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Small vs. Young Firms across the World

Contribution to Employment, Job Creation, and Growth

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Abstract

This paper describes a unique cross-country database that presents consistent and comparable information on the contribution of the small and medium enterprises sector to total employment, job creation, and growth in 99 countries. The authors compare and contrast the importance of small and medium enterprises to that of young firms across different economies. They find that small firms (in particular, firms with less than 100 employees) and mature firms (in particular, firms older than 10 years) have the largest shares of total employment and job creation. Small firms and young firms have higher job creation rates than large and mature firms. However, large firms and young firms have higher productivity growth. This suggests that while small firms employ a large share of workers and create most jobs in developing economies their contribution to productivity growth is not as high as that of large firms.

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I. Introduction

The role played by small and medium enterprises (SMEs) in employment generation and economic recovery is a key question for policy makers. Multi-billion dollar aid portfolios across countries are directed at fostering the growth of SMEs. However, there is little systematic research/data, informing the various policies in support of SMEs, especially in developing countries. Moreover, the empirical evidence that exists on the firm-size growth relationship has been mixed and we do not know whether SMEs or other firms are significant contributors to the creation of jobs, and how this varies across countries. The more recent work of Haltiwanger, Jarmin, and Miranda (2010) in the U.S. suggests that (1) startups and surviving young businesses are critical for job creation and contribute disproportionately to net growth, and (2) there is no systematic relationship between firm size and growth after controlling for firm age.

It is not clear whether these findings apply in developing countries where firms, especially small firms, face many institutional constraints. So far there has been little research on the relative importance of age and size in predicting growth in other parts of the world where there are greater barriers to entrepreneurship, and where venture capital markets that finance young firms are not as well developed as in the US.

In this paper, we first present comprehensive statistics on the contribution of SMEs and young firms to total employment, job creation, and growth across 99 developing economies. The data compiled are more comprehensive and more comparable across countries than existing cross-country SME databases (e.g. Ayyagari, Beck, and Demirguc-Kunt, 2007). We then examine the relationship between firm size, age, employment, and productivity growth and how this varies with country income.

Our analysis shows that small and medium enterprises are the biggest contributors to employment across countries. Our sample consists of 47,745 firms in 99 countries, surveyed in the period 2006-2010. In the median country, firms with 5-250 employees employ 66.76% of the total permanent, full-time employment in the country. [1] The mean across our sample of countries is 66.38%. While SMEs are big contributors to employment in all countries, we do find a negative association between GDP/capita and SME contribution to employment – SMEs

[1] Note that we do not have micro enterprises, that is, firms with less than 5 employees, in our sample.

contribute more to employment in low income countries than high income countries. Other studies, such as Klapper and Love (2010), find a strong positive relation between firm births and income per capita. Taken together, these findings suggest that high income countries are characterized by high rates of entry and turnover of small firms rather than a large SME sector.

We find that firms younger than two years represent a very small proportion of total employment in the overall sample, with the mean being 6.75% and median being 4.78%. Across country income groups, firms older than 10 years have the largest shares of total employment ranging from 48.12% in low income countries to 72.76% in high income countries. Across countries, we find that small and old firms (specifically, firms that are over 10 years old and with 5-99 employees) have the largest proportional share of total employment compared to other size-age groupings.

Not only do small firms and mature firms employ the largest number of people, they also generate the most new jobs, across country income groups. In the median country in our sample, SMEs with 250 employees or fewer generate 86.01% of the jobs. Their significance is higher (93.05%) in the countries that had a net positive job creation across all firms in the country. Even in countries that had an aggregate net job loss, we find SMEs with 250 employees or fewer to be significant job creators (81.51%). Young firms less than two years old generate only 14% of net jobs in countries that had a net positive job creation and even lesser, only 5.39%, in countries that had a net job loss in our sample.

We find that the small firms (1-100 employees) and the young firms (<=2 years) have the highest employment growth rates in regressions controlling for country, industry, and year fixed effects. However, small firms' higher employment growth is not accompanied by higher sales or productivity growth. Large firms and young firms have higher productivity growth. Thus while SMEs employ a large share of workers and create most jobs, their contribution to productivity and growth is uncertain at best. Our results are robust to sub-sample analysis by country income group and by looking at countries with large versus small informal sectors.

Our cross-country database improves upon existing databases along several dimensions. First, the data are comparable across countries since they are all sourced from the World Bank Enterprise Surveys (ES) database which samples formally registered firms from over 100

countries to study the business climate constraints to private sector growth and performance. The surveys use standardized survey instruments and a uniform sampling methodology to minimize measurement error and to yield data that are comparable across countries. Second, for the first time ever, we are able to compute statistics on SMEs for a large sample of developing countries. While statistics on size and age distribution are more easily available for the developed countries from sources such as the OECD, there is little to no information available for many developing countries. Third, we are able to construct different size cut-offs for defining SMEs and are able to look at the whole economy, as well as the manufacturing sector separately. Previous databases have been restricted to examining just one size cut-off definition of SME or just the SME share of manufacturing. Fourth, we are also able to look at different age cut-offs from the same database allowing for a direct comparison of SMEs with respect to young firms. Finally, the data set allows us to compute contribution to total employment, labor productivity, and employment generation across the entire size and age distribution in an economy thus allowing for comparisons between SMEs and large firms, and young and old firms.

Nevertheless, our findings are subject to a number of caveats. Most importantly, enterprise surveys cover only the formal sector, excluding the informal firms. Hence our results do not speak to informal enterprises. In addition we also do not have data on micro enterprises (less than 5 employees) in our sample. Second, we have data only on surviving firms, which probably overestimates the growth rates for very young firms given they tend to have higher failure rates. While this database is the best available at this point, we recognize these limitations.

Overall, our findings contrast with those in Haltiwanger, Jarmin and Miranda (2010a, 2010b). Specifically, they find that in the US large mature firms have the largest share of employment whereas we find that while large firms have a significant employment share, the small mature firms have the largest share of employment in developing economies. On job creation, the US evidence suggests that small mature firms have net job losses whereas in developing countries we find that small mature firms have the largest share of job creation. Moreover, in countries that have had net job losses in the economy as a whole, it is only the small firms, especially small mature firms that have net job gains.

Haltiwanger et al also find that there is no systematic relation between firm size and growth once age is controlled for. Specifically, they argue that the "systematic inverse relationship between firm size and net growth rates in prior analyses is entirely attributable to most new firms being classified in small size classes." Since surviving new firms grow much faster than older firms in the US, this classification may make it seem that firm size is a determinant of firm growth. By contrast, in our sample of developing countries, we find that small firms are significant contributors to employment growth even after controlling for age. We find that the higher employment growth of small firms cannot be explained by the sizes of new firms but persists at all ages of firms.

The remainder of the paper is organized as follows. In Section II we describe the data and the indicators used in this paper, and present summary statistics. In Section III, we discuss in detail the relationship between the SME sector and young firms and their contribution to employment, productivity, and job creation in our data. In Section IV, we present growth regressions and sensitivity analysis and place our results in the context of existing literature. Section V concludes.

II. Data and Variable Construction

In this section, we describe the survey dataset and define the various variables used to describe the relative importance of SMEs and young firms in different countries. We use the World Bank Enterprise Surveys (ES) [2] that are an on-going initiative of the World Bank to benchmark the investment climate in different countries across the world and to analyze firm behavior and performance. The Enterprise Surveys survey from the universe of eligible firms obtained from the country's statistical office[3] using stratified random sampling with replacement to generate a sample representative of the whole non-agricultural private economy (so fully government

[2] The ES surveys and their precursor, the World Business Environment Survey have been used to investigate a series of questions in developmental economics including the relation between property rights and contracting institutions (e.g. Acemoglu and Johnson, 2005; Ayyagari, Demirguc-Kunt, and Maksimovic, 2008a), investment climate and business environment obstacles to growth (e.g. Beck, Demirguc-Kunt, and Maksimovic, 2005; Ayyagari, Demirguc-Kunt, and Maksimovic, 2008b), firm financing patterns (e.g. Beck, Demirguc-Kunt, andMaksimovic, 2008; Cull and Xu, 2005, Ayyagari, Demirguc-Kunt, and Maksimovic, 2010) and dispute resolution via courts (e.g. Djankov, La Porta, Lopez-de-Silanes, and Shleifer, 2003).

[3] The master list of firms is sometimes obtained from other government agencies such as tax or business licensing authorities. In some cases, the sampling universe is generated from lists maintained by the Chamber of Commerce and business associations or marketing databases where registration is voluntary. In a few cases, the sample frame is created via block enumeration.

owned firms are excluded from the sampling universe) in the country. The surveys are stratified according to three criteria: *Sector of activity* (population of industries include manufacturing sectors, construction, services, transport, storage, communications, and computer and related activities), *Firm size* (the strata include small firms (5-19 employees),[4] medium firms (20-99 employees), and large firms (100 or more employees)), and *Geographical location* (selected based on centers of economic activity in the country).

While the Enterprise Surveys have been produced since 2002, we restrict our sample to surveys administered during 2006-2010 since these provide sampling weights that take care of the varying probabilities of selection across different strata and are thus indispensable to making assertions about the whole population.[5] Our final sample consists of surveys across 99 countries. Since the Enterprise Surveys cover mostly the developing economies, we supplement these data with the most recently available data on SME contribution to employment from 44 other countries, most of which are high income countries. The data for these 44 economies are mostly from the year 2008 though this ranges from 1997 to 2009 across the sample.

The term SME covers a wide range of definitions and measures, varying across countries and across sources reporting SME statistics. Some of the commonly used criteria include the number of employees, total net assets, sales and investment level, though the most common basis for definition is employment. However, here again, there is variation in defining the upper and lower size limit of an SME across countries.

In our data, the SME indicator is based on permanent, full-time employment as reported in the surveys. We construct 6 definitions of SMEs to correspond to varying upper limits in the official country definitions of SMEs adopted around the world – **SME100**, **SME150**, **SME200**, **SME250, SME300**, and **SME500.** Thus, according to the SME100 definition, an establishment

[4] The minimum of 5 employees was imposed when constructing the sample frame for each country so as to limit the surveys to the formal economy. However some of these firms may have shrunk by the time they were surveyed and hence we have some firms (<2.5% of the sample) reporting less than 5 employees.

[5] Most surveys contain three sets of weights – strict, median, and weak weights depending on the eligibility criteria used to construct the sample universe. Under the strict assumption, eligible establishments are those for which it was possible to directly determine eligibility, under the median assumption, eligible establishments are those for which it was possible to directly determine eligibility and those that rejected the screener questionnaire and under the weak assumption only observed non-eligible units were excluded from universe projections. So under the weak assumption, all establishments for which it was not possible to finalize a contact were assumed eligible. The survey implementation manual recommends the use of median weights for cross-country comparisons.

that employs up to 100 permanent full-time employees in a year is identified as an SME. In addition, we also present data for different size classes – 5-9, 10-19, 20-49, 50-99, 100-249, 250-499, 500-999, and 1000 and above employees. While we report the different cut-offs in our data, we use SME250 in most of our analysis to be consistent with other databases (e.g. OECD and Eurostat) and studies (e.g. Ayyagari, Beck, and Demirguc-Kunt, 2007) that use 250 employees as the cut-off for defining SMEs.

