

SANTANDER ENTERPRISE INDEX 2014

Benchmarking the Regional Ecosystem
for Entrepreneurs in the UK



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Executive Summary

The environment created by the local economic infrastructure, resources and societal attitudes toward entrepreneurship is key to the success of entrepreneurs in a given region: This environment is called the entrepreneurial 'ecosystem'.

The Santander Enterprise Index is an annual ranking of the UK's regional entrepreneurial ecosystems: This report uses the world-leading methodology of the Global Entrepreneurship and Development Institute (GEDI) to create the Santander Enterprise Index (SEI). The SEI ranks the 12 regions of the United Kingdom by measuring their performance against 14 'pillars' of entrepreneurship defined by GEDI. The SEI also compares the UK regions' performance against 113 other regions elsewhere in the European Union.

All UK regions perform well compared to countries in the European Union: This is good news for the UK as a destination for entrepreneurs and provides a solid base from which to improve the performance of all UK regions.

Still, there are significant regional discrepancies across the UK: the London region and the South East perform extremely well relative to other UK regions and the wider European Union. By contrast, the East Midlands, Wales and the North East are much weaker than the best UK regions and are nearer the average of the rest of the EU.

Entrepreneurship in the UK will be given the biggest boost by unlocking an 'aspiration premium' in UK regions outside of London: GEDI's analysis demonstrates that London's strong performance in the SEI ranking is owing to its 'aspiration premium'. While societal and economic infrastructure in the rest of the UK is strong, entrepreneurs and potential entrepreneurs do not appear to be displaying the same confidence to take advantage of it as their peers in London; too few are getting new products to market, adopting new technologies, or exporting their products and services overseas. This relative weakness in aspirations may be acting as a bottleneck that is preventing UK regions from performing at their maximum potential.

This report will be followed by further analysis to develop recommendations to alleviate bottlenecks and unlock growth: The SEI is the first step in helping to unlock the potential of all the UK's geographical regions. In the autumn, GEDI will publish a follow-up report containing further analysis of the bottlenecks that hold back the North West and East Midlands regions and make recommendations to alleviate them.

The results of the Santander Enterprise Index are as follows:

<i>Rank</i>	<i>Region</i>	<i>Score (0-100)</i>	<i>Rank compared to the EU 125</i>
1	London	79.9	2
2	South East	69.5	9
3	East of England	61.5	22
4	South West	60.7	24
5	North West	59.0	28
6	Scotland	59.0	29
7	West Midlands	58.6	33
8	Northern Ireland	58.0	35
9	Yorkshire and The Humber	56.4	40
10	East Midlands	55.3	42
11	Wales	54.7	45
12	North East	48.9	59

About GEDI

The Global Entrepreneurship and Development Institute (GEDI) is a non-profit organisation that advances research on links between entrepreneurship, economic development and prosperity. The institute was founded by world-leading entrepreneurship scholars from the George Mason University, University of Pécs and Imperial College London. The main contribution of the Institute is the GEDI index, a breakthrough advance in measuring the quality and dynamics of entrepreneurship ecosystems at a national and regional level. The GEDI index methodology, upon which the data in this report is based, has been validated in rigorous academic peer reviews and has been widely reported in media, including in *The Economist*, *The Wall Street Journal*, *Financial Times* and *Forbes*.

The methodology has also been endorsed by the European Commission and has been used to inform the allocation of EU Structural and Cohesion Funds. The theoretical approach of GEDI has also influenced entrepreneurship policy thinking in trans-national organisations such as United Nations Conference on Trade and Development. Details of the GEDI methodology are provided in Appendices I and II. Further details can be found in the publications quoted in the list of references.

GEDI Methodology

Enterprise is a crucial engine of economic growth. Without enterprise and entrepreneurs, there would be little innovation, little productivity growth, and few new jobs.

Entrepreneurial success does not take place in a vacuum. Entrepreneurs exist in the context of their particular geography – be that their local, national, or even supranational economy and society. This regional mix of attitudes, resources, and infrastructure is known as the entrepreneurship ‘ecosystem’. The Santander Enterprise Index (SEI) is an annual index that uses GEDI’s methodology to measure the health of the entrepreneurship ecosystems in each of the UK’s 12 geographic regions. It then ranks the performance of these against each other, and against 113 other geographical regions within the European Union. This provides a picture of how the UK performs in both the domestic and international context.

The GEDI methodology collects data on the entrepreneurial attitudes, abilities and aspirations of the local population and then weights these against the prevailing social and economic ‘infrastructure’ – this includes aspects such as broadband connectivity and the transport links to external markets. This process creates 14 ‘pillars’ which GEDI uses to measure the health of the regional ecosystem.

A region in which all 14 pillars are strong can be said to have a healthy entrepreneurial ecosystem and is likely to have a dynamic economy where entrepreneurs make a healthy and productive contribution toward economic growth (see Appendix II for a full description of all 14 pillars).

To illustrate how a score for each pillar is given, take the pillar which GEDI calls ‘Cultural Support’ as an example. This is one of the five pillars used to measure the entrepreneurial attitudes in an ecosystem. The score for this pillar is calculated by measuring the career status which the general population of a region gives to entrepreneurship, weighted by the social ‘infrastructure’ which dictates someone’s chances of achieving that status. In the case of Cultural Support, the social infrastructure is measured by the region or society’s openness and its freedom from corruption.

