprises):	1	1	2	n/a	n/a	n/a
7.5 Share of trade with the EU-27; share of import from EU in total imports (%)	1	1	77	0.91	67	0.59
7.6 Share of trade with the EU-27; Share of exports to EU in total exports (%)	0	1	85	0.91	69	0.53
<b>Index VII. SINGLE MARKET [1] [2]</b>				<b>0.46</b>	<b>0.67</b>	
[1] country A: 0.46= average(0.42, 0, 0.5, 0.91); variables 7.4 and 7.6 have been excluded in the calculation of index VII. SINGLE MARKET (7.4 because of insufficient data)						
[2] EU27: 0.67= average(0.68, 0.58, 0.81, 0.59); variables 7.4 and 7.6 have not been included in the calculation of index VII. SINGLE MARKET (7.4 because of insufficient data)						

Once this is repeated for all other dimensions/axes one finally arrives at the specific SME radar profile for a given country.

If the same calculations are used to calculate the EU27 averages one can, in a further step, benchmark a particular country results against this average.

<sup>1</sup> A high value for this indicator is clearly positive related to a high score on SBA-principle VIII: Skills and Innovation.

<sup>2</sup> For instance, a high value for variable 7.3: Number of 2 years overdue directives is clearly related to bad performance on SBA-principle VII: Single Market. The formula then becomes (country X (highest score) minus country A) / (country X (highest score) minus (country Y (lowest score))), so if country A has the highest (lowest) score, it would have a normalised value of 0 (1) indicating a good (bad) performance on this principle.

## 5 The definition of benchmarks

It was decided to assess individual country indicators for given SBA-principles against the non-weighted averages for the EU27. In the accompanying text on the individual areas, individual countries' performances have been typically classified as being "(significantly) higher than EU27", "(significantly) less than EU27 average" or "on par with EU27 average". Similarly, changes over time have been qualified as "constant", "(significantly) increased", or "(significantly) decreased". The nature of the qualification depends on the number of standard deviations of the normalised from the benchmark, with 0.5 and 1.5 as switching points. For instance, if a country is less than 0.5 standard deviations (over all EU countries for which data are available) from the EU27 average, it will be classified as "on par with EU-27 average"; or if the change is more than 1,5 times the standard deviation (over all EU countries), it will be labelled "significantly improved".

Due to the use of standard deviations when assessing a specific country's relative performance vis-à-vis the other EU Member States, in some instances where the outcome for two different SBA areas differs, the radar chart can still display rather similar distances from the respective EU average performance. This is due to the different standard deviations of the two sets of country values. Thus, even though the absolute distances of a country's area values from the EU-27 averages - as seen on the radar chart - are similar or even identical, their qualifications vis-a-vis the EU-average may be different as they depend on the standard deviation, or the 'spread' of the distributions of country values in those areas.

## 6 Other methodological issues

While the core methodological issues concern section 2. of the fact sheets which have been discussed extensively in chapters 2-5 of this note, there are also some important methodological questions that should be addressed by this note. They are discussed below in the order of the individual fact sheets sections to which they pertain.

### 6.1 6.1. Methodological issues related to section 1 of the fact sheets – "basic figures

The figures in the table and figures in section 1 cover data on the national level as well as EU-27 aggregates. For the 27 Member States (plus Norway), they have been derived from Eurostat's Structural Business Statistics (SBS) data following an estimation and now-casting methodology developed by EIM Business and Policy Research. The relevant data extraction from the SBS database was extracted during June-August 2009. The figures up to 2006 represent the original figures as published- at that time by Eurostat, while the later years are now-casts calculated by EIM. Details of the now-casting methodology can be obtained from EIM directly ([akw@eim.nl](mailto:akw@eim.nl), phone: 0031-79-3430200, fax: 0031-79-3430203).

For the non-Member States (excluding Norway) national sources have been used in table 1 and in the figures of section 1, while the EU-average data came- as with the

Member States- from Eurostat (plus EIM for the now-casts). The national data was compiled with the help of the national partner institutions to EIM. For information on a specific national partner or source, please refer to the afore mentioned EIM contact.

