

# Entrepreneurship and Economic Development



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# Why a database on entrepreneurship?

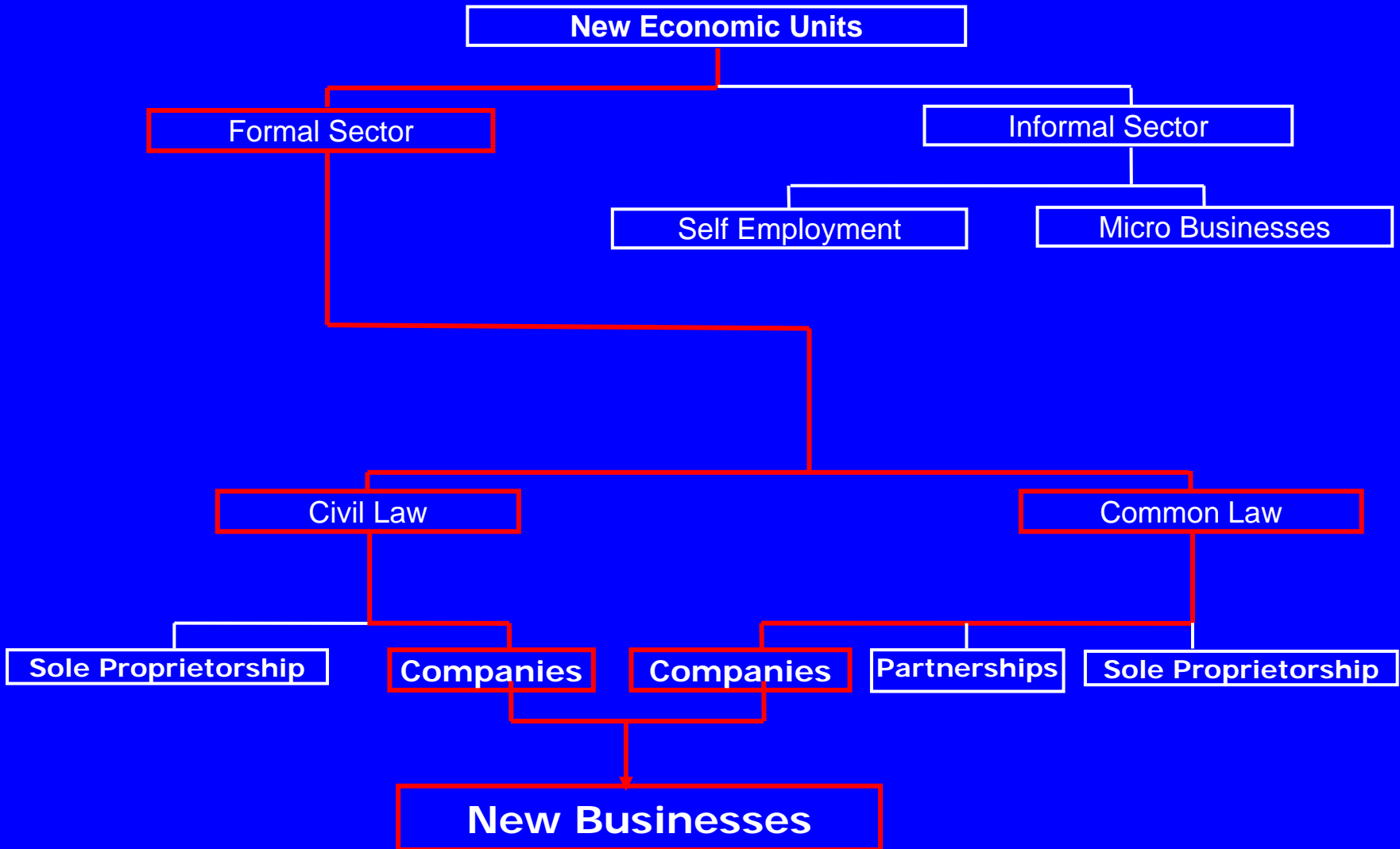
## To answer:

- What drives firm creation and entrepreneurship?
- What policies are needed to create and support the emergence of new entrepreneurs?
  - Use for Monitoring and Evaluation
- How can greater formal sector participation / corporate registration be encouraged?
- What are the benefits for firms that join the formal economic sector?

# Using data from the registrar of companies

- This improves upon previously used datasets in that it includes a large number of private firms and all industrial sectors, including a large fraction of new & small companies.
- Challenges in comparing data across countries include differences in registration and annual filing requirements; the identification of exited firms; re-registrations; and decentralized registry systems.
- This data can be used to benchmark changes in the composition of the private sector over time and study the impact of regulatory, political, and macroeconomic institutional changes on entrepreneurship and growth.

# Methodology



# Survey Structure

- **Panel A: Total and new registrations recorded:**
  - Total firms
  - New firms
  - Year-end 2000-05
- **Panel B: Number of corporations, by sector and size:**
  - By sector: Manufacturing, Services, Financial
- **Panel C: Questions about the role of Registrars**

# Panel C: The Role of Corporate Registries

- What information are firms required to register?
  - Is registration compulsory?
  - Incorporations/ closings/ re-registrations
  - Is annual financial information compulsory?
- How do firms register?
- What information does the Registrar collect?
  - Corporate registrations, Internet domain names, Patents
- How is Registrar data distributed?
  - Accessibility by creditors, suppliers, lenders and private vendors (i.e. D&B)
- What is the relationship with new and total registrations?
- What is the relationship with the business environment?