Two hypothetical and extreme examples might be a regional ecosystem operating under an autocratic and oppressive regime; and a regional ecosystem in an open and fair society. It might be that in both regions, entrepreneurship is very well regarded as a career choice and seen as a very desirable career option. However, in the first region, this high score for entrepreneurship would be weighed against a society which is very closed and where corruption is rife, giving a low overall score for the ‘Cultural Support’ pillar.

By contrast, in the second region, a high score for the standing of entrepreneurship would be weighed against a very open and fair society, giving a high overall score for the ‘Cultural Support’ pillar. So where entrepreneurship is highly regarded, **and** where societal conditions allow individuals to pursue entrepreneurial opportunities, a high score for that pillar is achieved.

In the example above, individual-level attitudes can be thought of as a driving condition for entrepreneurship: without positive attitudes, we are less likely to see productive entrepreneurship. Societal conditions could be thought of as enabling conditions: where these conditions are poor, they can inhibit productive entrepreneurship even where individual-level attitudes might be positive. All 14 pillars of the index work in the same way: by balancing the attitudes, ability, and aspirations of individuals in the system (i.e. driving conditions) with the social and economic infrastructure (i.e. enabling conditions). Where both driving and enabling conditions support entrepreneurship, a high score is achieved.

When a final score for an ecosystem is calculated, this methodology allows GEDI to conduct further analysis by pinpointing which aspects of a region might be holding back its performance as a place which supports productive entrepreneurship. Analysis of the pillars highlights areas of weakness in the social infrastructure of a region (as in the example above) and/or in the attitudes, ability and aspirations of the local population.

The analysis provided by the SEI and GEDI is designed to help local and national policymakers to identify these ‘bottlenecks’ that hold back entrepreneurial performance and find remedies for them. This helps improve regional ecosystems and makes the UK a better global destination for entrepreneurs.

To help understand the UK’s relative strengths and weaknesses, this report puts a particular focus on two UK regions: the North West and the East Midlands. These regions provide good case studies. The North West is a relatively strong performer in both the UK and the EU but nevertheless has some room for improvement. The East Midlands, by contrast, ranks toward the bottom of UK regions and falls outside the top third of EU regions.

The EU 125 Group

To create the SEI, GEDI's research team applied their methodology to 125 geographical regions across the European Union. The index value ranges from 0 (lowest performance) to 100 (maximum performance).

Rank	Country	Region	Score
1	Denmark	Hovedstaden	82.2
2	United Kingdom	London	79.9
3	France	Île de France	79.2
4	Sweden	Stockholm	73.8
5	Sweden	Östra Mellansverige	72.7
6	Sweden	Västsverige	72.2
7-8	Ireland	Southern and Eastern	72.0
7-8	Denmark	Nordjylland	72.0
9	United Kingdom	South East (UK)	69.5
10	Sweden	Sydsverige	67.3
11	Germany	Berlin	67.2
12	Denmark	Syddanmark	65.1
13	Belgium	Région de Bruxelles-Capitale	64.9
14	Sweden	Övre Norrland	64.7
15	Netherlands	West-Nederland	64.4
16	Denmark	Midtjylland	64.4
17	France	Centre-Est (FR)	64.2
18	Ireland	Midland and Western Boarder	63.4
19	Germany	Hessen	63.3
20	Finland	Helsinki-Uusimaa	62.2

Table 1: Top 20 Entrepreneurship Ecosystems in Europe

The best performing entrepreneurship ecosystems tend to gravitate towards capital regions. The top performing entrepreneurship ecosystem in Europe is Copenhagen in Denmark (the Hovedstaden region), followed by London, Paris (Île de France) and Stockholm. The Southern and Eastern region in Ireland includes Dublin. The Berlin region is the entrepreneurial hotspot for Germany, similar to Région de Bruxelles-Capitale for Belgium and the Helsinki-Uusimaa region for Finland.

Capital regions tend to attract talent, and they also tend to feature the highest-quality infrastructure. Often, capital regions also double as financial centres. Thus, capital regions enjoy natural advantages that they can draw on for entrepreneurial performance.

Regions in the Nordic countries score particularly highly in the rankings. This pattern testifies to Nordic strengths in providing high-quality infrastructure for entrepreneurship which covers the entire country, not just the capital region. Looking at the more granular level data, there tends to be little variance across regions within Nordic countries when it comes to the individual GEDI scores for attitudes, abilities and aspirations.

Ranking UK Regions: The Aspiration Premium

Table 2 shows the ranking of the 12 UK entrepreneurship ecosystems. For further analysis, it also gives separate scores for the 'attitude' pillars (column 4), the 'abilities' pillars (column 6) and the 'aspirations' pillars (column 8).