## 6.2 Methodological issues related to section 3 of the fact sheets – "progress of the SBA implementation"

The indicators and their sources are the same as those already discussed for the section 2. data of the fact sheets in chapters 2- 5 of this document. The only difference is that for this section, for each indicator the available time series data was analysed. The precise period varied among the individual 88 indicators that were potentially relevant for this section. Typically, the period under consideration was from 2002-2008 (in more exceptional cases, the time series either stretched back 1-2 further in the past to 2001 or 2000 and/or extended further into the present, i.e. up to 2009). For some indicators, however, the available time series might have been shorter. A minimum of 4 years was established as a threshold for a time series of a particular indicator to be taken into account into the analysis. Details for each indicator can be obtained from the database available from the SME Performance Review (SPR)´s website.

## 6.3 Methodological issues related to section 4 " **Policy developments 2007-2009**" and 5 " **Good practice**" of the fact sheets

The information in these sections is different from the one in sections 1-3 as this refers to qualitative information about policy developments. The information was compiled by national partners to EIM, mostly partners to the **European Network for Social and Economic Research** (ENSR) network plus some additional partners. For more information on a specific partner please refer to the EIM contact cited in section 6.1 of this document.

The partner have compiled the information on individual policy measures as well as on the "good practices" based on a pre-defined catalogue of criteria mutually agreed between EIM and DG ENTR at the start of the research work. They included, among other things, clear time limits (2007-2009) for measures to be eligible. They also included certain qualitative aspects, i.e. the fact that measures would include actions that represented mere plans and which were not yet officially endorsed by any of the relevant executive or legislative powers of the country in question. Further information on the selection criteria for the policy measures can be obtained from the said EIM contacts.

## ANNEX I Variables used in the SBA fact sheets

SBA-fields and variables	Additional explanation	Source	Extraction date	Reference year	Indicator included in the calculation of EU27 average (1=yes, 0=no)
1.1 Desire to become self-employed	the percentage of citizens who find becoming self-employed very and rather desirable	<a href="http://ec.europa.eu/enterprise/enterprise_policy/survey/eurobarometer2007/eb2007report.pdf">http://ec.europa.eu/enterprise/enterprise_policy/survey/eurobarometer2007/eb2007report.pdf</a> pg 44	June 2009	2007	1
1.2 Participation rate in entrepreneurship education	at school or university have you participated in any course or activity about entrepreneurship or setting up a business? Yes	<a href="http://ec.europa.eu/enterprise/enterprise_policy/survey/eurobarometer2007/eb2007report.pdf">http://ec.europa.eu/enterprise/enterprise_policy/survey/eurobarometer2007/eb2007report.pdf</a> pg 123	June 2009	2007	1
1.3 Entrepreneurship as an opportunity	You started it because you came across an opportunity	The Gallup organization, Flash eb nr 192 - entrepreneurship analytical report pg 73	June 2009	2007	1
1.4 Entrepreneurship rate: percentage who have started a business or currently taking steps to start one	experience in setting up a business, question: have you ever started a business or are you taking steps to start one	Flash EB nr 192 The Gallup organization pg 58	June 2009	2007	1
1.5 Degree to which the school education helped to develop an entrepreneurial attitude (%)	My school education helped me to develop my sense of initiative - a sort of entrepreneurial attitude: strongly agree and agree	<a href="http://ec.europa.eu/enterprise/enterprise_policy/survey/eurobarometer2007/eb2007report.pdf">http://ec.europa.eu/enterprise/enterprise_policy/survey/eurobarometer2007/eb2007report.pdf</a> pg 125	June 2009	2007	1
1.6 Prevalence rate of female entrepreneurial activity		Global Entrepreneurship Monitor indicators	June 2009	2007	0
1.7 Persons growing a successful new business receive high status (%)		GEM indicators	June 2009	before 2005	0
1.8 Lots of media coverage for new businesses (%)		GEM indicators	June 2009	2008	0
1.9 Enterprise survival rate	% of all real enterprise births of year n which are still active in year n+2	Eurostat Business Demography indicators by size class	June 2009	n/a	0
1.10 Enterprise birth rate	Real enterprise births as a percentage of the population of active enterprises	Eurostat Business Demography indicators by size class/ EIM international benchmark entrepreneurship 2009	1/jun/2009	2006	0