Firm age in our data is defined as the number of years since the establishment began operations in the country.[6] We define two different cut-offs for young firms – **YOUNG2** (less than 2 years), and **YOUNG5** (less than 5 years). We also construct the following contiguous age intervals - <2 years, ≥ 2 and <5 years, ≥5 and <10 years, and ≥10 years.

We examine and compare the role of SMEs versus young firms in each country along two dimensions. First we construct the SME and young firm share of **Total Employment** where total employment is the population estimate of the number of permanent, full-time employees in the country derived by aggregating the employment reported each firm in the country multiplied by its sampling weight. Second, we construct the SME and young firm share of **Job Creation** where job creation is the population estimate of the change in the number of permanent, full-time employees over two years, also derived by aggregating the change in employment reported by each firm in the survey multiplied by its sampling weight.[7]

Our data are subject to some caveats. First, our results on SMEs are subject to the limitation that the Enterprise Surveys sample only the formal sector in each country and exclude the informal sector. Some of the developing countries in our sample have a large informal sector, which implies that we are underestimating the importance of the SME sector in those countries. In addition, since the sampling frame is restricted to 5 employees or above, our results do not speak to the micro enterprises.

[6] The year when the establishment began operations refers to the year in which the establishment actually started producing or providing services. If the establishment was privatized, then the date refers to when the original government-owned establishment began operations.

[7] The Enterprise Surveys ask establishments to report the number of permanent, full-time employees at the end of the fiscal year prior to the year of the survey and three fiscal years ago. So we do not have a measure of job creation and destruction in the year the establishment was born, that is, first started operations in the country.

Second, our data are only on the continuing/surviving firms and hence we have no data on job destruction by firms which were liquidated over the sampling period. In particular, Haltiwanger et al suggest that very young firms have high failure rates. As a result, we probably overestimate the growth rates of very young firms. Below, we use our estimates of the proportion of surviving firms that report net job losses to get some indirect evidence on job destruction in young firms. On a related note, the surveys are stratified only by industry, firm size, and geographical location and so we may not have a completely representative sample of firm ages, though the firms within the strata are randomly sampled.

Finally, our analysis is at the establishment level and not at the firm level since the sampling unit in the Enterprise Surveys is the establishment. [8] While this has the advantage that our job creation measures are well defined and capture actual new jobs at the establishment rather than changes from mergers, acquisitions, and divestitures, we are not able to measure firm size accurately for multi-establishment firms. However we are helped to some extent that the establishments in our sample report whether they are part of a larger firm or whether they are stand-alone. While most of the establishments in our data are stand-alone establishments (86%) and hence can be treated as firms, for robustness, we repeat the analysis on the sub-sample of firms that report that they have a single establishment and find that all our results about relative contributions to employment and growth hold. Henceforth, we will use the term establishment and firm interchangeably.

While we recognize fully the above data limitations, we believe that this initial cross-country analysis is useful in understanding the relationship between size, age, job creation and growth in developing countries. However, since our data are based on surveys rather than census and subject to these caveats, the data presented in this paper are best used as cross-country evidence on the role of SMEs versus young firms.

[8] In the Enterprise Surveys, the establishment is defined as a physical location where business is carried out and where industrial operations take place or services are provided. In addition, an establishment must make its own financial decisions, have its own financial statements separate from those of the firm, and have its own management and control over its payroll.

III. Summary Statistics

In this section, we first preview the evidence on the relation between firm size and age by looking at aggregate employment and job creation shares across countries. Where possible we contrast our findings to the U.S. evidence in earlier literature. We then present detailed tables and charts across the entire size and age distribution across country income groups. Like all survey data, our data are subject to the usual sampling errors for surveys and the data caveats discussed in section II.[9] Hence, in presenting the summary statistics, we report medians across different sub-populations of firms.

A. *Aggregate Evidence on SMEs and Young Firms*

Figure 1 reports the employment shares across the 99 countries in our sample by firm age and firm size classes. Both the employment shares and the size and age classes are defined in the year before the survey. We first compute the employment shares in each country in each size-age bin and then plot the median values. Figure 1 shows that it is the mature SMEs (11+ years and 5-99 employees) that are the largest contributors to total employment (23.7%). Furthermore, in each age bin, the smallest size class (5-99 employees), have the largest employment shares and in each size bin, the oldest firms (11+ years) have the largest employment shares. We get similar patterns if we were to use mean values in each size-age bin rather than median shares across the 99 countries or if we were to repeat the analysis by income groups. After the mature SMEs, it is the large mature firms (500+ employees and 11+ years) that have the next largest share of employment (12.8%). There is very little employment in large young firms. This is consistent with the US evidence in Haltiwanger, Jarmin, and Miranda (2010a) who also find relatively little employment in large young firms. However, in contrast to our findings in developing economies, they find that large (not small) mature firms in the US have the largest share of employment.

Figures 2 and 3 present statistics on job creation and loss in our sample of surviving firms. Figure 2 presents the contribution to net job creation over a two year period as a share of total job creation in the economy in that period, by firm age and size classes. The age and size classes are defined in the base year. Of the 99 countries in our original sample, 17 of the

[9] The Enterprise Surveys are designed to be representative of large firms as those 100+ employees. While we have sampling weights for the surveys, the surveys may not be representative of the very large firms since the surveys also report higher non-response rates (for the whole survey) for the large firms.

countries had a net job loss and for 1 country (Bangladesh) we do not have the employment levels in the base year so we are unable to calculate job creation numbers. Hence, Figure 2 plots the median values in each size-age bin across only 81 countries. Figure 2 shows that net job creation is largest in the small mature firms. There is also substantial job creation in small younger firms (above 10%) but very little job creation in the larger firms irrespective of age. In Figure 3, we focus on the 17 countries that had a net job loss and find that the very large firms and mature firms, that is, firms with over 500 employees and over 11 years old, have the largest job loss. Here again small mature firms have the largest job creation and interestingly, small firms with less than 100 employees across all age groups are the biggest job creators in these economies.[10]

Our results contrast with the U.S. evidence in Haltiwanger, Jarmin, and Miranda (2010a) who show that the largest job creation in the US is among small young firms (start-ups) though there is also some notable job creation among large mature firms. More importantly, small mature firms which have the largest net job creation in our sample of developing counties have net job losses in the US. There are two caveats to our data. First the job creation shares are computed only on continuing firms and exclude the year of firm birth, and so we are unable to draw conclusions about firm births or the start-ups in our data. However, as shown in Klapper and Love (2010), the rate of firm birth is much lower in developing economies. Second, our job creation is measured over a two year period whereas the US evidence is on an annual basis.

In the next sub-sections, we present detailed statistics on size, age, employment, and job creation and in section IV, we turn to a more systematic and rigorous analysis to validate our findings above.

B. SME and Young Firm Contributions to Employment

In Table 1 in cols. 1-6, we present data on SME share of total employment using six different cut-offs - SME100, SME150, SME200, SME250, SME300, and SME500. We first present data on 99 developing economies covered by the Enterprise Surveys and then supplement with data

[10] The 17 countries experiencing job losses are Botswana, Burundi, Cote d'Ivoire, El Salvador, Eritrea, Honduras, Lao PDR, Latvia, Former Yugoslav Republic of Macedonia, Nepal, Panama, Serbia, Sierra Leone, Tonga, Uzbekistan, Western Samoa, and Yemen Republic. Most of these countries have had civil strife and ethnic conflict and it is conceivable that when institutions break down, it is only the small firms that are able to employ people and create jobs.

on 44 countries (2 low income, 7 middle income and 35 high income countries) from other data sources including the OECD and European Commission. Appendix Table A1 details out the country-specific sources and also provides the SME shares for just the manufacturing sector for cut-offs other than SME250. For comparison sake, in Col.7, we also present data for the SME250 cut-off for only the manufacturing sector.[11]

The statistics on SME250 employment from the ES data in Table 1, show that the SME sector's reported share of total employment ranges from less than 20% in countries like Lesotho (16.06%) and Russia (16.62%) to 100% in some of the smaller countries like Angola, Burundi, Eritrea, Micronesia, Tonga, and Vanuatu. The SME250 (Manufacturing) varies from 3.14% in Lesotho to 100% in countries like Kosovo, Niger, Montenegro, Timor-Leste, Sierra Leone, and Gambia. The median SME250 in the sample of 99 countries is 66.76 (Latvia) and SME250 (Manufacturing) is 62.37 (Croatia) suggesting that SMEs play an important role in many economies in contributing to total employment in the economy as well as in the manufacturing sector. When we add in data from sources other than the ES especially on the high income countries, the median value of SME250 is 66.89 (Belgium) and SME250 (Manufacturing) is 60.82 (between Cote d'Ivoire and Norway). The proportions of firms falling under the different SME measures are very highly correlated, with correlation coefficients across the 6 measures ranging from 0.85 to 0.99. The SME250 and SME250 (Manufacturing) are also very highly correlated with a correlation coefficient of 0.86.

In Figure 4, we compare the SME250 share of employment with the size of the informal sector and entry density across the 125 countries in Table 1 for which we have data on SME250. Since we do not have data on the informal sector's contribution to total employment, we rely on the measure of size of the informal sector as a percentage of official GDP from Schneider,

[11] The SME database in Ayyagari, Beck, and Demirguc-Kunt (2007) only covered the formal labor force in manufacturing. The sample of 54 countries in Ayyagari, Beck, and Demirguc-Kunt (2007) were mostly rich developed nations and thus differ greatly from the developing country sample in the Enterprise Surveys (ES). Of the 54 counties for which SME250 share of manufacturing labor force is reported in Ayyagari et al. (2007), only 30 countries overlapped with the ES database. When we include the 44 countries for which we have additional data from sources other than the ES, we find the SME250 Manufacturing measure in our data to be significantly correlated with that in Ayyagari et al. (2007).

Buehn, and Montenegro (2010) and averaged over 2005-2007.[12] Entry Density is the number of newly registered limited liability firms per 1000 working-age people (ages 15-64) from the World Bank Entrepreneurship database (Klapper and Love, 2010). Figure 4 shows that relative sizes of the SME sector (as a % of total employment) and the informal economy (as a % of GDP) decreases from Low to High Income countries. However, the differences are not stark, with the SME sector share ranging from 78% in Low Income countries to 67% in High Income countries.[13] By contrast, there is considerable variation in entry density from 0.4 in Low income countries to 6.4 in High Income countries. This suggests that entrepreneurship and dynamism, as captured by entry density, show greater covariation with income level than does the absolute size of the SME sector, and thus deserve greater policy attention.