Region	Score	Rank EU 125	ATT	Rank EU 125	ABT	Rank EU 125	ASP	Rank EU 125
London	79.9	2	79.0	5	83.0	2	77.7	2
South East	69.5	9	70.7	9	80.0	3	57.9	28
East of England	61.5	22	63.4	24	64.1	25	57.0	30
South West	60.7	24	63.6	22	68.1	16	50.4	47
North West	59.0	28	62.3	25	65.9	21	49.0	49
Scotland	59.0	29	59.8	32	72.2	12	44.9	67
West Midlands	58.6	33	62.0	26	66.0	20	47.6	53
Northern Ireland	58.0	35	58.8	34	62.7	29	52.6	43
Yorkshire and The Humber	56.4	40	61.7	27	62.0	31	45.4	65
East Midlands	55.3	42	61.6	28	62.1	30	42.2	70
Wales	54.7	45	57.8	36	61.2	32	45.0	66
North East	48.9	59	54.7	42	56.3	46	35.8	89

Table 2: Ranking of UK Entrepreneurship Ecosystems

All UK regions perform reasonably well. Even the least efficient UK ecosystem, the North East, ranks among the top 60 within the EU 125. While there is clearly room for improvement, the international context provided by the EU 125 group shows the UK's established strength in promoting entrepreneurial success.

There is a fair amount of variance across the different regions of the UK. The London and South East ecosystems are ahead of the rest of the UK. They are followed by a broad middle group comprising East of England, South West, North West, Scotland, West Midlands, Northern Ireland and Yorkshire and The Humber. The East Midlands, Wales and the North East fall into the bottom group and outside the top third of the EU 125 group.

UK regions need to unlock their own 'aspiration premium' if they are to bring their ecosystems into balance and catch up with

London. By splitting the GEDI score into its constituent parts of 'attitudes', 'abilities' and 'aspirations', table 2 also shows that London's strong performance in the SEI rankings is owing to its high score for the pillars measuring the aspirations of the local population (column 8).

In contrast to London, the pillars measuring aspirations in other regions of the UK are much weaker than those measuring attitudes and abilities. This stands out as an imbalance in the entrepreneurial ecosystems outside of London and strongly suggests that the relative weakness in the aspiration pillars is a 'bottleneck' holding back the performance of UK entrepreneurship as a whole. In UK regions where societal and economic infrastructure is strong, the GEDI data appears to indicate that entrepreneurs and potential entrepreneurs do not have the confidence to take advantage of it, with too few getting new products to market, adopting the use of new technology, or exporting their produce and services overseas.

The best-performing entrepreneurship ecosystems are those that are in balance - that is they are strong in all three areas measured by GEDI (i.e. attitudes, ability, and aspirations).

Positive and supportive attitudes are needed to encourage people to 'take the jump' and launch their own businesses. Positive attitudes encourage individuals with the right skills to launch their businesses, building ability in the region. This means that the new businesses created will be innovative enough to stand out from competition and have a chance of creating significant economic benefits. But even ability alone is not enough: even able businesses will not grow and prosper unless they really seek to do so. Growth does not happen by accident. If new businesses do not aspire to seek growth (and have a realistic potential of achieving growth, as defined by ability), they are unlikely to achieve significant performance.

The greatest contribution to regional economies will be made by businesses with strong aspirations and the ability to grow. The above means that policymakers should seek to nurture entrepreneurship ecosystems where the different elements are in balance. That is, where there is the right level of attitudes, abilities, and aspirations, respectively. As the term indicates, entrepreneurship ecosystems are systems. As with all systems, the constituent elements of the system interact to create the desired benefits. For optimal performance, the system components need to be in balance, as otherwise the system may not be able to fully leverage its strengths. A system made up of evenly balanced components is likely to perform better than a system made up of unevenly balanced components. In the case of the UK ecosystems outside London, aspirations seem to constitute a 'bottleneck factor' that prevents UK regions from realising their full economic potential. On first analysis, the SEI shows that spreading London's 'aspiration premium' across the rest of the UK would be the most high impact way of boosting the UK's regional entrepreneurial ecosystems and raising the performance of the country as a whole.

The North West and East Midlands: A Closer Look

The North West and East Midlands are neither at the very top nor the very bottom of the UK ranking. Both regions have distinctive profiles and industrial history, and while many of the challenges they face are similar, each region is likely to have its own unique set of challenges. Tables 3 and 4 look at the scores given for each pillar in the North West and East Midlands ecosystems and compares this against the EU 125 group.

The colour codes in the table indicate how well the ecosystems compare against the EU 125. Blue colours indicate good performance – i.e. ranking either in the top 25% or top 50% of the 125 ecosystems. Orange and red colours indicate soft performance – i.e. ranking either in the bottom 50% or in the bottom 25% of the EU 125 ecosystems.

The tables give a score for each of the 14 pillars (column 3) and ranks this score against the EU 125 group. The GEDI methodology calculates this pillar score by weighting a score for abilities, attitudes and aspirations of the individuals in the region (individual contributor) against the social and economic framework in the region (framework contributor). These scores are also shown in the table in columns 6 and 8 respectively.