SBA-fields and variables	Additional explanation	Source	Extraction date	Reference year	Indicator included in the calculation of EU27 average (1=yes, 0=no)
1.11 Share of high-growth enterprises (% of total)	Rate of high growth enterprises - employment	Eurostat indicators on high growth enterprises/ EIM internationale benchmark entrepreneurship 2009	June 2009	2006	0
1.12 Business ownership rate: Private sector excluding agriculture, hunting, forestry and fishing	Business ownership rate = number of business owners/total labour force	EIM	June 2009	2007	0
1.13 Total Entrepreneurial Activity Index	Measures the number of people currently setting up a business or owning/managing a business existing up to 3,5 years; relative to the adult population 18-64 years	GEM indicators	June 2009	2008	1
1.14 Necessity Entrepreneurial Activity Index	Measures the number of people involved in entrepreneurial activity out of necessity; relative to the adult population 18-64 years	GEM indicators	June 2009	2008	0
1.15 Opportunity Entrepreneurial Activity Index	Measures the number of people involved in entrepreneurial activity out of opportunity; relative to the adult population 18-64 years	GEM indicators	June 2009	2008	0
1.16 ratio Opportunity Entrepreneurial Activity Index to Necessity Entrepreneurial Index		calculated from 1.15 and 1.14	June 2009	2008	1
1.17 Male Total entrepreneurial Activity Index	Measures the number of men involved in entrepreneurial activity; relative to the male adult population 18-64 years	GEM indicators	June 2009	2008	0
1.18 Female Total entrepreneurial Activity Index	Measures the number of women involved in entrepreneurial activity; relative to the female adult population 18-64 years.	GEM indicators	June 2009	2008	0
1.19 Future entrepreneur Index	Share of people (in adult population 18-64 years) expecting to start a business within three years	GEM indicators	June 2009	2008	1

SBA-fields and variables	Additional explanation	Source	Extraction date	Reference year	Indicator included in the calculation of EU27 average (1=yes, 0=no)
2.1 Degree of support for allowing for a second chance (% in favour):	People who have started their own business and have failed should be given a second chance: Strongly agree and agree	<a href="http://ec.europa.eu/enterprise/enterprise_policy/survey/enterprise_barometer2007/eb2007report.pdf">http://ec.europa.eu/enterprise/enterprise_policy/survey/enterprise_barometer2007/eb2007report.pdf</a> pg 91	September 2009	2007	1
2.2 Cost (% of estate) to close a business	Add definition from WB Doing Business: actually time and cost to recover debt.	World Bank Doing Business	29/jun/2009	2009	1
2.3 Number of years closing a business		World Bank Doing business 2009	June 2009	2009	1
3.1 Share of support among SMEs for current regulations:	Governments impose various regulations for businesses in order to achieve some goals. Do you think that the regulations that apply to your company are appropriate to achieve their goals, for instance the protection of the environment or the financing of t	p.33 Observatory of European SMEs. Analytical Report. Fieldwork: November 2006 – January 2007 Flash Eurobarometer	July 2009	2007	1
3.2 Time required to comply with administrative obligations (% of total SME working time):	Estimated relative time-burden due to administrative tasks, % (man-days spent with administration divided by Annual Work Units (number of employees * 255)	p.33 Observatory of European SMEs. Analytical Report. Fieldwork: November 2006 – January 2007 Flash Eurobarometer	July 2009	2007	1
3.3 Problems with administrative regulations	Did your enterprise encounter any of these constraints or difficulties in the last two years? g) Problems with administrative regulations	p.29&141 Observatory of European SMEs. Analytical Report. Fieldwork: November 2006 – January 2007 Flash Eurobarometer	July 2009	2007	1
4.1 Number of days for starting a business		WB Doing Business book	July 2009	2009	1
4.2 Costs required to start a business (% of income per capita)		WB Doing Business book	July 2009	2009	1
4.3 Difficulty of hiring index (0-100)		WB Doing Business book	July 2009	2009	1
4.4 Difficulty of firing index (0-100)		WB Doing Business book	29/jun/2009	2009	1
4.5 Cost (% of property value) to register property		WB Doing Business book	29/jun/2009	2009	1
4.6 Enforcing contracts - cost (% of claim)		WB Doing Business book	29/jun/2009	2009	1