Table 2, shows the contribution to employment across the entire size distribution in each country. For better comparability, from here on we use only the data from the ES. The sum of all the employment contributions across the size distribution in an economy should add to 100%. The summary statistics show that the median employment is largest in the smallest size class of 5-19 employees and this holds when we look across income groups. Further, the very large establishments with 1000 employees and over contribute very little to total employment in low income countries, whereas they have the largest share of total employment in upper-middle income countries.

Figure 5 shows the contribution to employment by size class for the median country in each income group. Several interesting patterns emerge. Across income groups, establishments that employ less than 100 people have the largest employment shares, ranging from 40% in upper-middle income countries to 57.6% in low income countries. They are followed by firms with 100-249 employees in the low income group countries (15.9% employment share), whereas

[12] Schneider et al. (2010) define the informal sector as all market-based legal production of goods and services that are deliberately concealed from public authorities to avoid payment of income, value added or other taxes; to avoid payment of social security contributions; having to meet certain legal labor market standards, such as minimum wages, maximum working hours, safety standards, etc; and complying with certain administrative procedures such as completing statistical questionnaires or administrative forms.

[13] In unreported statistics, we find a significant negative correlation between SME250 and Log(GDP/capita) in 2005 (correlation coefficient is -0.17 and significant at the 5% level) as also between SME250 (Manufacturing) and Log(GDP/Capita) in 2005 (correlation coefficient is -0.24 and significant at the 1% level). While it may appear that this result contradicts earlier figures in Ayyagari et al. (2007), it is to be noted that we have a much larger dataset of developing countries in this paper compared to the 54 countries in Ayyagari et al. (2007), most of which were high income countries. The negative association between SME share of employment and GDP/capita is also consistent with anecdotal evidence and empirical figures in Snodgrass and Biggs (1996).

in the middle and high income group countries, the largest establishments with more than 500 employees have the second highest employment shares (ranging from 23.3% in lower-middle to 28.2% in upper-middle income countries).

Both Table 2 and Figure 5 show that while small firms are the largest contributors to employment, the contribution by large firms and medium sized firms is not insignificant. We further explore our data and their implications for the "missing-middle" phenomenon in Ayyagari, Demirguc-Kunt, and Maksimovic (2011).

In Table 3, we present data on the contribution of young firms, both less than 2 years and less than 5 years as well as across the entire age distribution of firms in the economy. Note that the sum of all the employment contributions across the age distribution in each country does not sum to 100% in all cases because of missing data on age for some firms. Further, all our statistics on age are subject to the caveat that we only have the surviving firms.

Focusing on the contribution of young firms, we find that firms less than 2 years old generate little or no employment in countries like Eritrea (0%) to a high of 43.14% in Timor-Leste. The sample mean is 6.75% and the sample median is 4.78%. Overall, we find that across countries, firms less than two years contribute a very small fraction of overall employment.

In Figure 6, we show the contribution to employment by different age bins for the median country in each income group. The contribution to employment of firms less than two years old and between two-five years old is clearly decreasing across income groups and is below 15% in all cases. When we look at establishments that are between 6-10 years old, the employment contribution is more substantial, ranging from 17% in the median upper-middle income group country to 23.2% in the median country in the low income group. Across income groups, firms older than 10 years have the largest share of total employment.

Overall, we find that small firms and mature firms have the largest shares of employment across countries.

C. Job Creation Shares of SMEs versus Young Firms

Next we analyze how job creation is affected by characteristics of firms: age and size. We first examine the job creation in each size/age class as a share of total job creation in the economy, where job creation is defined as the employment change over a two year period. The size and age classifications are in the base year. Of the 99 countries in our sample, 17 countries had a net job loss and we do not have job creation data for Bangladesh. To allow for easier interpretation, we report the data in the tables for the two samples, that is the 81 countries which had a net positive job creation and 17 countries which had a net job loss, separately.

In Panel A of Table 4, we present the job creation shares by size class in the 81 countries that had a net positive job creation. The first column of Table 4 shows that job creation share in the SME250 sector ranges from 20.3% (Chile) to 766.29% (Kyrgyz Republic). Overall, the sector generates a significant share of overall jobs in the economy as indicated by the high sample mean of 105.38%[14] and median of 93.04%. Figure 7 shows the split across income groups in the 81 countries that had a net positive job creation and we find that the job creation share for firms with less than 100 employees ranges from 67.5% in upper-middle income countries (median) to 95.4% in low income countries. In unreported statistics where we examine a more detailed breakdown of size classes, we find that in the median countries across income groups, the 20-49 employees size class has the largest share of job creation.

In Panel B of Table 4 we focus on the 17 countries that had a net job loss and report the job creation/destruction in each bin as a share of overall job loss in the country. Interestingly, we find that only in 4 of the 17 countries (Eritrea, Lao, Tonga, and Uzbekistan), the SME250 sector has a net job loss. When we look at the summary statistics across the countries we find that the median value in all the bins with less than 1000 employees is positive suggesting that it is the very large firms that are losing jobs in these economies. This is also seen in Figure 8 where we find that across income groups the firms with 500+ employees are losing jobs where as even in these economies the smallest firms with less than 100 employees are creating jobs.

[14] The mean over 100% implies that larger firms on average lost jobs and hence the SME sector creates more jobs than the overall jobs in the economy.

In Table 5, we look at the two year employment generation across establishment age. Here again we split the sample into countries that had a net job gain and those that had a net job loss. In Panel A, we examine the job creation in each size-age bin for the 81 countries with a net job gain. In this sample, the mean and median job creation for firms less than 2 years old is 21.7% and 14% respectively. For firms less than five years old, the mean is 36.5% and median is 19.6%. Figure 9 graphs the median values in Table 5 across age classes and across income groups in countries that had a net positive job creation. Figure 9 shows that except in the low income countries, there is a monotonic increase in job creation share from young to mature firms in all other income groups. The share of job creation in firms that are older than 10 years is 24.4% in lower-middle income countries, 45.5% in upper-middle income countries, and 47% in high income countries. In low income countries, the largest share of job creation is in firms that are 6-10 years old (31.4%).

Panel B of Table 5 presents the data for the sample of 17 countries that had a net job loss. The summary statistics show that the mean value for firms older than 10 years is negative. Figure 10 shows that across income groups, the mature firms over 10 years old had the largest portion of job losses.

Overall, we find that small firms and mature firms have the largest shares of job creation but large and mature firms have the largest share of job losses. Even in countries which had a net job loss we find the small firms to be creating jobs.

IV. Regression Analysis

In this section, we turn to a more systematic analysis of the summary statistics using regression analysis. Our primary objective is to understand the relationship between growth, size, and age. Hence we run regressions of the form:

$$Growth = a + b_1\, Size + b_2\, Age + b_3\, Industry\ Dummies + b_4\, Year\ Dummies + b_5\, Country\ Dummies + e \quad (1)$$

Our main measure of growth is Employment Growth defined as the log difference between employment three years back and employment last year divided by two. We also use Sales Growth and Labor Productivity (Sales/Worker) Growth, constructed similarly, to see if

there is an association between size, age and increase in sales and productivity. We use three dummies for size – 1-100 employees, 101-250 employees and 250+ employees (reference category). We use three dummies for age – ≤ 2 years, 3-5 years and 6+ years (reference category). Both size and age dummies are constructed in the base year. In addition to country and year fixed effects, we control for industry fixed effects since firm size and firm age distributions vary by industry as do net growth rate patterns.

While there are several approaches to the use of survey data in regression analysis, we follow the "model approach" (see Cameron and Trivedi, 2005) used in the literature which utilizes data collected in the sample directly, without weighing. Hence we use simple OLS regressions to estimate (1), with standard errors clustered at the country level. As robustness, we also report weighted estimates below.

Cols.1-5 of Panel A in Table 6 present employment growth regressions, cols. 6-8 present sales growth regressions and cols. 9-11 present productivity growth regressions. In cols. 1-3 we first enter only size dummies, only age dummies and then both size and age dummies to replicate the specifications in Haltiwanger, Jarmin, and Miranda (2010b) who look at the impact of size and age on employment growth in the US.[15] Col.1 shows that when size dummies are entered into the regression without age controls we find all firms with 250 employees or less to have higher employment growth rates than firms with more than 250 employees, with the smallest size bin of 5-100 employees growing the fastest. Col. 2 shows that firms that are five years old or less have higher employment growth than more mature firms with the youngest firms that are two years or less growing the fastest. In col. 3 we enter both size and age dummies, and find that small firms have higher employment growth than large firms controlling for firm age and that young firms have higher employment growth than old firms, controlling for firm size. These relations also hold when we look at manufacturing firms in col. 4 and non-manufacturing firms in col. 5 though the Size Dummy for 101-250 employees is not significant in the sample with just non-manufacturing firms.

[15] If E_{it} is the employment in year t for establishment i, our employment growth is $[\log(E_{it})-\log(E_{it-2})]/2$. We treat establishments as firms in our sample since 86% of our sample is single establishment firms and our results are robust to restricting it to single establishments. By contrast, the establishment growth rate in Haltiwanger et al. is $(E_{it} - E_{it-1})/(0.5 * (E_{it} + E_{it-1}))$. The firm growth rate in their regressions is a weighted sum of establishment growth rates, taking into account only organic growth at the establishment level and correcting for mergers and acquisitions.

Our results on size are in contrast to Haltiwanger, Jarmin, and Miranda (2010b) who find that once they control for firm age there is no systematic relationship between firm size and growth. Clearly in developing economies small firms have higher employment growth, even after controlling for age.

The sales growth regressions in cols. 6-8 show that that there is no evidence that small firms (less than 250 employees) have higher sales growth than larger firms controlling for firm age though young firms (both ≤ 2 years and 3-5 years) have significantly higher sales growth than more mature firms (6+ years) controlling for firm size and these results hold for both the sub-samples of manufacturing and non-manufacturing firms. When we examine productivity growth regressions we find that small firms have significantly lower productivity growth than large firms controlling for firm age and the youngest firms (≤ 2 years) have higher productivity growth than the most mature firms (6+ years) controlling for firm size. These results hold for the manufacturing sector and the non-manufacturing sector separately, though in the latter the significance levels are much weaker.

In unreported results, we obtain similar findings when we examine just the Food industry across all the countries in our sample. Manufacture of food products and beverages (ISIC 15) is one of the manufacturing industries found in all of the 99 countries in our sample. Here again the smallest firms with 250 employees or less have higher employment growth, as good or lower sales growth, and lower productivity growth than firms with more than 250 employees. The youngest firms in the Food industry have higher employment and sales growth but there is no evidence of higher productivity growth than in more mature firms that are older than five years.