	<i>Pillar</i>	<i>Score</i>	<i>EU 125</i>	<i>Individual Contributor</i>	<i>Score</i>	<i>Framework Contributor</i>	<i>Score</i>
Attitudes	Opportunity Perception	0.66	20	Opportunity Recognition	0.70	Market Agglomeration	0.96
	Start-Up Skills	0.58	35	Skill Perception	0.75	Quality of Education	0.68
	Risk Acceptance	0.99	2	Risk Acceptance	0.84	Business Risk	1.00
	Networking	0.55	43	Know Entrepreneurs	0.41	Social Capital	0.89
	Cultural Support	0.63	34	Career Status	0.62	Open Society	0.79
Ability	Opportunity Start-Up	0.75	21	Opportunity Motivation	0.66	Business Environment	0.89
	Technology Absorption	0.68	24	Technology Level	0.87	Absorptive Capacity	0.70
	Human Capital	0.55	44	Education Level	0.62	Education and Training	0.79
	Competition	0.96	3	Competitors	0.86	Business Strategy	0.89
Aspiration	Product Innovation	0.48	60	New Product	0.63	Technology Transfer	0.70
	Process Innovation	0.57	43	New Technology	0.65	Technology Development	0.75
	High Growth	0.81	8	Gazelle	0.80	Clustering	0.86
	Globalisation	0.39	85	Export	0.51	Connectivity	0.89
	Financing	0.34	89	Informal Investment	0.51	Financial Institutions	0.87

Table 3: North West Compared Against the EU 125

Bottom quartile
 Lower middle quartile
 Higher middle quartile
 Top quartile

The North West and East Midlands: A Closer Look Continued

	<i>Pillar</i>	<i>Score</i>	<i>EU125</i>	<i>Individual Contributor</i>	<i>Score</i>	<i>Framework Contributor</i>	<i>Score</i>
Attitudes	Opportunity Perception	0.54	39	Opportunity Recognition	0.70	Market Agglomeration	0.69
	Start-Up Skills	0.58	37	Skill Perception	0.80	Quality of Education	0.66
	Risk Acceptance	1.00	1	Risk Acceptance	0.85	Business Risk	1.00
	Networking	0.59	31	Know Entrepreneurs	0.42	Social Capital	0.91
	Cultural Support	0.71	16	Career Status	0.62	Open Society	0.87
Ability	Opportunity Start-Up	0.85	12	Opportunity Motivation	0.73	Business Environment	0.95
	Technology Absorption	0.62	38	Technology Level	0.81	Absorptive Capacity	0.67
	Human Capital	0.53	50	Education Level	0.58	Education and Training	0.81
	Competition	0.75	25	Competitors	0.75	Business Strategy	0.81
Aspiration	Product Innovation	0.32	85	New Product	0.50	Technology Transfer	0.71
	Process Innovation	0.44	74	New Technology	0.60	Technology Development	0.66
	High Growth	0.54	55	Gazelle	0.67	Clustering	0.74
	Globalisation	0.36	89	Export	0.47	Connectivity	0.90
	Financing	0.50	62	Informal Investment	0.67	Financial Institutions	0.69

Table 4: East Midlands Compared Against the EU 125



The data from these tables demonstrates the following:

The social and economic framework for entrepreneurs is strong in both regions: the final column of tables 3 and 4 uniformly show a blue colour, indicating that the GEDI score for these characteristics is in the top 50% or top 25% of the EU 125 group. This means that the social and economic infrastructure in these regions is strong. For instance, an element measured by ‘framework contributors’ includes how well connected the region is (Connectivity) and therefore how easy it is for entrepreneurs to transport their good or services to markets outside their home region. Both the North West and East Midlands have good regional airports (notably Manchester Airport) and both have very good rail and road links across the UK; the North West is served by the M6 while the East Midlands is served by the M1.

Individual-level aspirations appear to be a weak point for both regions: by contrast to the blue colours for the framework contributors, more than half of the individual contributors in the North West and East Midlands show an orange or red colour for their GEDI score. This indicates that they are in the bottom 50% or 25% of the EU 125 group. Both regions are particularly weak for those individual contributors measuring the aspirations of the local population. For instance, the score given for the ‘individual contributor’ for exports in the East Midlands is 0.47, placing it in the bottom 25% of the EU 125 group.

This is measured by the number of new entrepreneurs currently exporting outside the United Kingdom, showing that too few in the East Midlands are taking advantage of their good connectivity to win business overseas.

The other areas that perform badly in both regions show that relatively few new businesses are introducing new products not already offered by others (the ‘New Product’ contributor), few businesses are using technologies that were not widely available more than a year ago (the ‘New Technology’ contributor), and informal investment in start-ups is low in the region (the ‘Informal Investment’ contributor).

This analysis from GEDI suggests that policy action targeted at individual-level export aspirations, informal investment aspirations, and new product introduction aspirations could generate the highest returns to policy action. The next steps of this research project will be to investigate these potential policy remedies in more detail and make recommendations for action. GEDI will publish this report in the fourth quarter of 2014.

Next Step

As the next step, GEDI will conduct a closer review of the regional entrepreneurship ecosystems in the North West and East Midlands. This process will look to benchmark the two ecosystems against similar regions elsewhere in the EU and draw on local insights and intra-regional comparisons for a more qualitative assessment of the bottlenecks which might be present.