SBA-fields and variables	Additional explanation	Source	Extraction date	Reference year	Indicator included in the calculation of EU27 average (1=yes, 0=no)
4.7 E-government availability (supply side) - E-government on-line availability	The indicator shows the percentage of the 20 basic services which are fully available online i.e. for which it is possible to carry out full electronic case handling. For example if in a country 13 of the 20 services were measured as being 100% available on-line and one service was not relevant (e.g. does not exist), the indicator is 13/19 which is 68.4%. Measurement is based on a sample of URLs of public web sites agreed with Member States as relevant for each service.	<a href="http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database">http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database</a> THEN main tables/industry, trade and services/information society statistics/information society: structural indicators/e-government on-line availability (tsiir120)	July 2009	2007	1
4.8 Social security costs paid by the employer as % of total labour costs:		<a href="http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database">http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database</a> THEN main tables/population and social conditions/labour market/labour costs/social security paid by employer (tps00114)	July 2009	2005	0
4.9 Number of procedures for starting a business		WB Doing Business book	29/jun/2009	2009	0
4.10 Rigidity of hours index (0-100)		WB Doing Business book	29/jun/2009	2009	0
4.11 Rigidity of employment index (0-100)		WB Doing Business book	29/jun/2009	2009	0
4.12 Firing cost (weeks of salary)		WB Doing Business book	29/jun/2009	2009	0
4.13 Number of procedures for registering property		WB Doing Business book	29/jun/2009	2009	0
4.14 Number of days for registering property		WB Doing Business book	29/jun/2009	2009	1
4.15 Number of tax payments per year		WB Doing Business book	17/jul/2009	2009	1

SBA-fields and variables	Additional explanation	Source	Extraction date	Reference year	Indicator included in the calculation of EU27 average (1=yes, 0=no)
5.1 Share of SMEs in terms of value of public procurement contracts:		p.48-49, "Evaluation of SMEs' access to public procurement markets in the EU" (Nov 2007)	July 2009	2005	0
5.2 Proportion of total State aid earmarked for SMEs:	State aid for horizontal objectives (e.g. SMEs) etc and sectoral aid as a % of total aid	State Aid scoreboard: 2001 Autumn p. 28; 2002 Spring p. 19; 2003 Spring p. 18; 2004 Spring p. 20; 2005 Spring p. 2; 2005 Autumn p. 21; 2006 Autumn p. 19; 2007 Autumn p. 24; EC Scoreboard Statistical Tables <a href="http://ec.europa.eu/competition/state_aid/studies_reports/stat_tables.html#3">http://ec.europa.eu/competition/state_aid/studies_reports/stat_tables.html#3</a>	July 2009	2007	1
6.1 Venture capital – early stage relative to GDP		EVCA <a href="http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database/THEN_database/science_and_technology/high-tech_industry_and_knowledge-intensive_services/venture_capital_investments_early_stage(htec_vci_earl)">http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database/THEN_database/science_and_technology/high-tech_industry_and_knowledge-intensive_services/venture_capital_investments_early_stage(htec_vci_earl)</a>	July 2009	2007	1

SBA-fields and variables	Additional explanation	Source	Extraction date	Reference year	Indicator included in the calculation of EU27 average (1=yes, 0=no)
6.2 Venture capital – expansion stage relative to GDP		EVCA <a href="http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database/THEN_database/science_and_technology/high_tech_industry_and_knowledge_intensive_services/venture_capital_investments_expansion_and_replacement">http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database/THEN_database/science_and_technology/high_tech_industry_and_knowledge_intensive_services/venture_capital_investments_expansion_and_replacement</a> (htec_vci_exre)	July 2009	2007	1
6.3 Extent of guarantees for SMEs (relative to GDP)	Volume of guarantees relative to GDP (at market prices)	<a href="http://ec.europa.eu/enterprise/policies/finance/data/enterprise-finance-index/figures-ms/guarantees/index">http://ec.europa.eu/enterprise/policies/finance/data/enterprise-finance-index/figures-ms/guarantees/index</a> AND Eurostat GDP at market prices 1999-2010	July 2009	2007	0
6.4 Getting credit: Strength of legal rights index (0-10)		WB Doing Business book	29/jun/2009	2009	1
6.5 Getting credit: Depth of credit information index (0-6)		WB Doing Business book	29/jun/2009	2009	1
6.6 Difference in interest rate levels between loans up to EUR 1 million and loans over EUR 1 million		ECB MFI interest rates statistics	1/jul/2009	n/a	0
6.7 Planned share of EAFRD dedicated to measures 312 "Support for business creation and development" in 2007-2013 (% of total allocation):		European Commission, DG AGRI European Commission Rural Development Report 2008	July 2009	2007	1
6.8 Planned share of Structural Funds dedicated to stimulating entrepreneurship and SMEs in 2007-2013 (% of total allocation):	Support to SMEs. Programmed allocations by MS. Number of programmes: 343 (332 decided).	Period 2007-2013. Breakdown by category SF Community amount (9 pages) / Commission Communication - "Cohesion Policy 2007-2013:	2/jul/2009	2007	1