Panel A of Table 6 enables us to separate out the effects of size and age on firms' employment, sales and productivity growth. However, it is often more convenient to examine the growth rates of certain categories of firms directly. Accordingly, in Panel B we look at distinct categories of size-age classifications by entering 9 dummies for the intersection of the three size (5-100, 101-250, and 251+ employees) and three age classifications (≤ 2 years, 3-5 years, 6+ years) with the largest and oldest (that is 251+ employees and 6+ years) being the reference category. Col. 1 shows that compared to the largest and most mature firms, the smallest firms across different ages are growing faster – the coefficients for 5-100 employees and ≤ 2 years, 5-

100 employees and 3-5 years, and 5-100 employees and 6+ years are all positive and significant at the 1% levels. The mid-size firms that are "middle-aged" and older are also growing faster than the largest and most mature firms – the coefficients for 101-250 employees and 3-5 years and 101-250 employees and 6+ years are both positive and significant at the 1% levels while the coefficient for the 101-250 employees and ≤ 2 years is positive but not significant. Col. 1 also shows that the largest firms with 251+ employees, irrespective of age, are not growing fast. These results hold when we look at the sub-sample of manufacturing firms in col. 2. In col. 3 when we look at non-manufacturing firms, our results on SMEs are stronger because we find only the size-coefficients of 5-100 employees and ≤ 2 years, 5-100 employees and 3-5 years, and 5-100 employees and 6+ years to be positive and significant at the 1% levels. None of the med-sized or large firm coefficients are significant irrespective of age.

Cols. 4 to 6 present sales growth regressions. Here we find a significant effect of age on size because we find that in the full sample and in the sub-sample of manufacturing firms, only the SMEs (5-100 employees) that are 5 years or below are growing faster than larger more mature firms. This is even more apparent in the non-manufacturing sector where we find that only the smallest and youngest (firms with 5-100 employees and ≤ 2 years) have higher sales growth than the largest, most mature firms. Across all three samples we find the constant which is the reference category of the largest most mature firms to be positive and significant at the 1% level.

The productivity growth regressions in cols. 7-9 show that in developing economies it is the largest and oldest firms (reference category) that have the highest productivity growth. SMEs with 5-100 employees irrespective of age have significantly lower productivity growth than the larger firms. While the mid-sized firms (101-250 employees) that are ≤ 2 years old or 3-5 years have as good or slightly higher productivity growth than the largest mature firms, the mature mid-sized firms (101-250 employees and 6+ years) have significantly lower productivity growth than the largest mature firms.

Overall panel A and B show that small firms have higher employment growth but lower productivity growth than large firms and these results hold controlling for firm age. In the sub-sections below we put our results through a battery of robustness tests.

A. Across Income Groups

In this section we examine how our results vary across country income groups. In Table 7, in cols. 1-4 we look at employment growth, in cols. 5-8 we look at sales growth and in cols. 9-12 we look at productivity growth.

We find that across all income groups, controlling for size and age in all regressions, small firms (especially those with 5-100 employees) and young firms (especially those that are two years old or lesser) have higher employment growth than large firms (more than 250 employees) and mature firms (older than five years) respectively. While we do not find small firms to have significantly different sales growth compared to large firms, we do find that firms 5 years old or below have significantly higher sales growth than those over 5 years old. We also find that firms that have 5-100 employees have significantly lower productivity growth than those with more than 250 employees except in high income countries where the coefficient is negative but not significant. The age coefficients are not significant in the productivity regressions except in the high income countries where we find the youngest firms that are two years old or less have significantly higher (at the 10% level) productivity growth than firms over five years old. However we are inclined to rely less heavily in our findings on the youngest age bin because these firms are most likely to be subject to survivorship bias given the data limitations.

B. Size of Informal Sector

In this section we examine whether the contribution of size and age to growth varies depending on the size of the informal sector in the economy. Of the 98 countries for which we have data on firm growth rates, we have data on the informal sector's contribution to GDP in 89 countries from Schneider et al. (2010). In Table 8, in cols. 1-3 we report results for countries with a large informal sector (above the median value) and in cols. 4-6 we report results for countries with a small informal sector (below the median value).

Table 8 shows that when we look at countries with large informal sector we find that the smallest firms that have 100 employees or fewer have higher employment growth but lower productivity growth than firms with more than 250 employees. Firms with 101-250 employees have significantly higher employment growth than those with over 250 employees and while

they also seem to have lower productivity growth, it is not significant. Firms younger than 5 years have higher employment and sales growth than those over 5 years and only the youngest firms that are 2 years old or less have significantly higher productivity growth than the more mature firms. We find similar results across size and age in the sample with small informal sectors in cols. 4-6. This suggests that the size of the informal sector does not make a material difference to our results.

C. Stand-Alone Establishments vs. Establishments That Are Part of a Larger Firm

Since all our data are at the establishment level, in this section, we split our sample into establishments that state that they belong to a bigger firm and those that are stand alone.

Cols. 1-3 of Table 9 report results for a sample of single establishment firms. We find that the small firms (5-100 employees and 101-250 employees) have higher employment growth and lower productivity growth than firms with over 250 employees. While all firms that are five years or below have higher employment and sales growth, only the youngest firms that are two years old or less have higher productivity growth than firms that are over 5 years old.

In the sample of establishments that are part of a larger firm in cols. 4-6, we again find that small establishments have higher employment growth than large establishments. The size coefficients are not significant in the sales growth or productivity growth regressions. While young establishments that are 5 years old or less have higher employment growth and higher sales growth than more mature firms, they do not have significantly higher productivity growth than the more mature firms.

Overall, across both sub-samples, we find consistent results that small establishments and young establishments have higher employment growth than large establishments and mature establishments correspondingly. While we also find that stand-alone small establishments (<=250 employees) have lower productivity growth than stand-alone large establishments (over 250 employees) and stand alone young establishments (<=2 years) have higher productivity growth than more mature stand alone establishments (over 5 years), these results on productivity growth are much weaker and not significant in the sample of establishments that are part of a large firm.

D. Additional Robustness

In this section we perform additional robustness tests of our main results. In cols. 1- 3 of Table 10 we include country x sector interaction effects and find all our results to hold. We do not include the interaction effects in all tables so as to not to overwhelm the sample with so many interaction effects. Cols. 1-3 show that small firms with less than 250 employees have higher employment growth and lower productivity growth than larger firms. Firms younger than five years old have higher employment growth and sales growth than more mature firms and the youngest firms that are two years old or less have higher productivity growth than the more mature firms.

In 64 surveys in our sample, for each firm, we have a unique stratification identifier. [16] Hence in cols. 4-6 we restrict the sample to these 64 countries and run OLS regressions clustering standard errors by survey strata. None of our results are changed. Small firms have higher employment but lower productivity growth. Young firms have higher employment growth, sales growth, and productivity growth.

In cols. 7-9 we use survey regression techniques that adopt a "census approach" [17] where in, the firms are weighed by their sampling weights. This approach gives more weight to firms in the larger countries, and thus provides a better description of the outcomes to typical firms across the world. The standard errors take weights, clustering and stratification into account. The weighted survey regressions show that the smallest firms with 5-100 employees have significantly higher employment growth than firms with more than 500 employees. Firms that are five years old or less have significantly higher employment growth than more mature firms. When we look at sales growth, we find that small firms have as good or lower sales growth than larger firms – the size dummy for 101-250 employees is negative and significant at the 10% level, which is stronger than the result with the OLS specification in col. 3 of Table 6. Firms that are five years old or less have significantly higher sales growth than more mature firms. When we look at productivity growth, we find that small firms with 101-250 employees have significantly lower productivity growth than firms with more than 250 employees. Overall, we

[16] For the remaining surveys we do not have a stratification identifier because block enumeration was used to overcome the lack of a reliable sample frame

[17] For a discussion of the census and model based approaches see Cameron and Trivedi (2005). For a practical illustration of the differences in the two approaches see Frohlich, Carriere, Potvin, and Black (2001).

find that using weighted survey regressions on a smaller sample does not make a material difference to our results.

E. Discussion

In this section, we discuss our findings in the context of the existing literature on firm size, age, and growth. The empirical literature on firm size and growth has largely focused on understanding the role of firm size and age for growth dynamics, and why Gibrats Law, the proposition that firm growth is independent of size, does not hold. [18] In the most recent evidence on this subject, Haltiwanger, Jarmin, and Miranda (2010a, 2010b) study U.S. census data and find that over the period 1992-2005, the large and mature firms (over 500 employees and 10+ years) account for about 45% of employment and most job creation (and destruction). They find that while small firms seem to have large shares of employment and job creation and grow faster, this results needs to be qualified since it is the small-young firms, especially startups that disproportionately create or destroy jobs. Startups in their sample contribute to less than 5% of employment but more than 15% to job creation. Furthermore, while size is inversely related to growth without controlling for age in the US, there is no systematic relation between size and growth once age is controlled for.

Our results, on the other hand, suggest that in developing economies small firms, especially small mature firms, are significant contributors to employment and job creation. We do not have data on job destruction. In employment growth regressions, we find that size remains a significant predictor for employment growth even after controlling for age. The importance of small firms in developing economies is of significance since we know that in these countries, small firms face many institutional constraints such as limited access to finance (e.g. Demirguc-Kunt and Maksimovic, 1998; Rajan and Zingales, 1998; Beck, Demirguc-Kunt, and Maksimovic, 2005), poorly functioning judicial systems and legal enforcement (e.g. La Porta, Lopez-de-Silanies, Shleifer, and Vishny, 1997), and weak property rights protection (e.g.

[18] See Sutton, 1997 for a review. Early studies such as Birch (1979, 1981, and 1987) found an inverse relation between growth and size and found small firms to be particularly important in job creation. Evans (1987), Dunne, Roberts, and Samuelson (1989), and Dunnes and Hughes (1994) focus on unraveling the roles played by firm age and size as determinants and find that larger firms have lower growth rates but are more likely to survive.

Claessens and Laeven, 2003).[19] Our findings on SMEs are broadly consistent with the OECD evidence in Haltiwanger, Scarpetta, and Schweiger's (2010) where they study net employment and find that small firms account for a higher pace of job creation and destruction. Our findings are also consistent with the results in Beck, Demirguc-Kunt, and Levine (2005) who find a large SME contribution to employment across 54 (mostly developed) countries and a strong association between the SME sector and GDP/capita growth but no evidence of causality.

On age, we also find that the youngest firms (two years old or less) have higher employment growth, sales growth, and productivity growth. Our results pertain to continuing firms, so it is important to bear in mind that the youngest firm class is most subject to survivorship bias in our data. In addition, we do not have growth rates in the year of the birth. However, our findings on the importance of SMEs for employment growth persist at all ages of firms and are not driven by the sizes of new firms alone.

We also find that while small firms are important for employment and job creation, the large firms have the highest productivity growth in our sample. This is consistent with the evidence in other work such as Banejee and Duflo (2005), Maksimovic and Phillips (2002), and Bartelsman, Haltiwanger, and Scarpetta (2009) who find that larger firms are more productive. Other studies such as Beck, Demirguc-Kunt, and Maksimovic (2006) also suggest that there is a positive relationship between firm size and the development of financial and legal institutions in a country.