Figure 1 below benchmarks the ecosystem of the North West against two similarly ranked regions elsewhere in the EU: Länsi-Suomi in Finland and Sud-Ouest in France. The North West ranks joint 28th in the EU 125 ranking, while Länsi-Suomi ranks 32nd and Sud-Ouest ranks joint 30th.

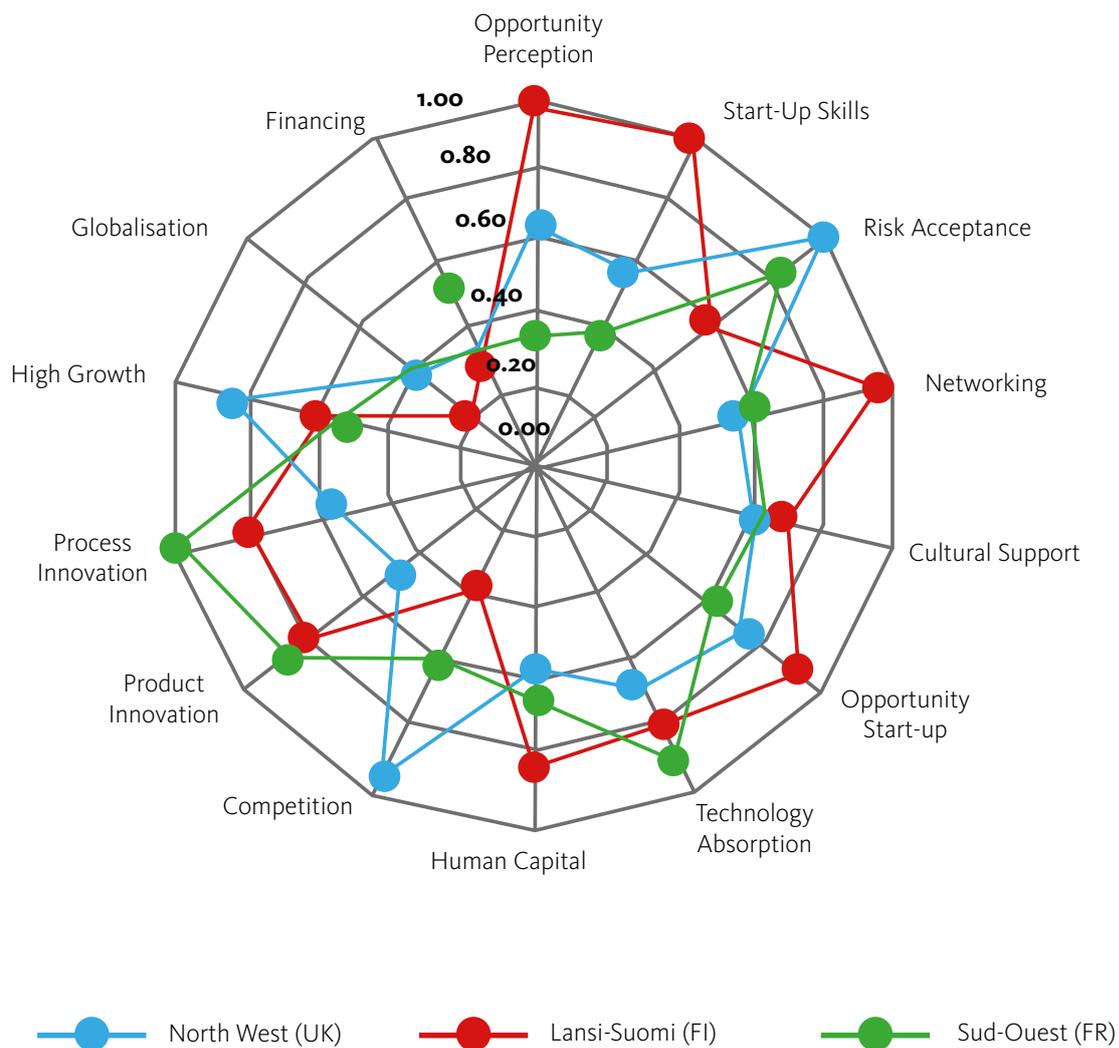


Figure 1: Benchmarking the North West

Figure 2 below, ranks the East Midlands against two similarly performing regions in Sweden and the Netherlands.