# M&E: International Reforms

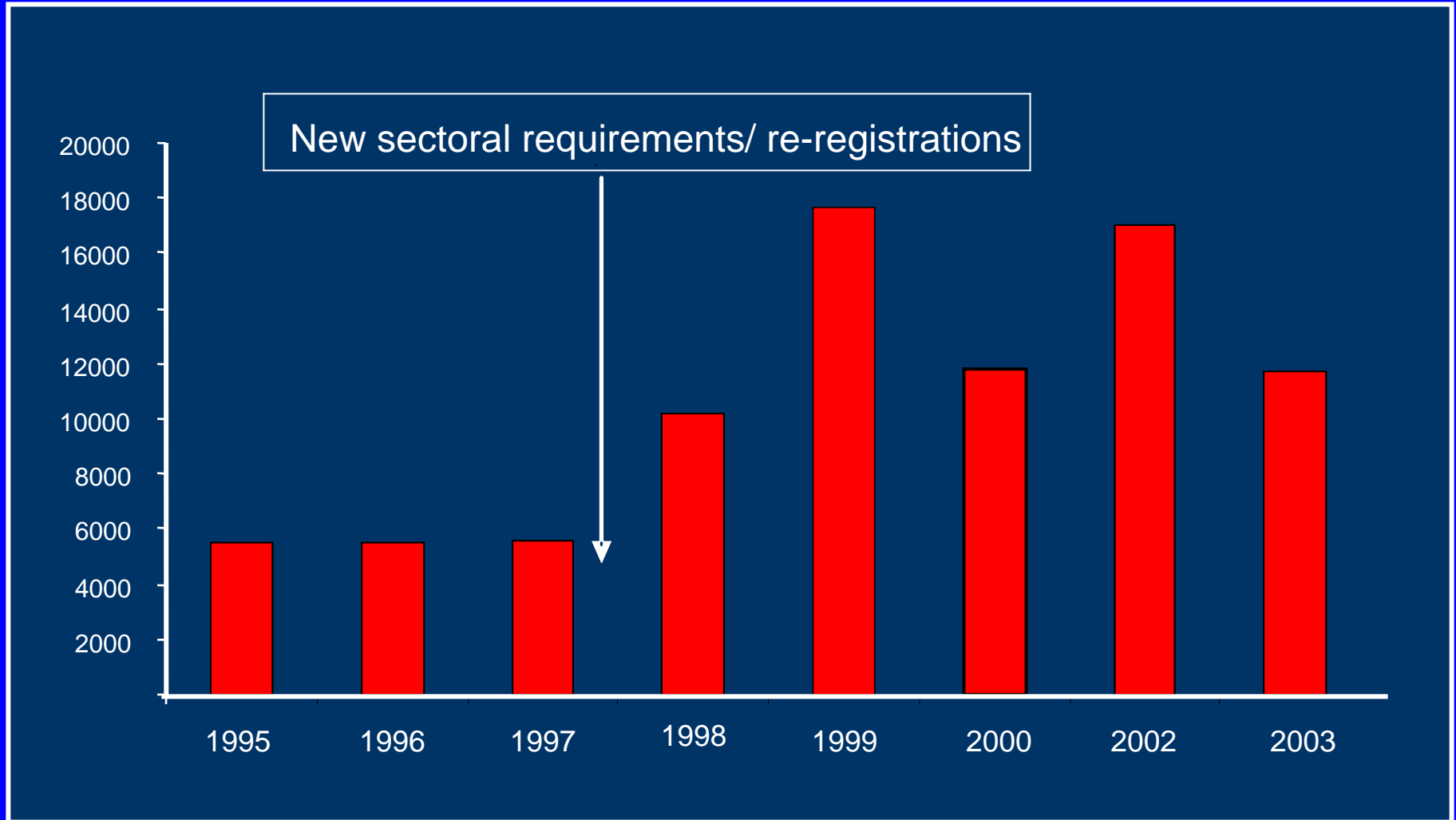
Region	Country	Methodology
Africa	Congo	Legally oblige all new business to notify the statistical agency when they start their activity
Europe	Denmark	Creating the first European registry of “active” entrepreneurs
LAC	El Salvador	Using entrepreneurship ratios for monitoring and evaluation of economic policies
MENA	Jordan	Introduced e-registration in 2002

# Conclusions

- Corporate registry data can be an important tool for researchers and policymakers to study the size and growth of the private sector.
- Benchmarks can be constructed to study the impact of reforms: Entry rates can be used to measure the success of private sector development policies and regulatory and legal reforms.
- The process of gathering the data becomes a valuable research tool to diagnose problems related to entrepreneurship.
- This data can be used to empirically test the many factors that affect business creation and to support the findings in other studies (e.g. Doing Business).