V. Conclusion

We present a unique cross-country database on the contribution of SMEs and young firms to total employment, job creation, and growth across 99 developing economies. We find that small firms are important contributors to total employment and job creation. Unlike in the US, the relationship between size and job creation exists even when we control for firm age. However small firms also have lower productivity growth than large firms, which explains why job creation does not translate into faster growth. While the youngest firms have the highest

[19] Note however that Rauch (2010) shows that in less developed countries institutional reforms that disproportionately benefit small businesses may have adverse consequences such as interfering with the impact of trade reform since SMEs tend not to be export oriented and produce low quality output.

employment growth rates and highest productivity growth, these results are subject to greater qualification since young firms are also subject to greater survivorship bias.

With countries all around the world struggling to recover from the crisis, job creation policies are at the top of the agenda for policymakers. Our results caution that the challenge for policymakers is not only to create more jobs, but also to create better quality jobs to promote growth. Overall, our results show that while SMEs employ a large number of people and create more jobs than large firms, their contribution to productivity growth is not as high as that of large firms. Growth and increases in productivity require a policy focus on the potential obstacles, which range from lack of access to finance, the need for business training and literacy programs, as well as addressing other constraints such as taxes, regulations and corruption, which are the focus of an active research agenda. In addition, policies to improve entrepreneurship and innovation are likely to be important, since lack of dynamism is a distinguishing feature of developing countries and young firms tend to be productive and among the fastest growing. Finally, our results also suggest a need for greater focus on large, mature firms which have a notable share of employment and also have higher productivity growth compared to small firms.

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Figure 1: Employment Shares across countries by Size and Age

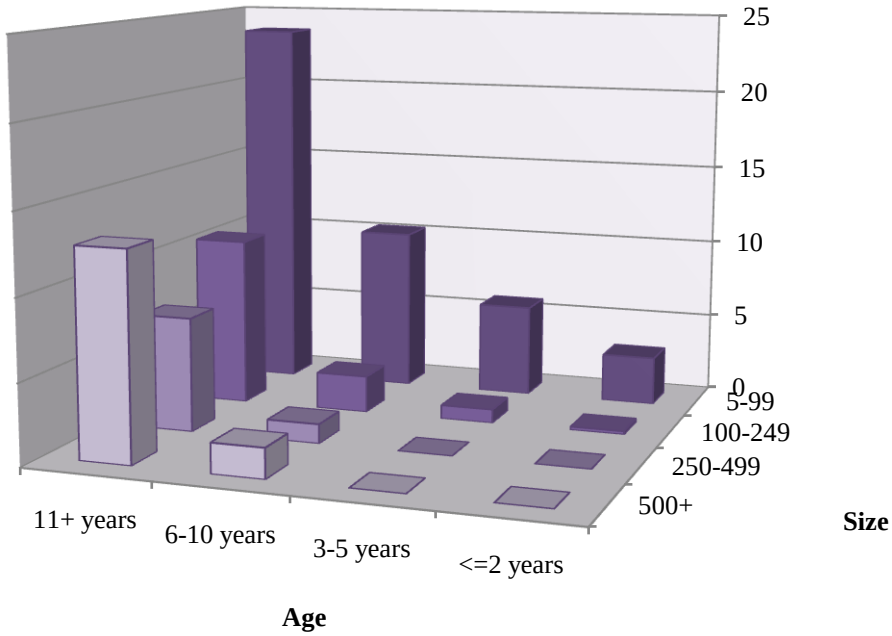

Figure 2: Job Creation Shares across countries by Size and Age
In Countries with net job creation (81 countries)

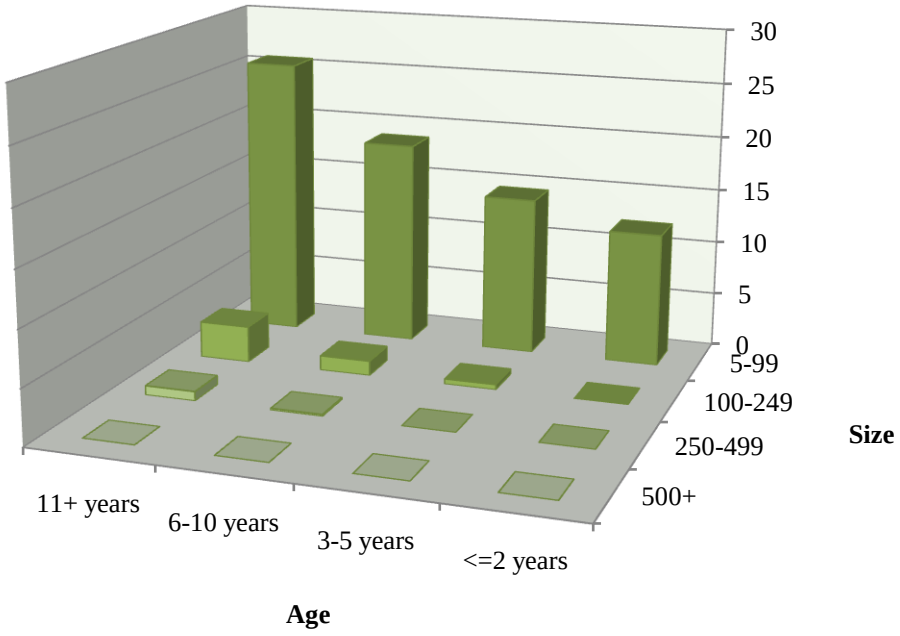

Figure 3: Job Creation Shares across countries by Size and Age
In Countries with net job losses (17 countries)