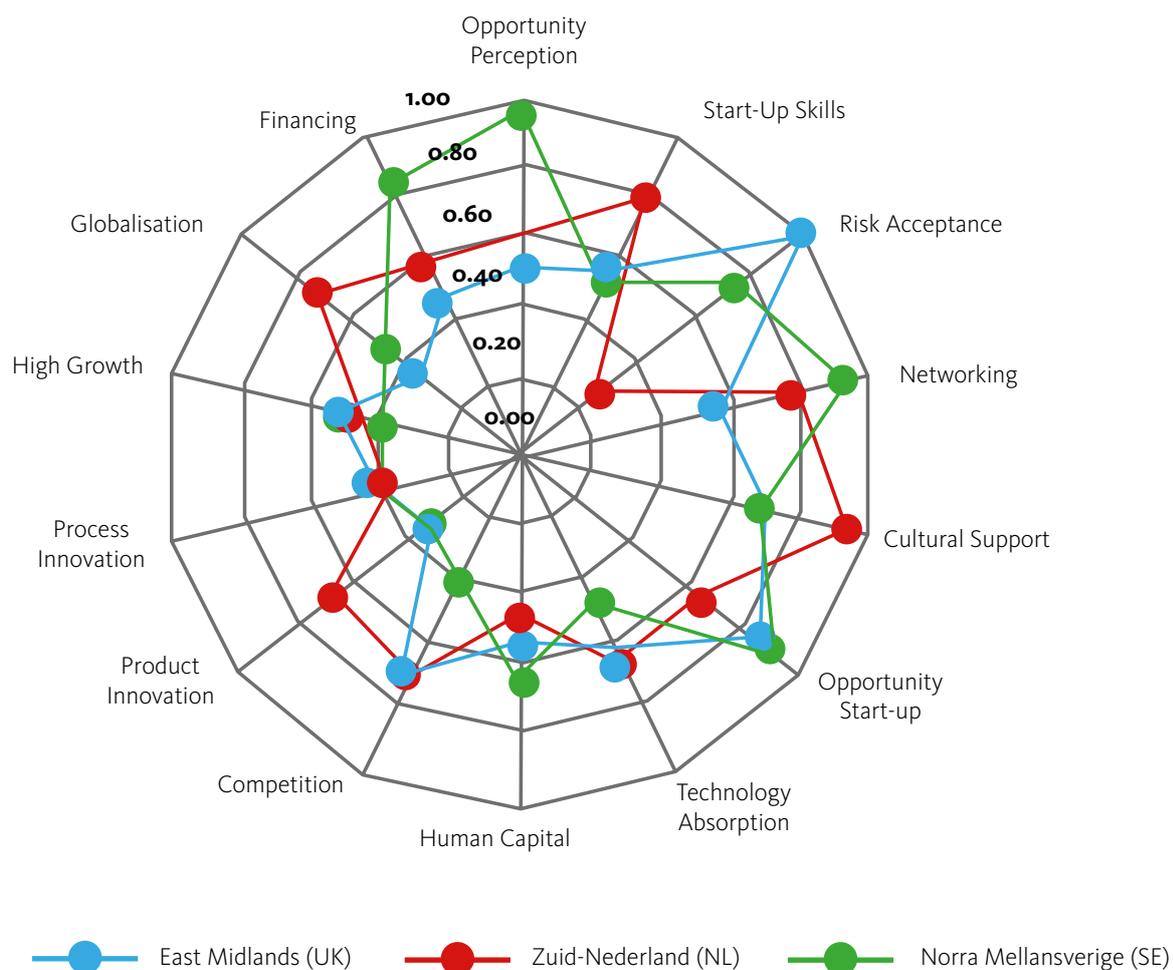


Figure 2: Benchmarking the East Midlands

These comparisons suggest that entrepreneurship ecosystems can achieve performance with different routes: while each of the benchmarked regions performs similarly in the EU ranking, their strengths and weaknesses are different.

The next steps of this process will take these comparisons and examine them alongside qualitative researching which will take the form of stakeholder meetings involving individuals that participate in the entrepreneurship ecosystems in the North West and East Midlands regions.

In the meetings, the analysis in this document will be debated and nuances added. The aim of these stakeholder meetings is to achieve a regional consensus of the most important bottlenecks holding back each regional performance and how these operate in practice. This insight can then be used to recommend policy action and priorities.

GEDI will present these final recommendations in the autumn.

Appendix I: Methodology

The SEI was created by globally leading entrepreneurship scholars from Imperial College Business School, London School of Economics and University of Pécs. This team of scholars has pioneered the development of theory and metrics to understand how entrepreneurship ecosystems work, and how they drive economic growth in regions and countries.

The approach used in the SEI draws on this methodology. It conceptualises entrepreneurship ecosystems as a dynamic interaction between entrepreneurial attitudes, ability and aspirations. It considers entrepreneurial processes within their institutional contexts. And, it recognises the multi-faceted, multi-level nature of the regional entrepreneurial dynamic. To this end:

- The SEI comprises a broad range of components
- The SEI uses data on system-level framework conditions as weights for individual-level measures
- The SEI allows interactions between system components

The SEI incorporates individual-level variables and contextual (institutional) variables that measure the social and economic infrastructure in a given region. This is important, not only to contextualise the index, but also, to reflect the notion that different index components might 'produce' different outcomes in different regional settings. For example, market-expanding start-ups might generate a stronger influence on economic development in regions where market entry is not artificially restricted. The novelty of this approach is that it uses institutional variables as interaction components, not as stand-alone variables. Institutional variables are entered into the index as weights that are combined with aggregated individual-level data. A major advantage of this approach is the incorporation of regional differences into the index.

The SEI uses as weights institutional variables that provide: (1) a logical link to the particular aggregate of individual-level data; (2) a clear interpretation of the selected variable; and (3) avoid repetition: one weight was combined with only one aggregate of individual-level data.