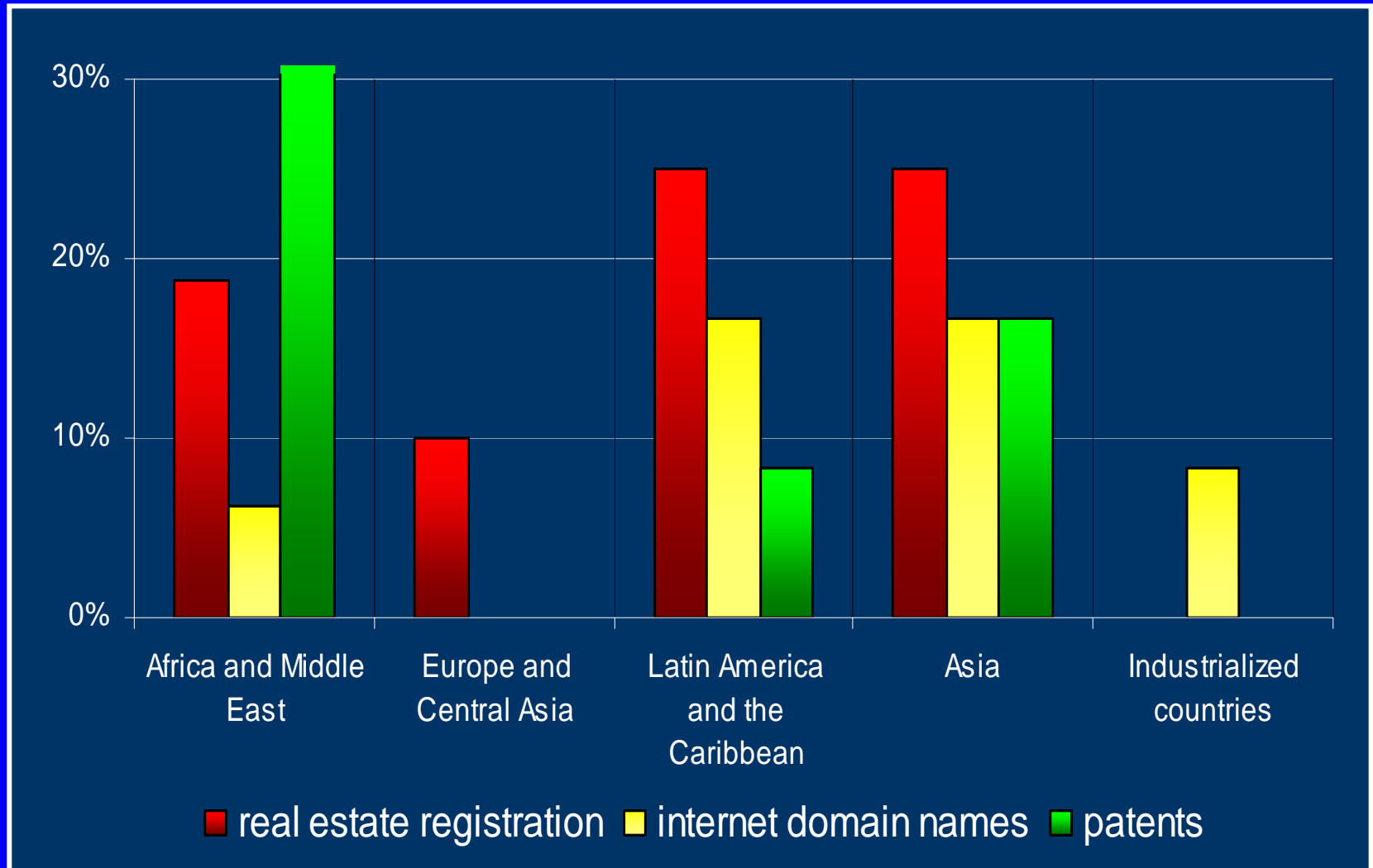


# Reforms that Affect Business Statistics: The Algerian Case



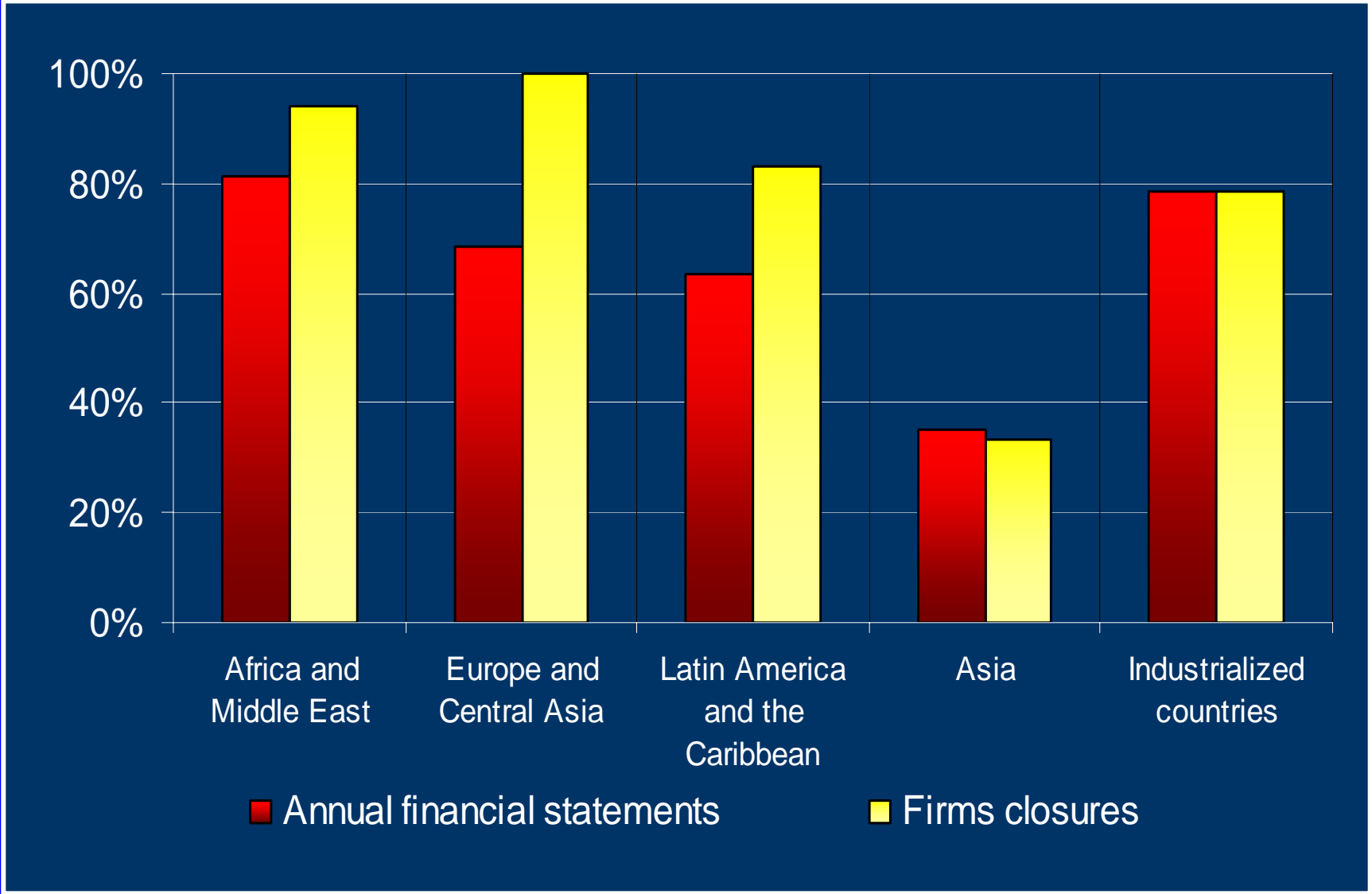