SBA-fields and variables	Additional explanation	Source	Extraction date	Reference year	Indicator included in the calculation of EU27 average (1=yes, 0=no)
6.9 Average delay in payments (% share of average contract days):		Intrum Justitia European Payment Index 2009	7/jul/2009	2009	1
6.10 Share of lost payments (% of total)		Intrum Justitia European Payment Index 2009	7/jul/2009	2009	0
6.11 Share of SMEs experiencing problems with access to finance:	Did your enterprise encounter any of these constraints or difficulties in the last two years? a) limited access to finance	Observatory of European SMEs. Analytical Report. Fieldwork: November 2006 – January 2007 Flash Eurobarometer 196, page 123/124	3/jul/2009	2007	0
6.12 Public registry coverage (% of adults)	Scope, quality and accessibility of credit information available through public credit registries	WB Doing Business book	29/jun/2009	2009	0
6.13 Private registry coverage (% of adults)	Scope, quality and accessibility of credit information available through private credit registries	WB Doing Business book	29/jun/2009	2009	0
6.14 Effective payment period (in days)	Effective payment period = contractual payment period + payment delay	European Commission Observatory of European SMEs 2003/2: SMEs and access to finance, page 30	22/jul/2009	n/a	0
6.15 Company's situation has improved since last year with respect to the level of debt (% of total respondents)		European Commission Flash Eurobarometer 174/184: SME access to finance (in NMS) 2005/2006 (tables)	22/jul/2009	2006	1

SBA-fields and variables	Additional explanation	Source	Extraction date	Reference year	Indicator included in the calculation of EU27 average (1=yes, 0=no)
7.1 Average transposition delay in months for overdue directives – in months		Internal Market Scoreboard European Commission, DG MARKT,	July 2009	2008	1
7.2 Single market directives - % transposed or notified		Internal Market Scoreboard July 2008, p.11-12.	July 2009	2008	1
7.3 Number of 2 years overdue directives	Number of directives with a deadline for transposition into national law before 1st may 2006, which have not been transposed by 13 May 2008.	Internal Market Scoreboard July 2008, p.16.	July 2009	2008	1
7.4 Share of intra-EU exporting SMEs to all SMEs (in terms of number of enterprises):		Eurostat External Trade Pilot	July 2009	n/a	0
7.5 Share of trade with the EU-27; share of import from EU in total imports (%)		<a href="http://epp.eurostat.ec.europa.eu">http://epp.eurostat.ec.europa.eu</a>	July 2009	2008	1
8.1 Percentage of enterprises having purchased on-line over the last calendar year (SMEs: between 10-250 employees)		Eurostat - Information society - Policy indicator: buying and selling on-line	8/jul/2009	2008	1
8.2 Percentage of enterprises having received orders on-line over the last calendar year (SMEs: between 10-250 employees)		Eurostat - Information society - Policy indicator: buying and selling on-line	8/jul/2009	2008	1

SBA-fields and variables	Additional explanation	Source	Extraction date	Reference year	Indicator included in the calculation of EU27 average (1=yes, 0=no)
8.3 SMEs innovating in-house, as a percentage of the total number of SMEs (10-250 employees)		European Innovation Scoreboard:2006 p. 34-35; 2007 p. 39-40; 2008 p. 51-52	July 2009	2006	1
8.4 Enterprises introduced organisational and/or marketing innovation, as a percentage of the total number of SMEs (10-250 employees)		Eurostat, Community Innovation Survey 4 and 5	July 2009	before 2005	0
8.5 Innovative SMEs co-operating with others, as a percentage of the total number of SMEs (10-250 employees)		Eurostat, Community Innovation Survey 3, 4 and 5 & European Innovation Scoreboard: 2006 p. 34-35; 2007 p. 39-40; 2008 p. 51-52	July 2009	2006	1
8.6 SMEs with innovation activities (10-250 employees)		Eurostat, Community Innovation Survey 3, 4 & 5	July 2009	2006	1
8.7 Share of SMEs that have new products or income from new products:	1 - Revenue from innovation (percentage of their turnover that can be attributed to innovation or that the company has not had any new or improved products or services in the past two years).	p.75 & p.237 (table 50a), Observatory of European SMEs. Analytical Report. Fieldwork: November 2006 – January 2007 Flash Eurobarometer	July 2009	2007	1
8.8 Share of SMEs' turnover from new or significantly improved products and services:	The percent of turnover (annual sales) coming from new or significantly improved products or services in the last two years?	p.76, Observatory of European SMEs. Analytical Report. Fieldwork: November 2006 – January 2007 Flash Eurobarometer	July 2009	2007	1
8.9 Share of SME staff that have tertiary education:	Tertiary education means diploma from a university or another higher education institution + postgraduate exam such as a doctorate	p.85, Observatory of European SMEs. Analytical Report. Fieldwork: November 2006 – January 2007 Flash Eurobarometer	July 2009	2007	1
8.12 Average hours spent in CVT courses per employee:		Eurostat & European Commission, DG EAC, Progress Towards the Lis-	July 2009	2005	0