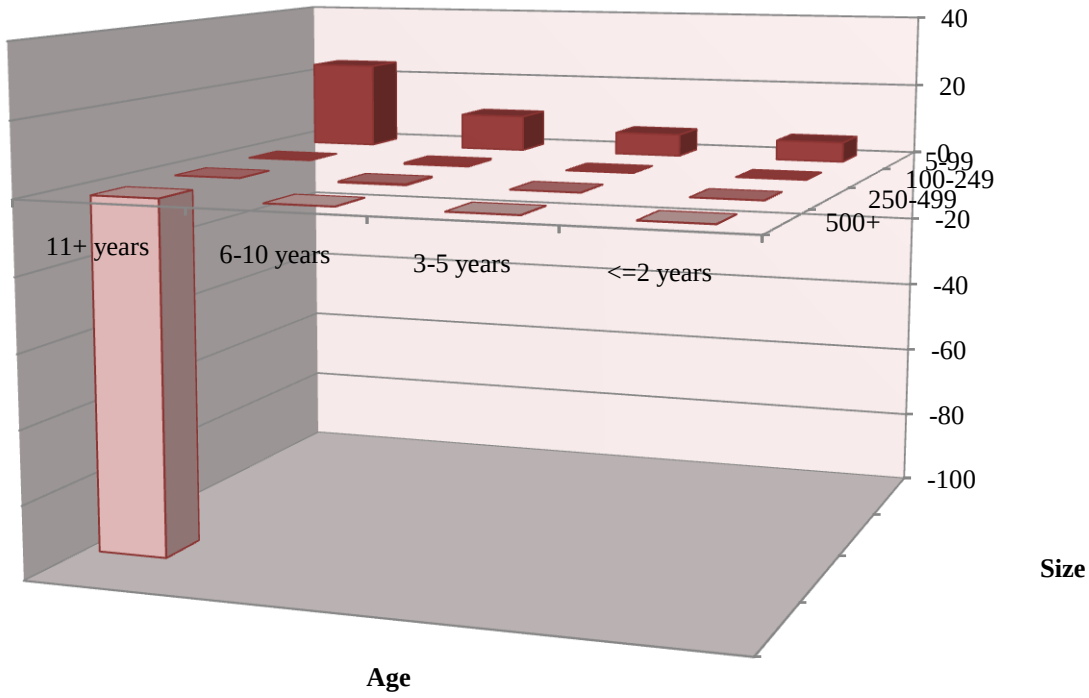

Figure 4: SME, Informal Sector, and Entry Density

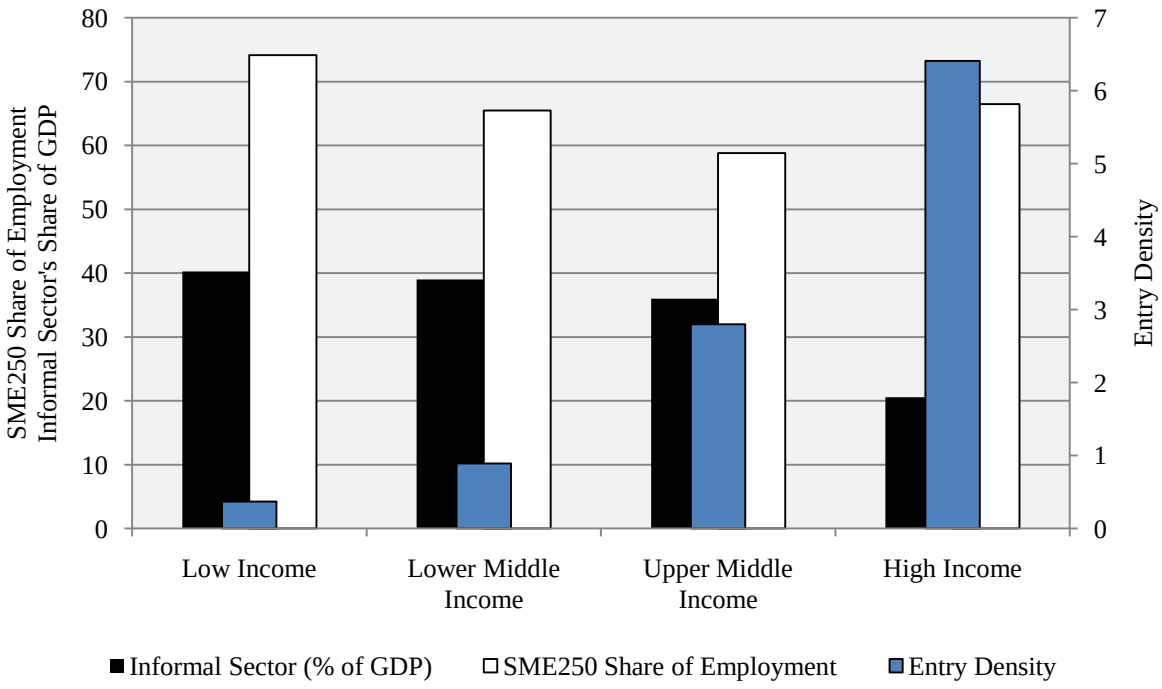

Figure 5: Employment Shares across countries by Size

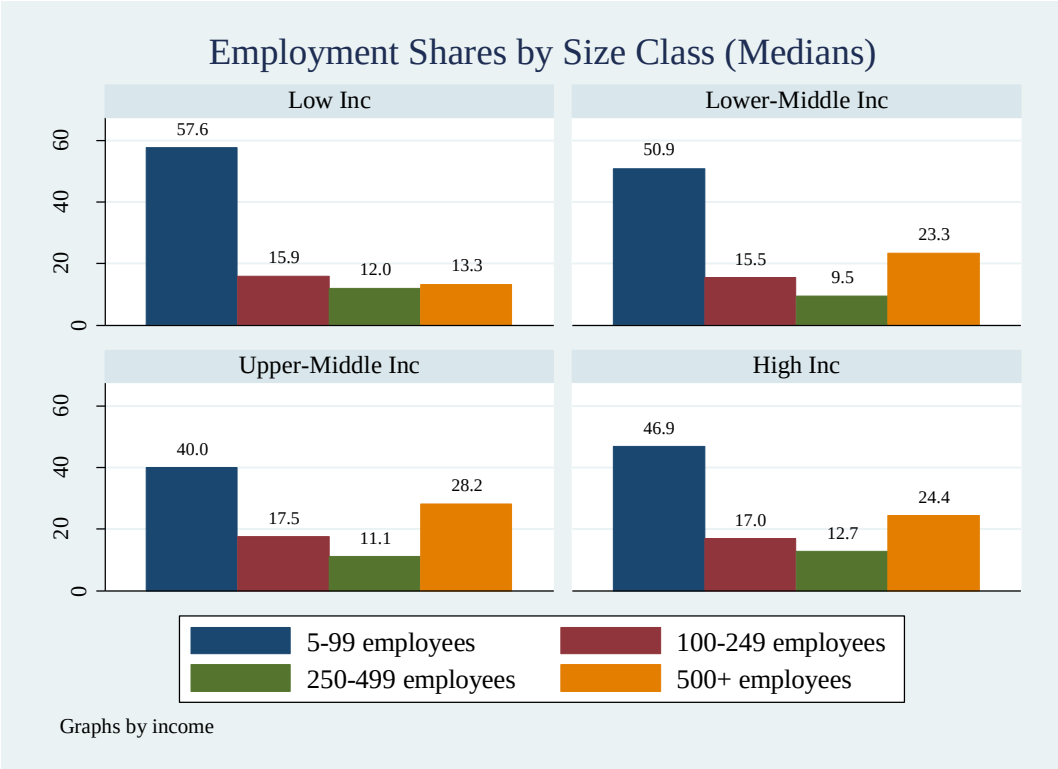

Figure 6: Employment Shares across countries by Age

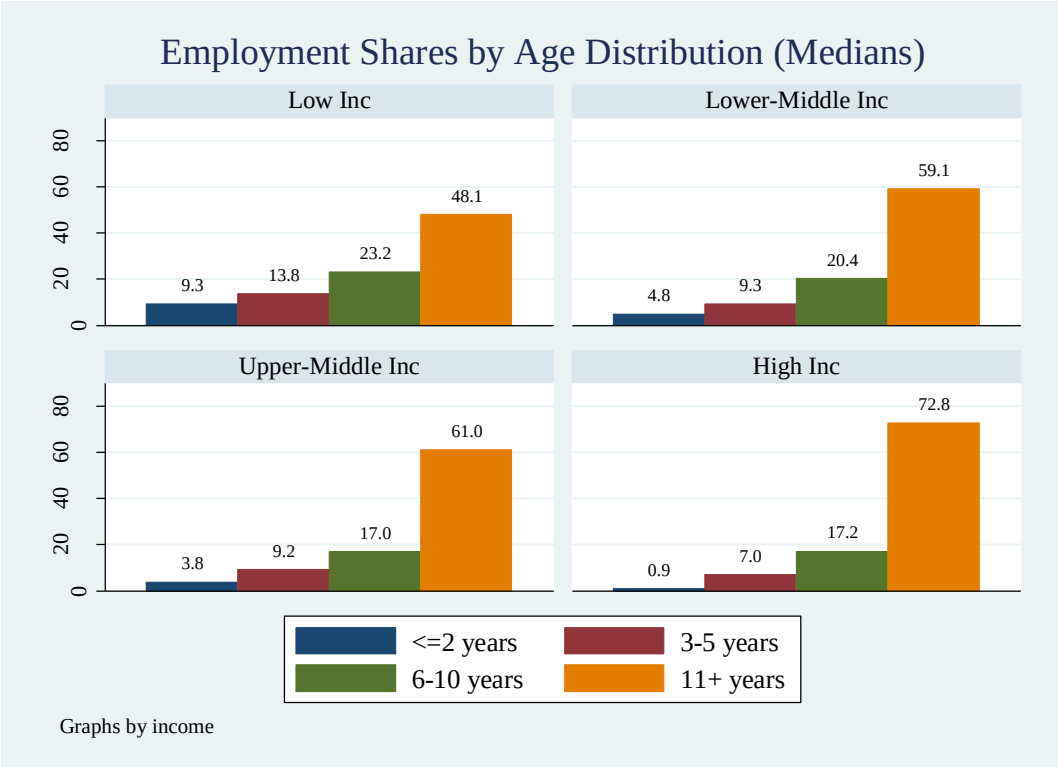

Figure 7: Job Creation Shares across countries by Size
In Countries with net job creation (81 countries)

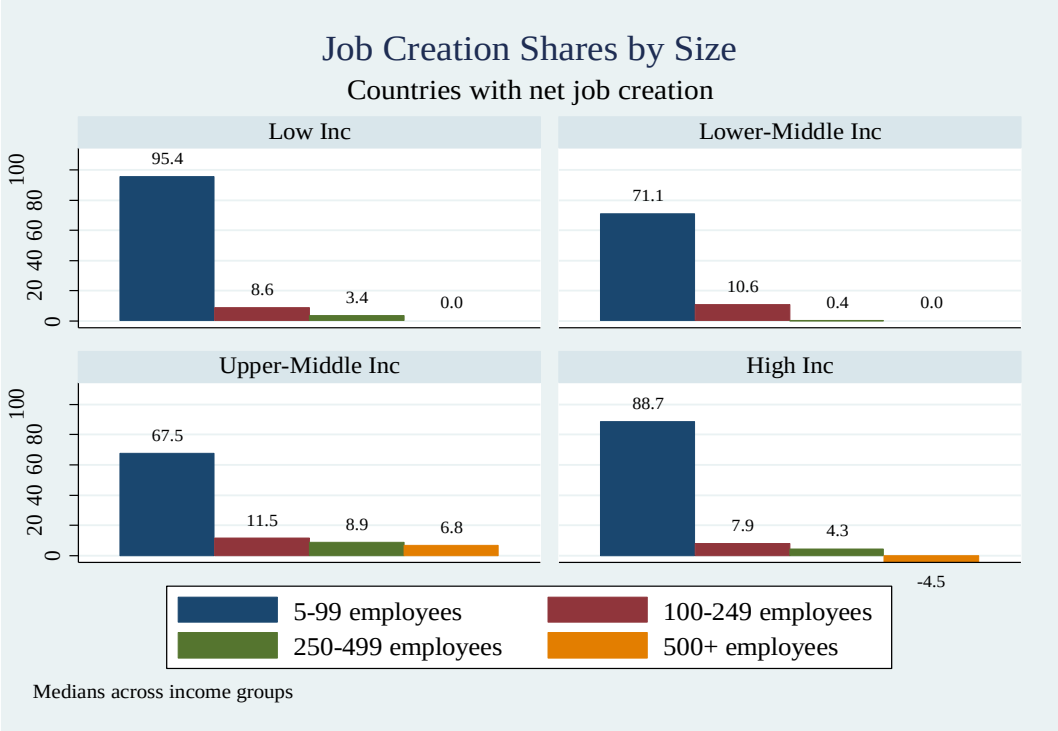

Figure 8: Job Creation Shares across countries by Size
In Countries with net job loss (17 countries)

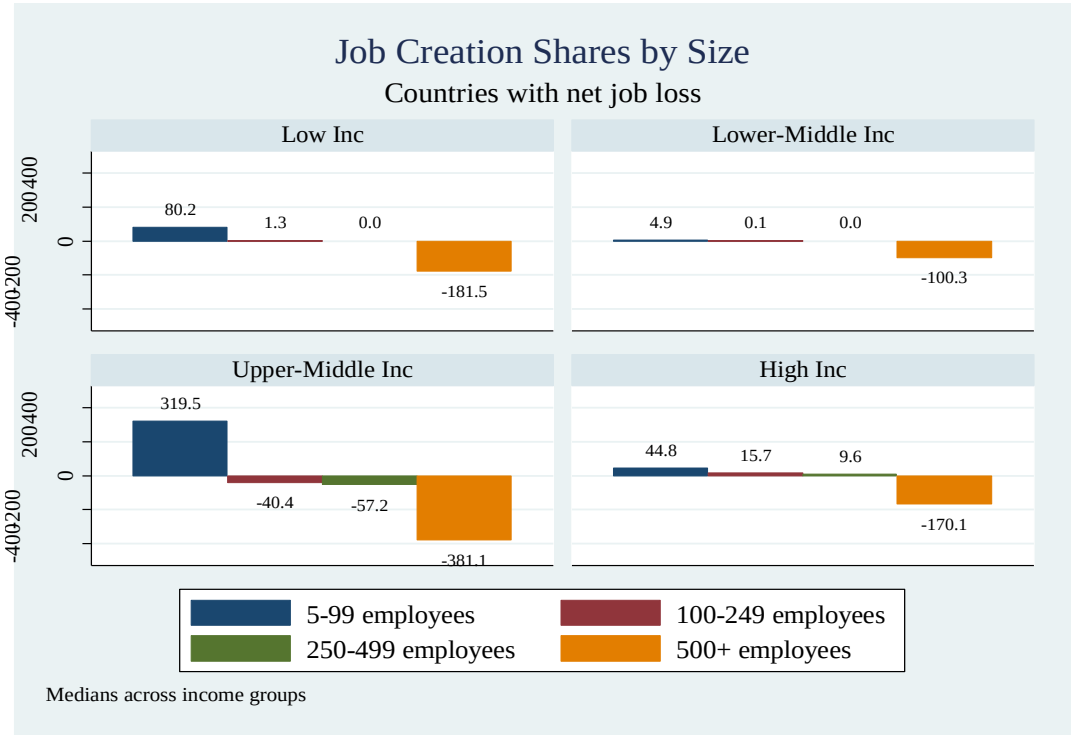

Figure 9: Job Creation Shares across countries by Age
In Countries with net job creation (81 countries)