# Panel C: What information does the Registrar collect?

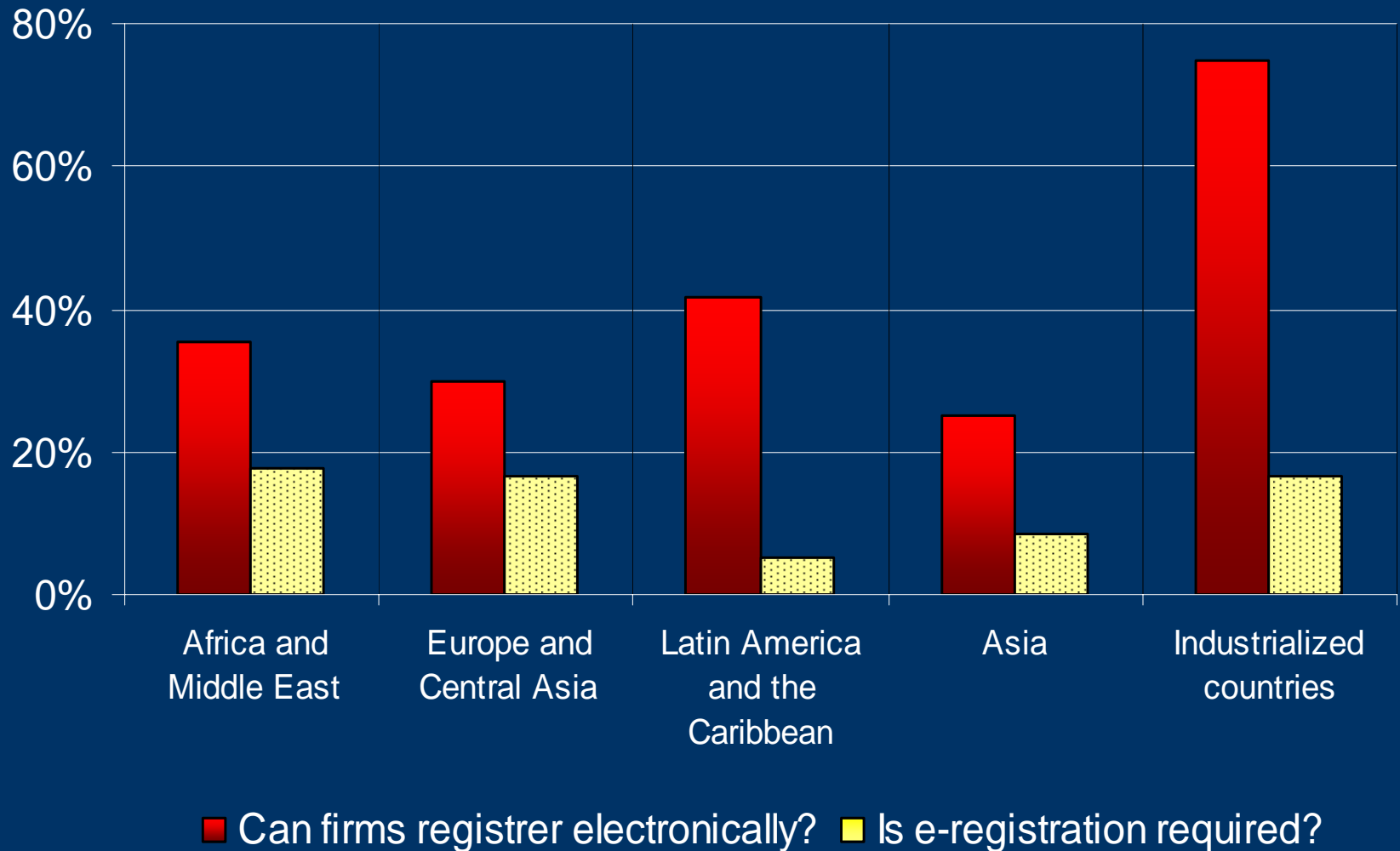




# Panel C: What information are firms required to register?

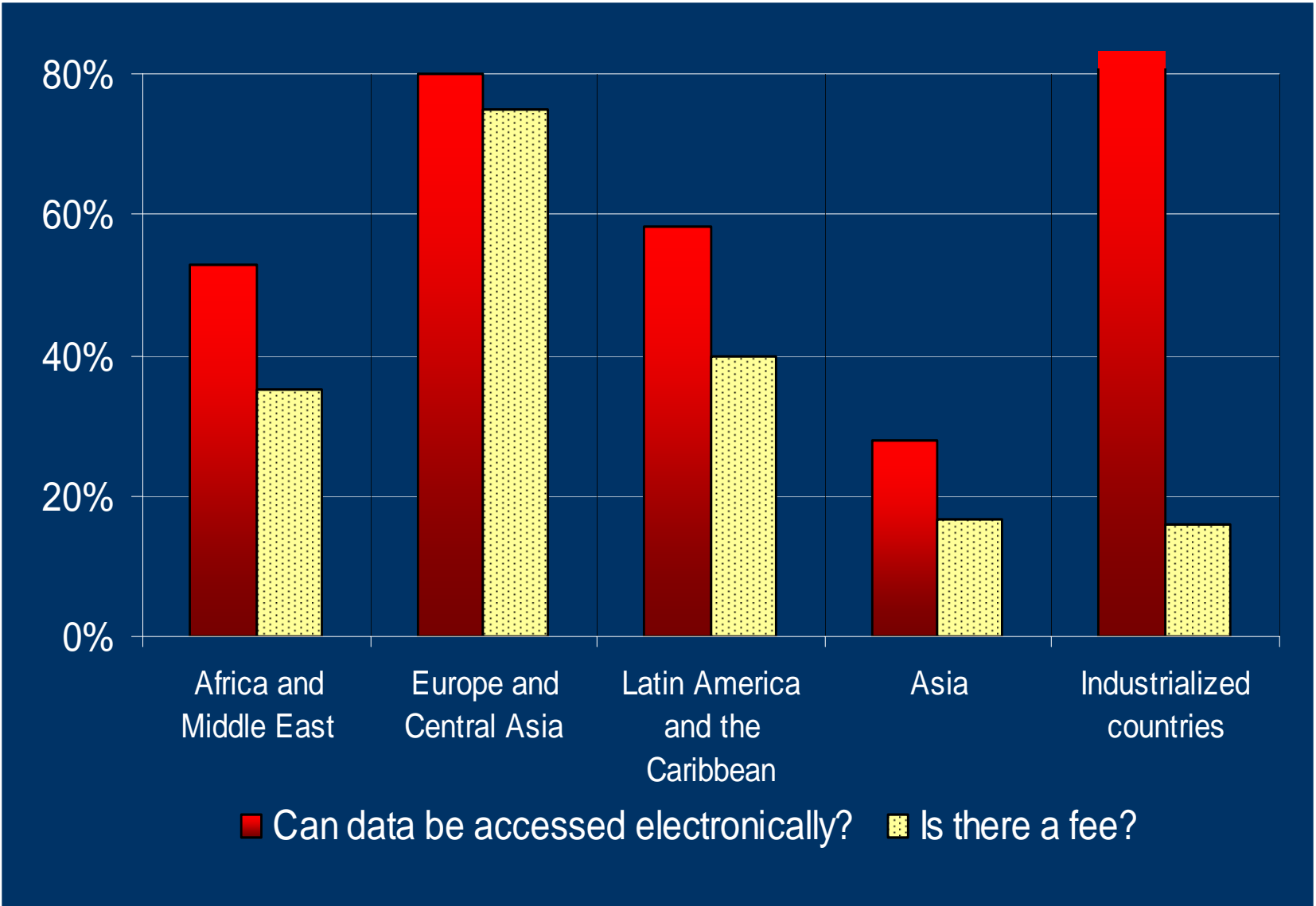