SBA-fields and variables	Additional explanation	Source	Extraction date	Reference year	Indicator included in the calculation of EU27 average (1=yes, 0=no)
		bon Objectives in Education and Training 2008, chapter 3 pg 57			
8.13 Participation rate in any learning activities in micro enterprises:		Eurostat - Education and training - Life long learning	July 2009	2005	0
8.14 Training small and medium-sized enterprises as % of all small and medium-sized enterprises (10-250 employees):		Eurostat - Education and training - Training	July 2009	2005	0
8.15 SMEs using e-learning applications for training and education of employees (10-250 employees)		Eurostat - Information Society Statistics	31/jul/2009	2008	1
8.16 Average cost of CVT courses as % of total labour cost SMEs (10-250 employees)		Eurostat - Education and training - Training	31/jul/2009	2005	0
8.17 Innovation expenditure as % of turnover (10-250 employees)		Eurostat, Community Innovation Survey 3, 4 & 5	4/aug/2009	before 2005	0
9.1 % Share of SMEs having comprehensive systems for energy efficiency	Does the SME use an environmental management system or any other measures to save energy and resources? % yes, complex energy saving systems	p.81, Observatory of European SMEs. Analytical Report. Fieldwork: November 2006 – January 2007 Flash Eurobarometer	July 2009	2007	1
9.2 % Share of SMEs applying simple measures to save energy:	Does the SME use an environmental management system or any other measures to save energy and resources? % yes, simple rules or devices to save energy	p.81, Observatory of European SMEs. Analytical Report. Fieldwork: November 2006 – January 2007 Flash Eurobarometer	July 2009	2007	1
9.3 Average expenditure on environmental protection:		Eurostat	July 2009	before 2005	0
10.1 Share of turnover from export (% of total)	Export's share in the revenue	p. 45 Flash eb nr 196 Observatory of European SMEs	July 2009	2006	1
10.2 Share of SMEs gaining any income from subsidiaries and/or joint ventures abroad (%):		p. 55 Flash eb nr 196 Observatory of European SMEs	July 2009	2006	1

SBA-fields and variables	Additional explanation	Source	Extraction date	Reference year	Indicator included in the calculation of EU27 average (1=yes, 0=no)
10.3 Percent of input purchased abroad:		p. 54 Flash eb nr 196 Observatory of European SMEs	July 2009	2006	1
10.4 Number of days required to export:		WB Doing Business Trading across borders 2004-2009	1/jul/2009	2009	1
10.5 Number of days required to import:		WB Doing Business Trading across borders 2004-2009	1/jul/2009	2009	1
10.6 Share of SMEs exporting outside the EU-27 to all SMEs (in terms of number of enterprises):		Eurostat External Trade Pilot	July 2009	n/a	0
10.10 SME enterprise had any own imports in 2006-2008		The survey "Internationalisation of European SMEs" was designed by EIM Business & Policy Research in the context of the framework contract ENTR/2007/040-1 for the provision of Economic Studies in support of SME Policy development and implementation.	6/aug/2009	2008	0
10.11 SME enterprise had any direct exports in 2006-2008		The survey "Internationalisation of European SMEs" was designed by EIM Business & Policy Research in the context of the framework contract ENTR/2007/040-1 for the provision of Economic Studies in support of SME Policy development and implementation.	6/aug/2009	2008	0

SBA-fields and variables	Additional explanation	Source	Extraction date	Reference year	Indicator included in the calculation of EU27 average (1=yes, 0=no)
10.12 SME enterprise invested abroad in 2006-2008		The survey "Internationalisation of European SMEs" was designed by EIM Business & Policy Research in the context of the framework contract ENTR/2007/040-1 for the provision of Economic Studies in support of SME Policy development and implementation.	6/aug/2009	2008	0