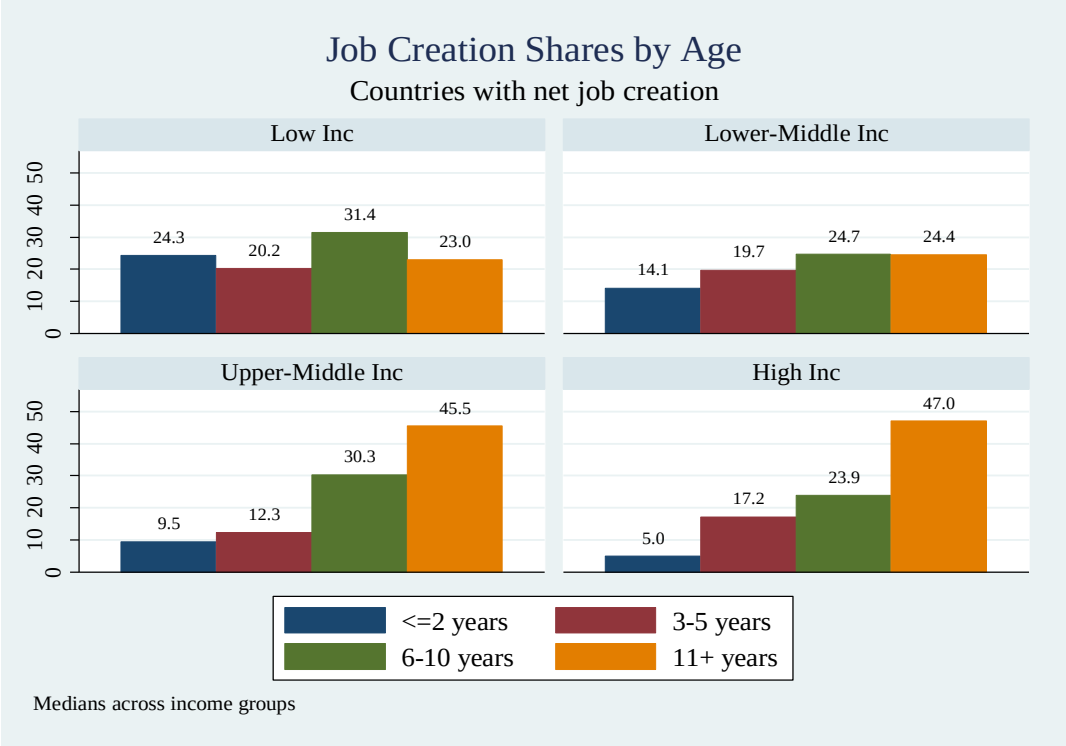

Figure 10: Job Creation Shares across countries by Age
In Countries with net job loss (17 countries)

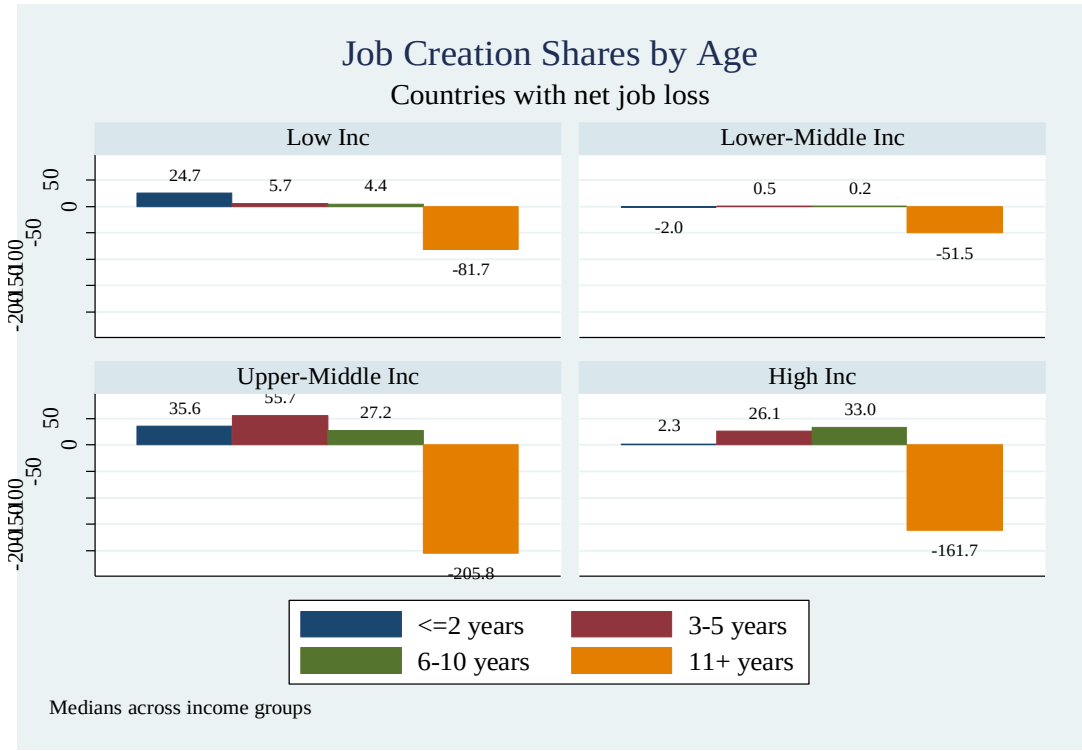

Table 1: SME Contribution to Employment Shares

This table presents the contribution of small and medium enterprises (SMEs) to total employment in each country. For 99 countries for which we have data from the World Bank Enterprise Surveys, we construct total employment to be the population estimate of the number of permanent, full-time employees in a particular year in each country. We construct 6 definitions of SMEs also based on permanent, full-time employment – SME100, SME150, SME200, SME250, SME300, and SME500. In col. 7 we report the share of Manufacturing SMEs with 250 employees or less as a share of total manufacturing employment, also derived from the survey. For 44 countries for which we don't have data from the Enterprise Surveys we use several other sources as described in the Appendix. We report summary statistics and median values across income groups and regions at the foot of the table.

				1	2	3	4	5	6	7
Nation	**Income**	**Region**	**year**	**SME100**	**SME150**	**SME200**	**SME250**	**SME300**	**SME500**	**SME250_ Manufacturing**
Afghanistan	Low income	SAR	2007	59.75	66.08	74.21	76.00	77.94	86.92	77.33
Albania	Upper middle income	ECA	2006	64.77	77.44	89.71	96.90	96.90	98.17	94.78
Angola	Lower middle income	AFR	2005	88.44	100.00	100.00	100.00	100.00	100.00	100.00
Argentina	Upper middle income	LAC	2005	18.62	23.63	26.10	27.59	31.38	42.65	29.18
Armenia	Lower middle income	ECA	2008	37.42	51.86	56.44	61.17	66.86	74.89	73.50
Azerbaijan	Upper middle income	ECA	2008	30.25	37.41	40.13	43.00	48.48	53.75	54.69
Bangladesh	Low income	SAR	2006	10.08	12.58	15.54	20.54	26.74	41.39	18.12
Belarus	Upper middle income	ECA	2007	20.62	27.23	32.41	35.58	41.31	51.07	18.93
Benin	Low income	AFR	2008	59.10	64.42	66.53	69.13	77.23	79.41	40.42
Bhutan	Lower middle income	SAR	2008	53.61	64.50	73.05	78.66	82.57	90.18	70.97
Bolivia	Lower middle income	LAC	2005	60.43	65.90	69.67	79.34	80.64	88.87	78.61
Bosnia and Herzegovina	Upper middle income	ECA	2008	44.83	53.08	61.02	66.19	68.24	82.43	65.04
Botswana	Upper middle income	AFR	2005	49.00	61.16	66.18	68.19	70.80	87.06	64.05
Brazil	Upper middle income	LAC	2008	21.35	28.76	34.25	37.10	38.05	49.96	36.69
Bulgaria	Upper middle income	ECA	2006	44.58	53.07	58.59	60.24	67.01	75.18	59.68
Burkina Faso	Low income	AFR	2008	45.79	66.18	69.76	79.00	80.40	83.06	79.91
Burundi	Low income	AFR	2005	90.95	96.66	100.00	100.00	100.00	100.00	100.00
Cameroon	Lower middle income	AFR	2008	29.46	41.67	45.45	46.50	48.24	63.69	35.62
Cape Verde	Lower middle income	AFR	2008	65.66	74.38	80.56	82.34	93.35	93.35	84.89
Chad	Low income	AFR	2008	70.80	84.72	84.72	84.72	92.09	100.00	64.47
Chile	Upper middle income	LAC	2005	15.24	19.31	22.16	23.10	25.83	59.49	41.34
Colombia	Upper middle income	LAC	2005	64.06	69.52	71.28	74.09	76.12	79.72	78.92
Congo, Dem. Rep.	Low income	AFR	2005	78.17	86.71	94.43	96.60	100.00	100.00	93.49
Congo, Rep.	Lower middle income	AFR	2008	54.21	59.43	61.79	76.20	80.72	80.72	53.10
Cote d'Ivoire	Lower middle income	AFR	2008	49.55	57.91	61.80	64.95	67.69	68.31	59.95
Croatia	High income: nonOECD	ECA	2006	51.51	58.53	61.46	73.05	75.34	86.03	62.37
Czech Republic	High income: OECD	ECA	2008	46.14	54.39	59.38	64.41	66.52	75.58	55.66
Ecuador	Lower middle income	LAC	2005	40.35	51.29	59.35	62.12	65.77	77.34	65.91
El Salvador	Lower middle income	LAC	2005	38.45	48.18	52.63	63.87	66.33	72.35	42.67
Eritrea	Low income	AFR	2008	87.51	100.00	100.00	100.00	100.00	100.00	100.00