Penalty for Bottleneck

A fundamental, defining characteristic of systems is that they consist of components that interact to produce system performance. Most indices are not systemic, as they do not allow index components to interact. Instead, received indices allow each component to create an independent contribution to the index total regardless of the value of other components. This means that system dynamics produced through component interactions are ignored. The SEI applies the Penalty for Bottleneck (PFB) algorithm to capture interactions within the system.

In this methodology, a bottleneck is defined as the weakest link or the binding constraint in the national entrepreneurial dynamic. Mathematically, a bottleneck is represented by the lowest value within a given set of normalised index components. After normalising the scores of all index components, the value of each component is 'penalised' by linking it to the score of the indicator with the weakest performance in a given country or region. This simulates the notion of a bottleneck: if the bottleneck component is alleviated, the particular sub-index and ultimately the entire SEI ranking would show a significant improvement.

Generally speaking, the penalty for bottleneck should be larger if there are greater differences between components. From the configuration perspective, this implies that stable and efficient configurations are those that are balanced – i.e. that all component values are at the same level. Traditional index methods assume full substitutability between system components: a loss in one component can be fully compensated by a corresponding increase in another system component. This, however, is not a realistic portrayal of systemic phenomena, where the level of substitutability between individual components may vary. The method used in the SEI assumes an increasing rate of the Marginal Rate of Substitution, meaning a higher compensation for the loss in one pillar if the difference between another pillar value and the particular pillar is larger. The required positive value of the second derivative means that the pillars are only partially substitutable with one another.

Mathematically, GEDI defines a penalty function family as:

$$h_{(i),j} = \min y_{(i),j} + \left(1 - e^{-\left(y_{(i),j} - \min y_{(i),j}\right)}\right)$$

where $h_{(i),j}$ is the modified, post-penalty value of index component j in country or region i
 $y_{i,j}$ is the normalised value of index component j in country or region i
 y_{\min} is the lowest value of $y_{i,j}$ for country or region i
 $i = 1, 2, \dots, n$ = the number of countries or regions
 $j = 1, 2, \dots, m$ = the number of index components

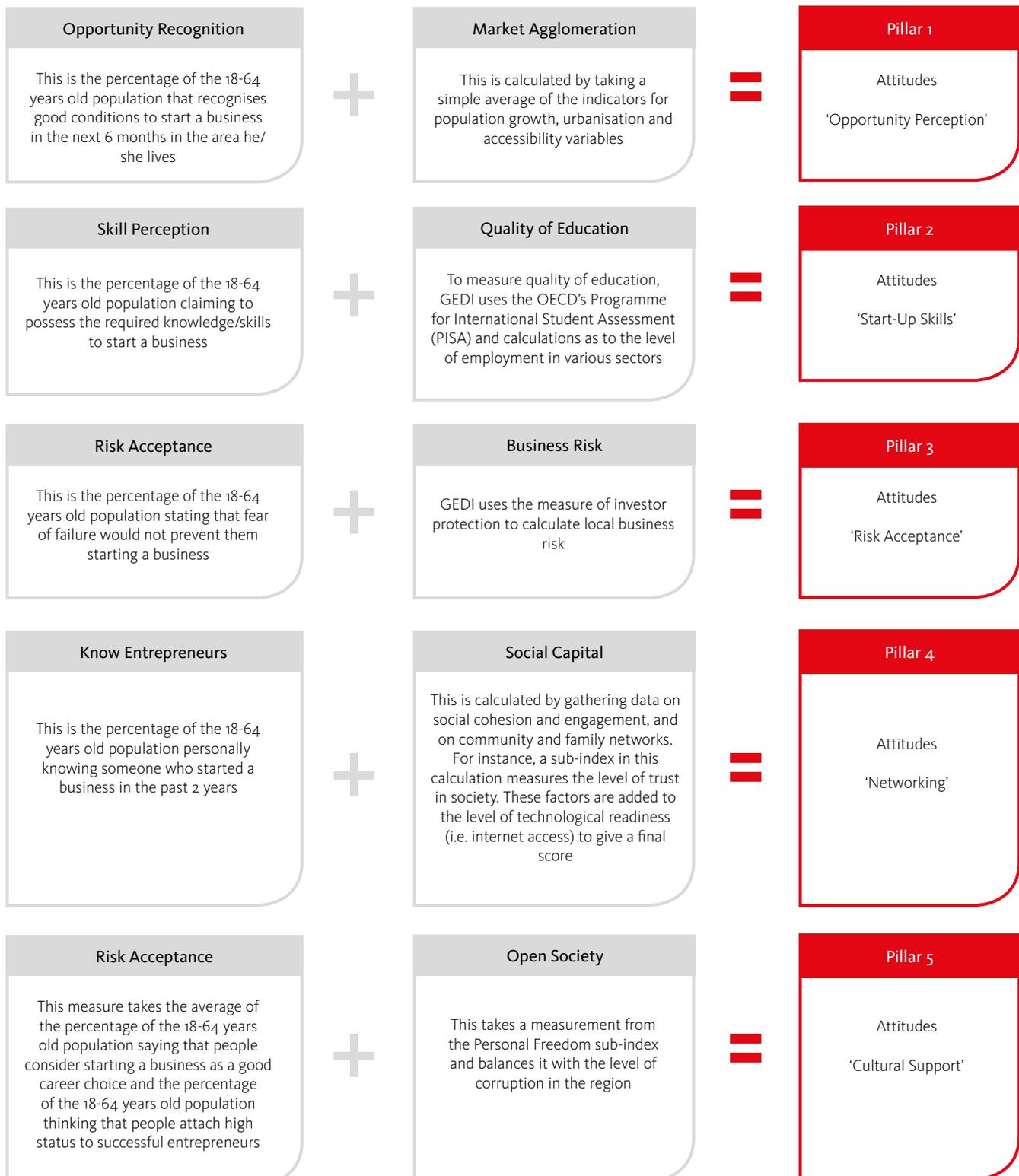
The variables used in the SEI are shown in Appendix II.