## Panel C: How do firms register?

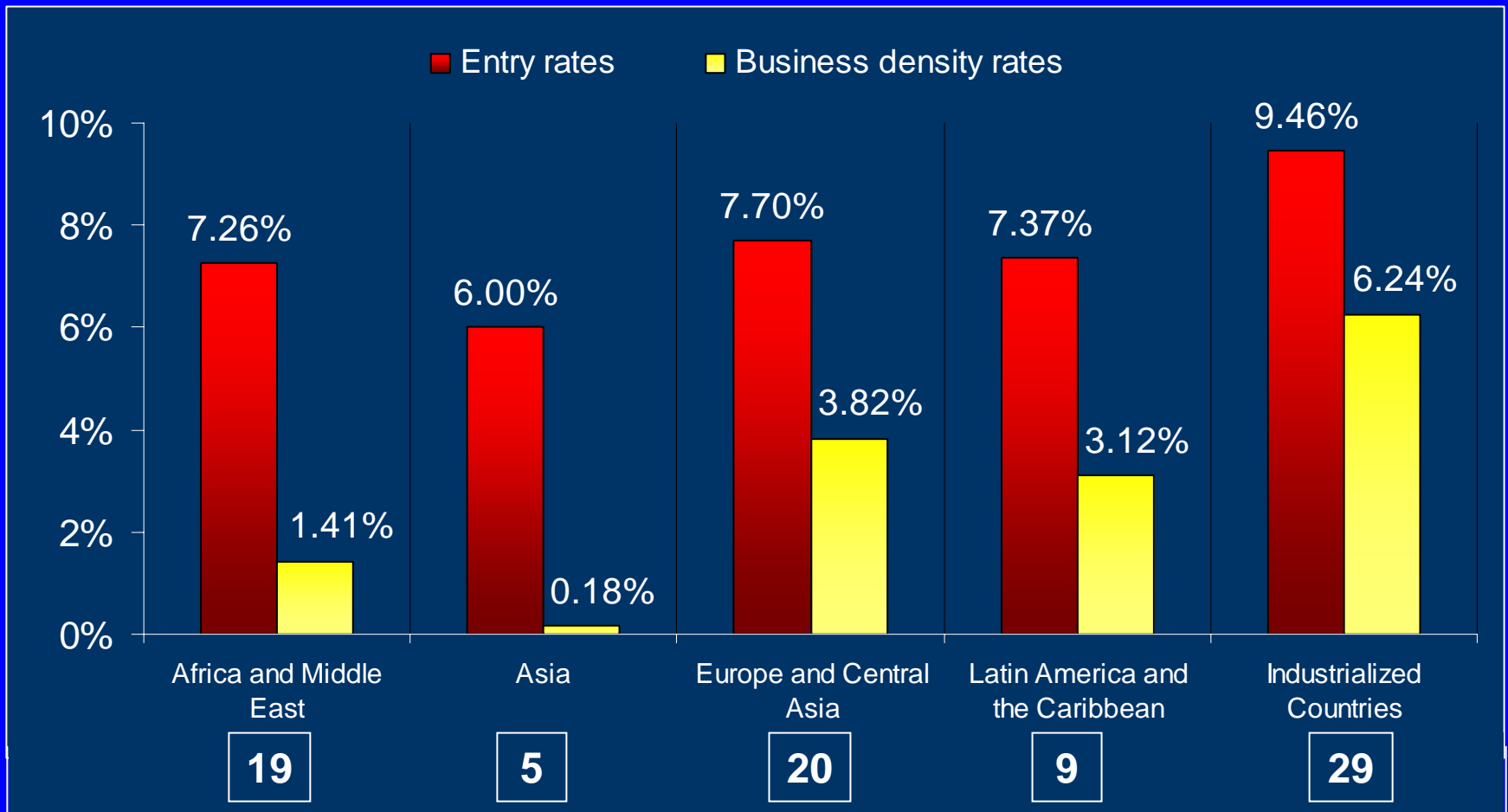




# Panel C: How is Registrar data distributed?

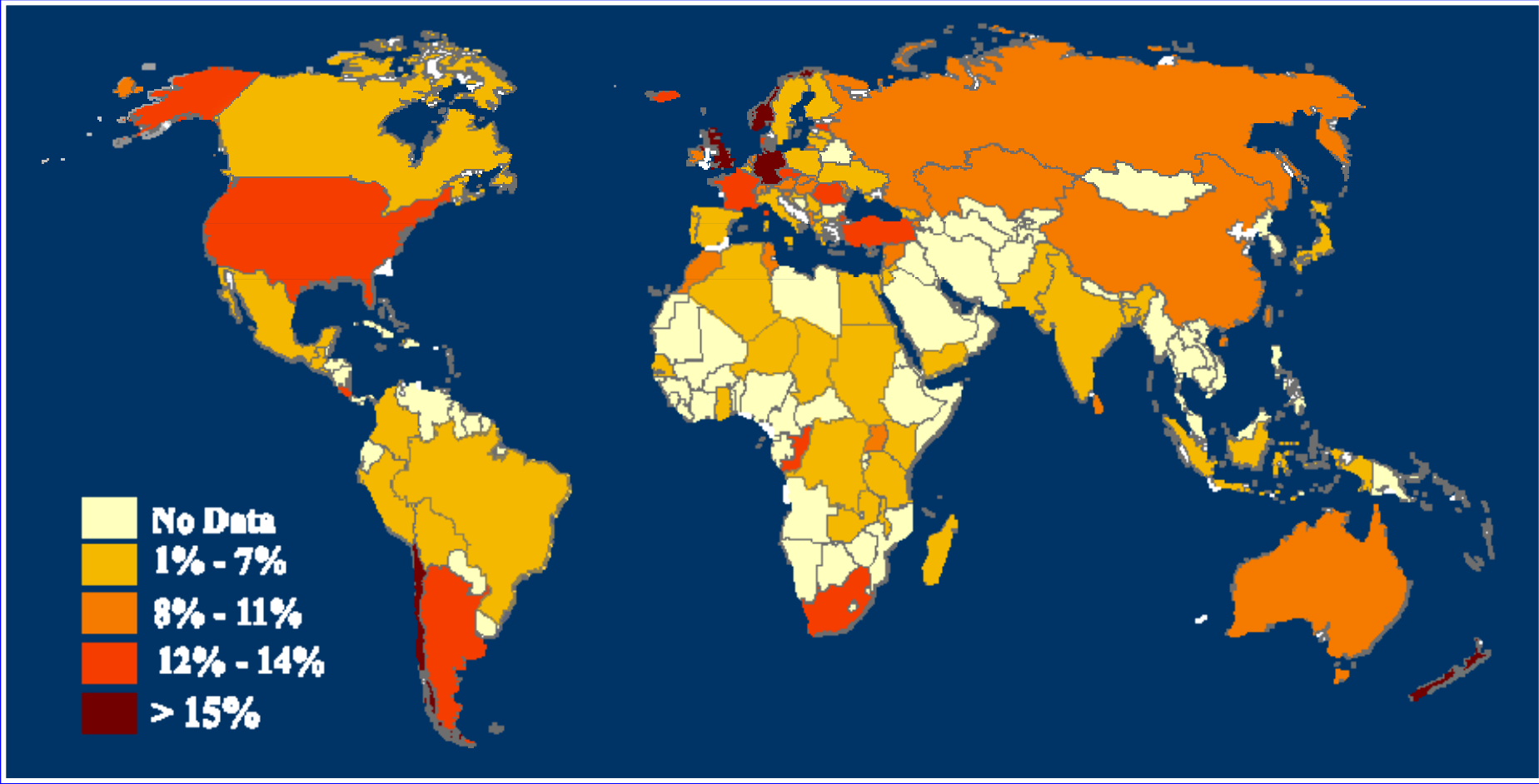


# Panel A: Summary statistics, by region



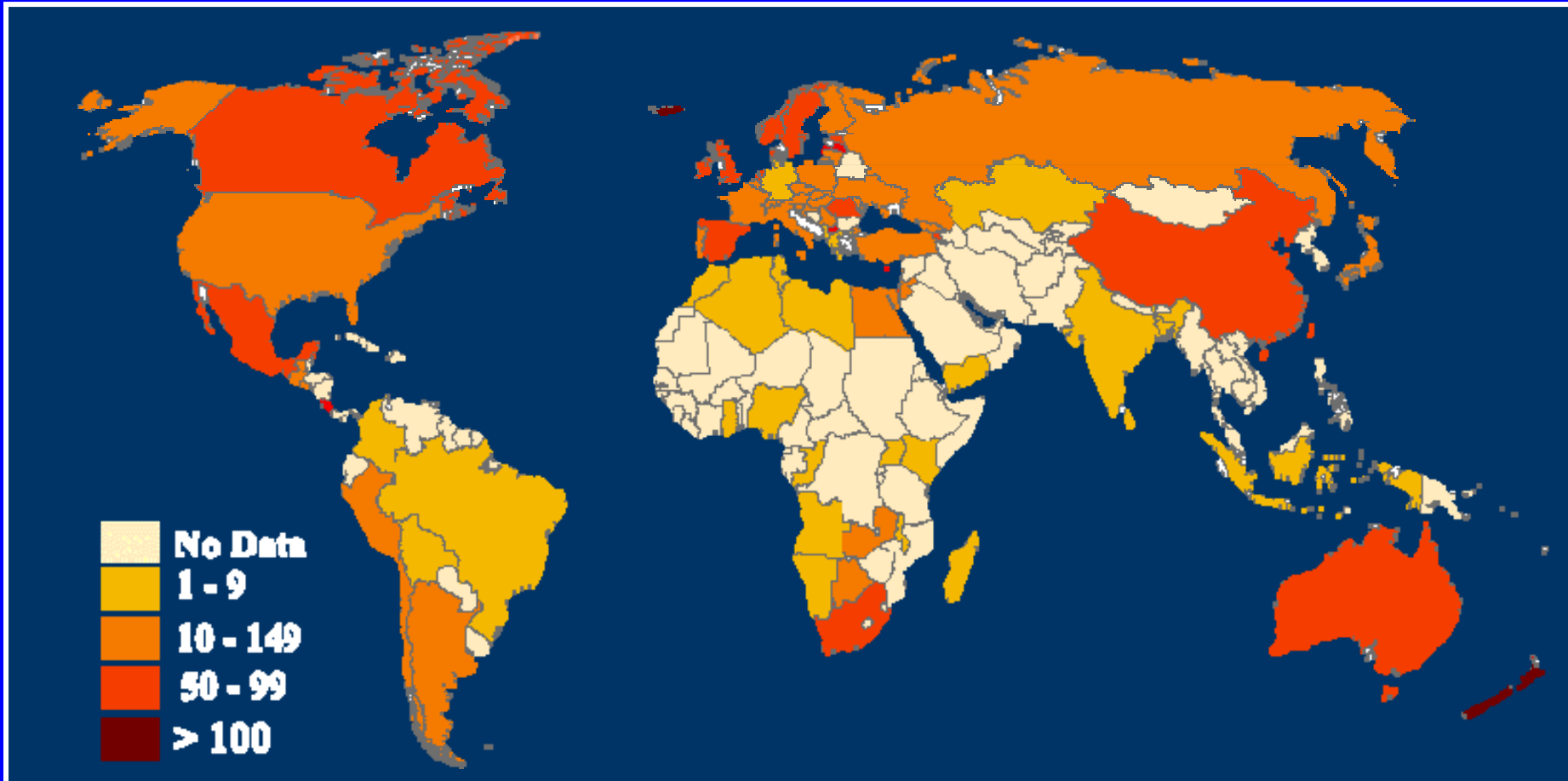


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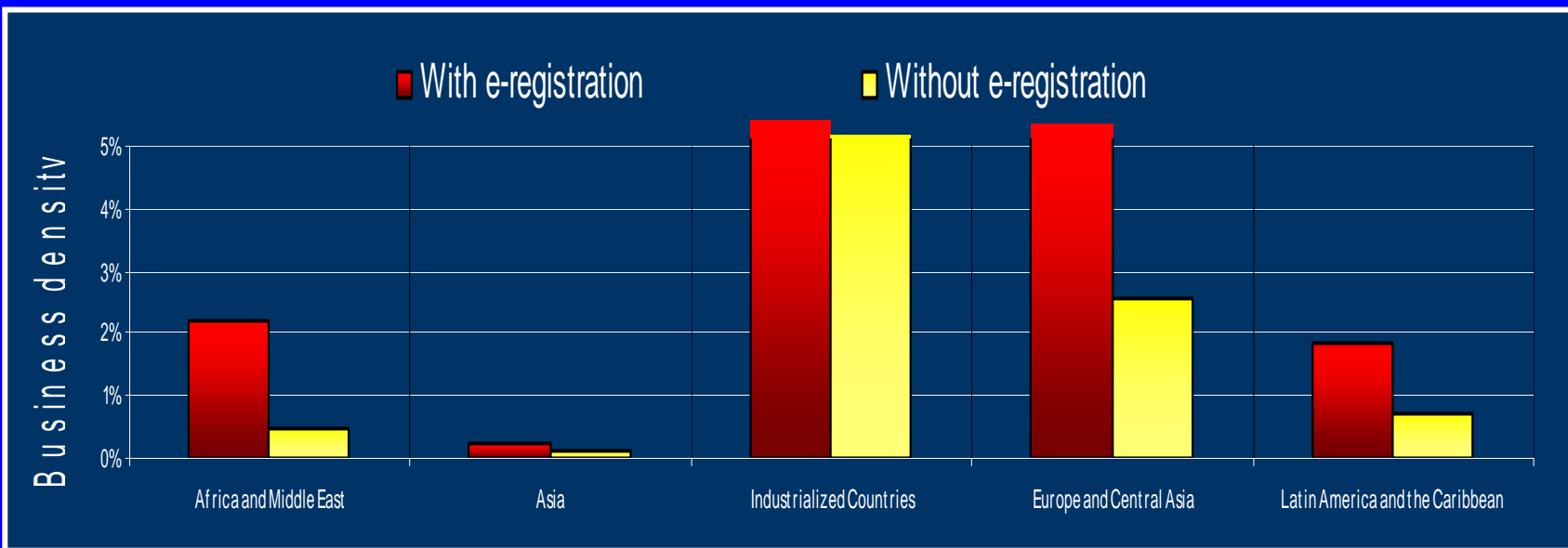