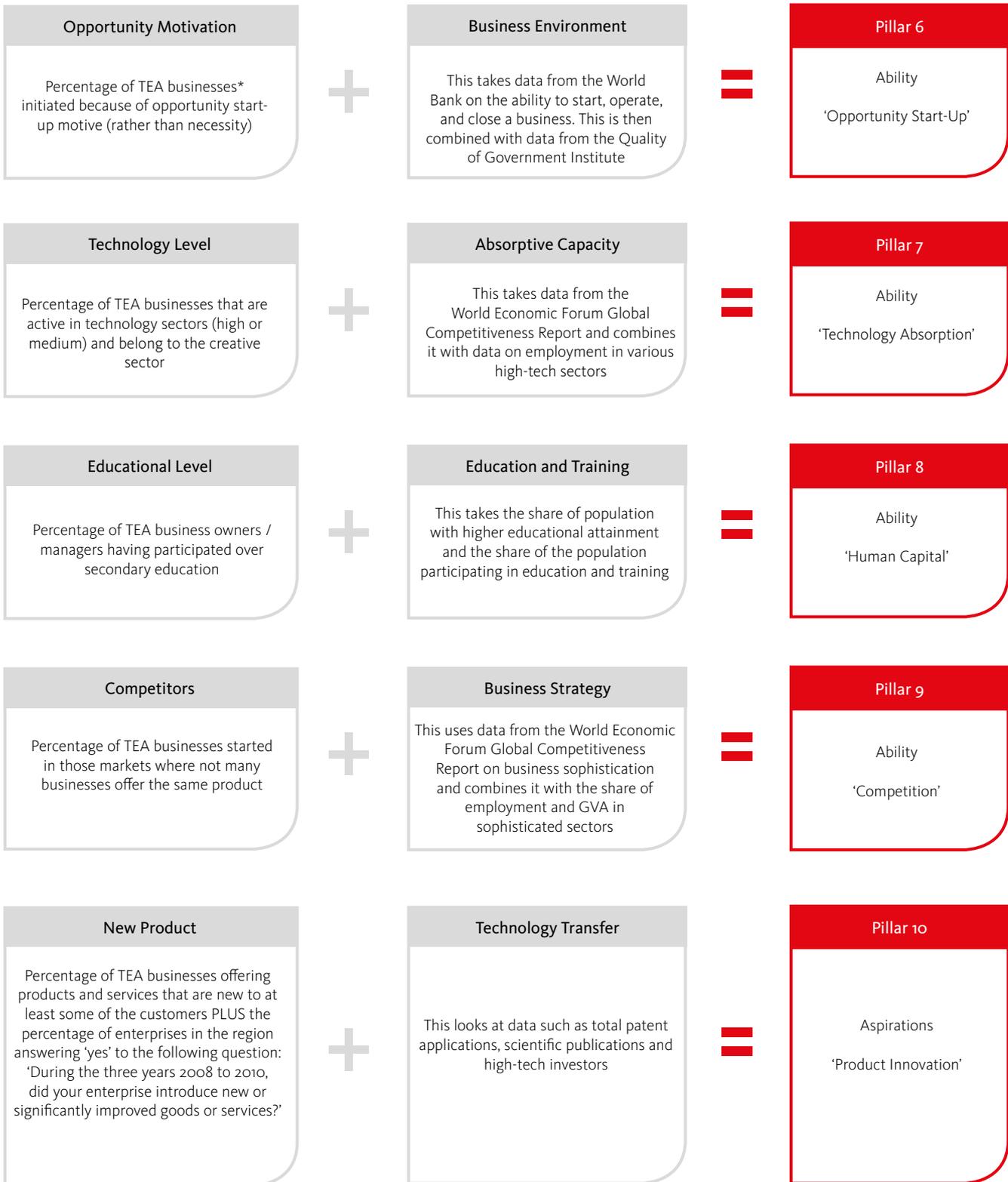
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Appendix II: The 14 Pillars

As noted above, the 14 pillars of entrepreneurship are calculated by weighting an individual contributor against a framework contributor. The diagram below gives a brief description of the data that makes up each contributor.





*TEA refers to Total Early-Stage Entrepreneurial Activity, which indicates the adult-population prevalence of nascent and new entrepreneurs (i.e. currently trying to start or running a new business; the person personally owns all or part of the business; the person actively participates in the management of the new business; the business has not paid salaries to anyone for longer than 42 months).