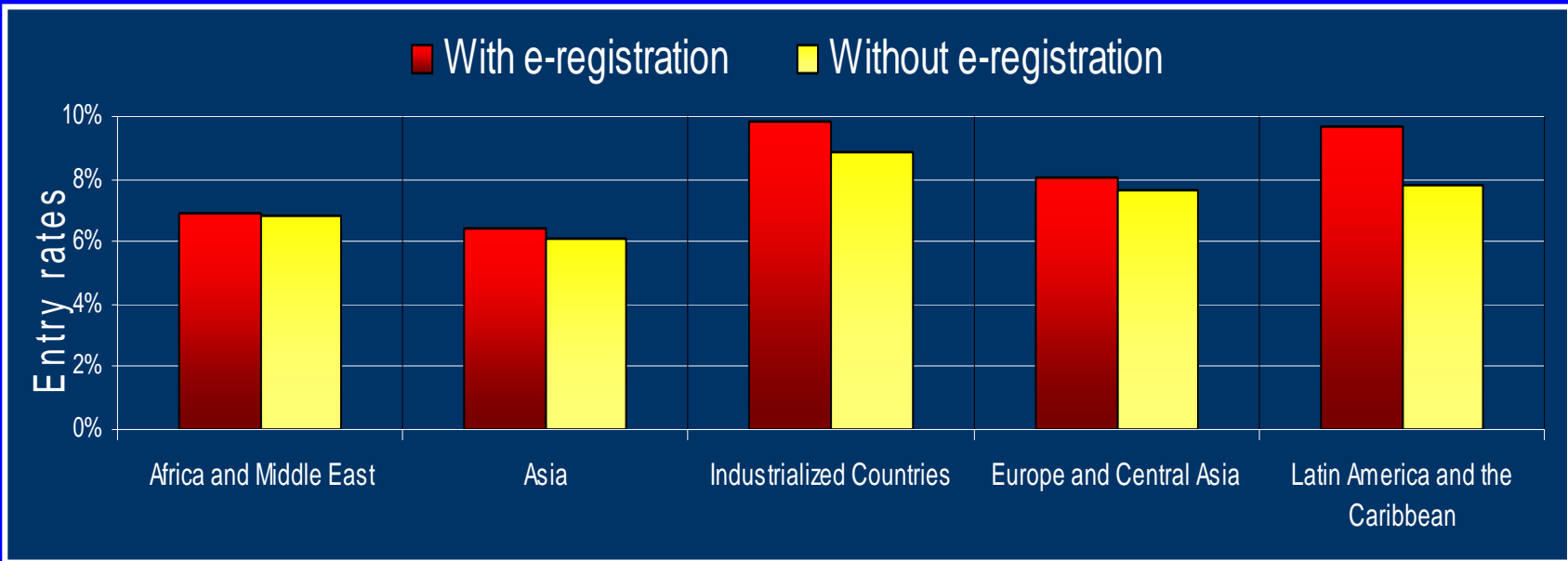


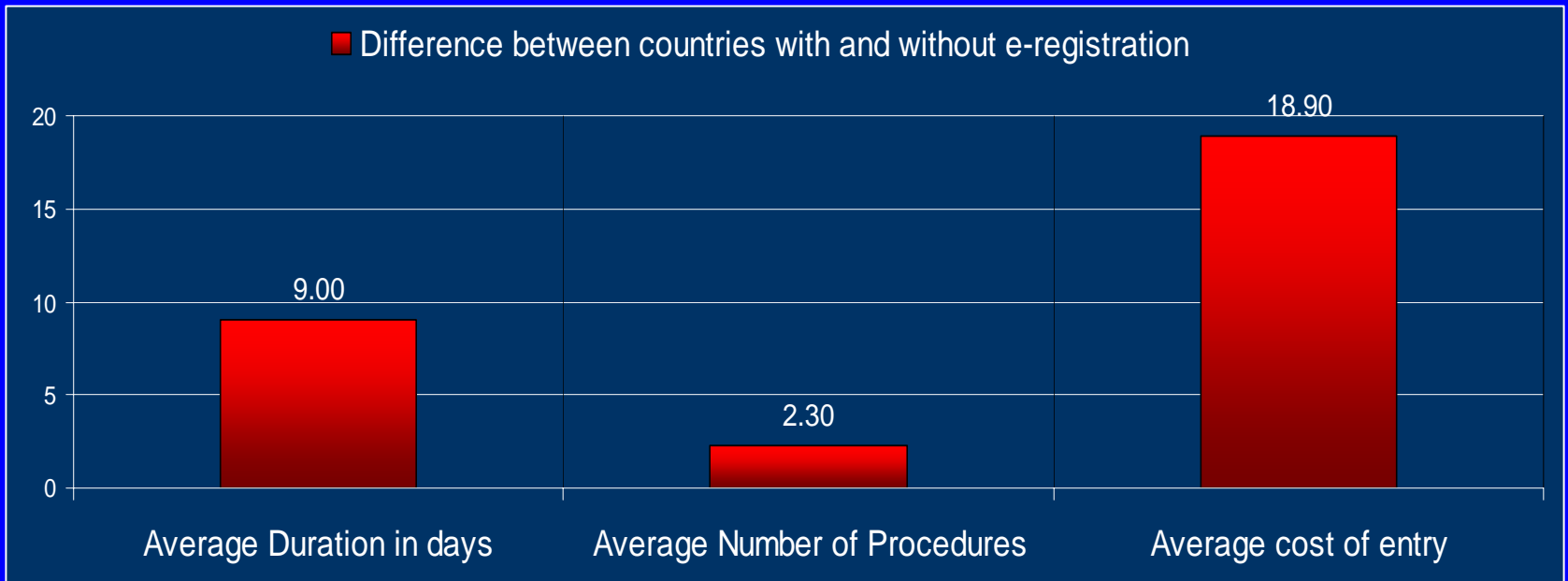
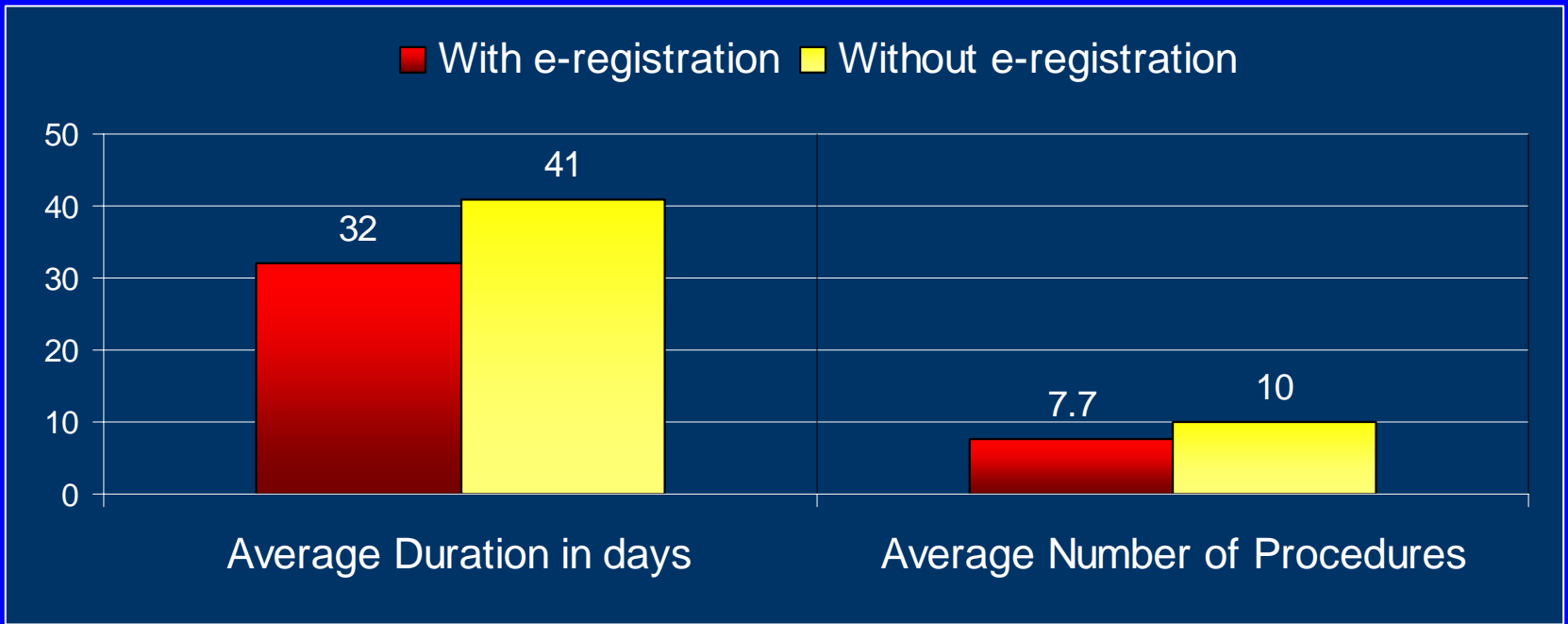
Average entry rate 2003-2005

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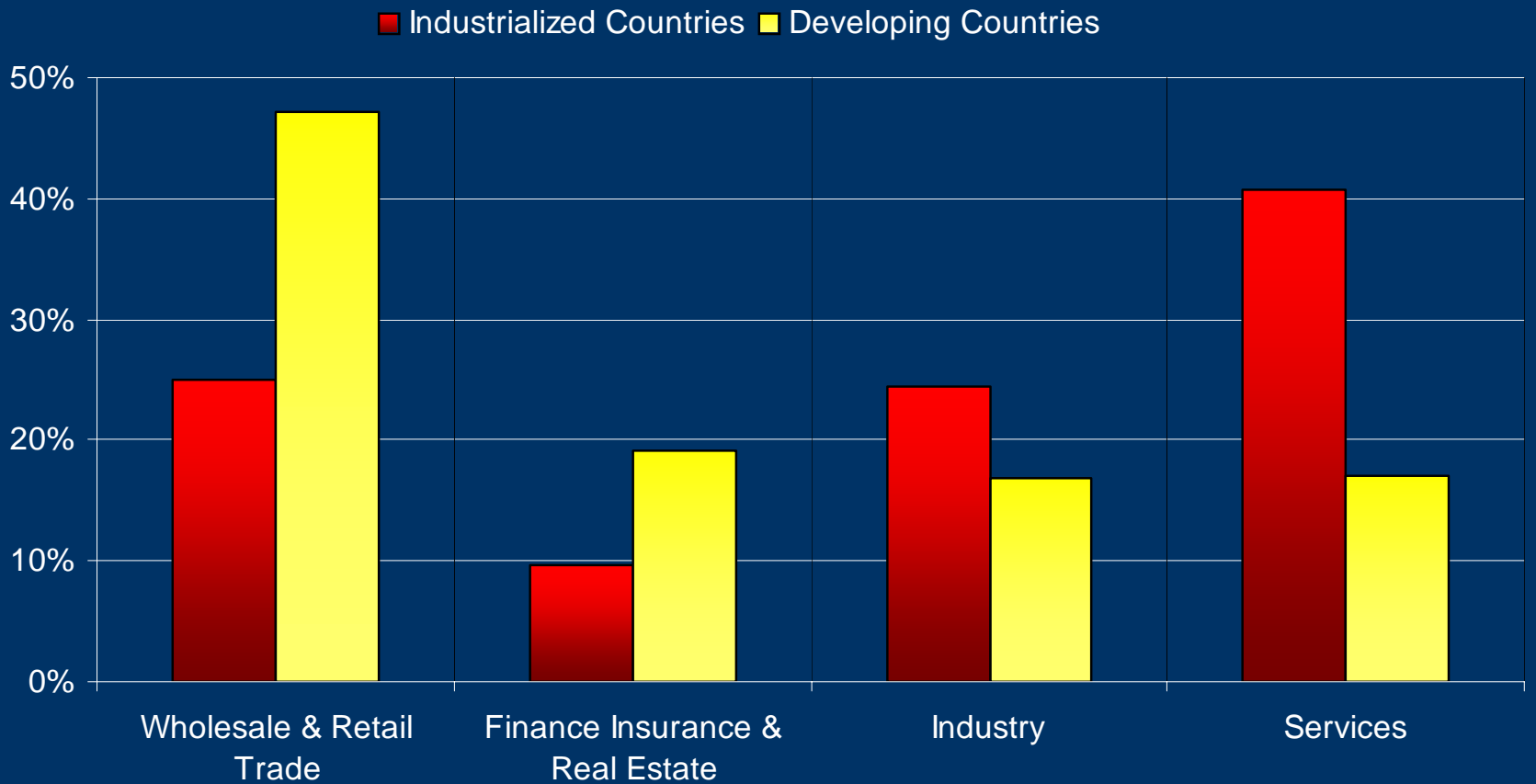


Average Business Density 2003-2005





# Panel B: Summary statistics by sector





# Panel B: Summary statistics by sector