				1	2	3	4	5	6	7
Nation	**Income**	**Region**	**year**	**SME100**	**SME150**	**SME200**	**SME250**	**SME300**	**SME500**	**SME250_ Manufacturing**
Estonia	High income: nonOECD	ECA	2008	60.66	67.77	73.42	77.82	82.66	89.60	82.38
Fiji	Upper middle income	EAP	2008	43.58	48.28	53.81	57.07	59.62	67.36	52.28
Gabon	Upper middle income	AFR	2008	36.83	43.52	52.42	57.24	57.24	61.76	54.51
Gambia	Low income	AFR	2005	69.68	69.68	79.49	85.74	92.00	100.00	100.00
Georgia	Lower middle income	ECA	2007	22.05	23.56	26.01	27.66	28.03	35.59	27.79
Ghana	Low income	AFR	2006	35.95	45.77	57.99	59.04	74.32	83.68	55.48
Guatemala	Lower middle income	LAC	2005	55.16	67.77	72.77	74.15	75.65	82.37	62.35
Guinea	Low income	AFR	2005	62.47	65.38	75.14	85.52	85.52	85.52	81.46
Guinea-Bissau	Low income	AFR	2005	75.39	75.39	75.39	85.91	100.00	100.00	72.10
Honduras	Lower middle income	LAC	2005	21.10	31.54	34.00	34.58	52.68	74.98	72.89
Hungary	High income: OECD	ECA	2008	33.20	39.51	42.58	45.61	48.80	56.48	40.87
Indonesia	Lower middle income	EAP	2008	41.13	44.22	46.43	47.46	48.40	52.56	45.10
Kazakhstan	Upper middle income	ECA	2008	36.44	45.55	53.33	58.15	60.67	72.20	51.15
Kenya	Low income	AFR	2006	33.12	42.55	47.06	53.69	58.47	63.57	41.75
Kosovo	Lower middle income	ECA	2008	67.78	86.57	89.32	91.24	93.24	93.24	100.00
Kyrgyz Republic	Low income	ECA	2008	42.92	52.85	55.85	58.60	82.72	88.33	47.91
Lao PDR	Low income	EAP	2008	56.79	64.00	67.60	72.50	76.44	80.86	50.68
Latvia	High income: nonOECD	ECA	2008	48.21	55.79	63.77	66.76	67.94	78.16	75.86
Lesotho	Lower middle income	AFR	2008	12.97	13.42	15.82	16.06	16.65	18.96	3.14
Liberia	Low income	AFR	2008	87.45	91.17	93.58	96.52	96.52	100.00	89.35
Lithuania	Upper middle income	ECA	2008	58.07	72.16	75.37	77.83	84.75	91.77	69.16
Macedonia, FYR	Upper middle income	ECA	2008	53.27	61.10	64.87	66.44	70.45	75.35	59.03
Madagascar	Low income	AFR	2008	35.35	42.78	46.43	48.47	52.34	65.49	30.71
Malawi	Low income	AFR	2008	24.71	31.20	34.03	36.38	38.01	53.16	23.11
Mali	Low income	AFR	2006	77.44	82.16	84.25	93.28	93.28	100.00	91.13
Mauritania	Low income	AFR	2005	81.18	84.56	93.84	93.84	100.00	100.00	91.54
Mauritius	Upper middle income	AFR	2008	35.22	46.05	53.66	62.06	66.71	75.65	52.59
Mexico	Upper middle income	LAC	2005	54.50	66.47	69.37	71.66	76.80	81.79	59.58
Micronesia, Fed. Sts.	Lower middle income	EAP	2008	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Moldova	Lower middle income	ECA	2008	52.58	58.04	65.42	69.28	73.96	83.70	53.48
Mongolia	Lower middle income	ECA	2008	57.48	65.40	71.10	73.60	76.01	85.81	74.37
Montenegro	Upper middle income	ECA	2008	71.72	78.00	88.35	91.43	94.94	94.94	100.00
Mozambique	Low income	AFR	2006	46.46	56.74	61.07	65.44	73.37	84.69	95.82
Namibia	Upper middle income	AFR	2005	77.15	86.96	89.70	90.47	90.47	93.70	74.51
Nepal	Low income	SAR	2008	74.41	77.11	80.52	85.09	85.74	94.80	81.72

				1	2	3	4	5	6	7
Nation	**Income**	**Region**	**year**	**SME100**	**SME150**	**SME200**	**SME250**	**SME300**	**SME500**	**SME250_ Manufacturing**
Nicaragua	Lower middle income	LAC	2005	54.96	71.99	73.72	75.19	79.42	88.11	64.51
Niger	Low income	AFR	2008	82.71	90.34	94.42	94.42	94.42	94.42	100.00
Nigeria	Lower middle income	AFR	2006	79.26	85.57	91.13	91.85	93.34	96.60	87.81
Panama	Upper middle income	LAC	2005	37.75	46.71	51.60	57.35	60.95	70.19	72.30
Paraguay	Lower middle income	LAC	2005	53.72	66.62	74.37	79.43	83.67	100.00	77.91
Peru	Upper middle income	LAC	2005	27.78	36.77	37.70	42.33	54.53	58.92	26.31
Philippines	Lower middle income	EAP	2008	32.13	38.74	42.59	45.87	50.91	55.92	47.49
Poland	High income: OECD	ECA	2008	38.98	48.32	59.53	71.09	77.78	89.22	63.90
Romania	Upper middle income	ECA	2008	48.87	58.80	65.63	70.06	75.07	82.66	61.80
Russian Federation	Upper middle income	ECA	2008	9.49	12.23	14.45	16.62	19.28	27.19	26.26
Rwanda	Low income	AFR	2005	43.62	50.14	58.46	66.27	72.86	72.86	53.31
Senegal	Lower middle income	AFR	2006	46.35	52.09	56.26	56.26	60.52	68.26	43.27
Serbia	Upper middle income	ECA	2008	34.94	46.69	51.17	56.57	59.55	72.53	54.11
Sierra Leone	Low income	AFR	2008	67.33	72.45	74.25	83.85	83.85	86.49	100.00
Slovak Republic	High income: OECD	ECA	2008	53.32	60.06	63.39	64.54	65.53	71.34	53.84
Slovenia	High income: OECD	ECA	2008	33.82	38.61	44.86	48.28	56.29	74.74	39.96
South Africa	Upper middle income	AFR	2006	40.10	50.02	53.98	57.92	61.34	70.44	56.80
Swaziland	Lower middle income	AFR	2005	35.29	40.97	46.65	50.28	61.32	67.36	34.64
Tajikistan	Low income	ECA	2007	30.97	36.79	40.50	47.48	49.76	59.16	39.53
Tanzania	Low income	AFR	2005	55.32	63.16	75.62	77.50	87.61	94.25	74.51
Timor-Leste	Lower middle income	EAP	2008	67.42	67.42	67.42	67.42	67.42	67.42	100.00
Togo	Low income	AFR	2008	64.53	68.84	78.06	79.90	86.71	92.93	67.25
Tonga	Lower middle income	EAP	2008	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Turkey	Upper middle income	ECA	2007	23.20	26.72	30.44	33.25	36.62	42.55	44.02
Uganda	Low income	AFR	2005	50.72	60.61	64.85	66.28	68.89	82.07	45.85
Ukraine	Lower middle income	ECA	2007	32.40	38.02	40.82	44.02	47.93	56.17	31.31
Uruguay	Upper middle income	LAC	2005	59.30	66.58	71.99	75.03	75.70	79.18	86.44
Uzbekistan	Lower middle income	ECA	2007	58.07	68.30	70.88	73.88	76.24	82.52	65.95
Vanuatu	Lower middle income	EAP	2008	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Venezuela, RB	Upper middle income	LAC	2005	55.39	62.12	70.07	72.40	78.77	80.00	73.75
Vietnam	Lower middle income	EAP	2008	22.58	29.50	36.06	37.04	45.26	52.99	28.29
Western Samoa	Lower middle income	EAP	2008	51.22	59.16	63.97	63.97	71.34	71.34	30.24
Yemen, Rep.	Lower middle income	MNA	2009	45.38	48.10	53.75	56.82	58.56	62.30	68.51
Zambia	Low income	AFR	2006	40.83	49.57	54.91	61.74	68.11	81.35	58.71
Data from Sources other than World Bank Enterprise Surveys										

				1	2	3	4	5	6	7
Nation	**Income**	**Region**	**year**	**SME100**	**SME150**	**SME200**	**SME250**	**SME300**	**SME500**	**SME250_ Manufacturing**
Austria	High	ECA	2008				67.26			54.66
Belgium	High	ECA	2008				66.89			54.98
Canada	High	NAmer	2009	48.05				59.27	63.51	
Costa Rica	Upper-Middle	LAC	2000	54.3						
Cyprus	High	ECA	2008				83.52			87.00
Denmark	High	ECA	2008				65.97			54.46
Finland	High	ECA	2008				59.69			48.74
France	High	ECA	2008				61.72			53.73
Germany	High	ECA	2008				60.50			46.85
Greece	High	ECA	2008				87.05			78.24
Iceland	High	ECA	2008				41.12			6.70
Ireland	High	ECA	2008				68.51			53.40
Israel	High	MENA	2008				57.80			51.19
Italy	High	ECA	2008				80.95			77.91
Japan	High	EAP	2007							67.80
Korea, Rep.	High	EAP	2004					86.5		
Liechtenstein	High	ECA	2007				65.23			31.61
Luxembourg	High	ECA	2008				66.76			39.49
Malta	High	MENA	2008				76.80			59.26
Netherlands	High	ECA	2008				67.18			67.20
New Zealand	High	EAP	2004						70.9	
Norway	High	ECA	2008				69.64			61.69
Portugal	High	ECA	2008				81.45			81.55
Singapore*	High	EAP	2008	55.83		65.72				
Spain	High	ECA	2008				78.04			74.04
Sweden	High	ECA	2008				63.73			50.60
Switzerland	High	ECA	2005				72.66			63.26
Taiwan, China	High	EAP	2006			77.76			85.84	
Thailand	Lower-Middle	EAP	2006	60.77		68.31			78.26	
United Kingdom	High	ECA	2008				54.83			56.47
United States	High	NAmer	2007	35.40	39.34	41.99			49.64	
American Samoa	Upper middle	EAP	2007							
Australia	High	EAP	2007			68.8				
Bahrain	High	MENA	2006	72.7						
Brunei Darussalam	High	EAP	1997	70.0						

				1	2	3	4	5	6	7
Nation	**Income**	**Region**	**year**	**SME100**	**SME150**	**SME200**	**SME250**	**SME300**	**SME500**	**SME250_ Manufacturing**
Egypt, Arab Rep.	Lower middle	MENA	2006	31.2						
Cambodia	Low	EAP	2001			7.7				
Lebanon	Upper middle	MENA	2004	12.00						
Morocco	Lower middle	MENA	2002				21.6			
Oman	High	MENA	2007	5.90						
Pakistan	Low	SAR	2005				78			
Puerto Rico	Upper middle	LAC	2007				43			
Saudi Arabia	High	MENA	2008			19.5				
Trinidad and Tobago	High	LAC	2007				75			
Summary Statistics										
Minimum				5.90	12.23	7.70	16.06	16.65	18.96	3.14
Mean				50.06	57.90	61.94	66.30	70.52	76.99	62.00
Median				49.55	58.67	63.87	66.89	73.37	79.86	60.82
Maximum				100.00	100.00	100.00	100.00	100.00	100.00	100.00
Median across Income Groups										
Low				59.43	65.73	74.21	78.00	83.29	86.71	73.31
Lower-Middle				52.58	59.16	64.70	66.19	71.34	77.80	65.91
Upper-Middle				41.84	49.15	53.90	58.15	64.03	73.86	57.92
High				48.13	54.39	61.46	66.89	67.23	75.16	55.66
Median across Regions										
AFR				54.77	63.79	68.15	76.85	80.56	85.11	65.86
EAP				56.79	61.58	67.42	65.70	71.34	71.34	52.28
ECA				44.71	53.08	59.46	66.32	67.48	75.47	55.32
LAC				53.72	56.71	64.36	67.77	70.99	78.26	65.21
MNA				31.20	48.10	36.63	57.31	58.56	62.30	59.26
NAmer				41.73	39.34	41.99		59.27	56.58	
SAR				56.68	65.29	73.63	78.00	80.26	88.55	74.15

Table 2: Contribution to Employment Shares by Size Class

This table presents the contribution of different size classes to total employment in each country. Total employment is the population estimate of the number of permanent, full-time employees in a particular year in each country, derived from the World Bank Enterprise Surveys. In col. 1 we report the SME250 contribution to total employment where SME250 consists of all firms with ≤250 permanent full time employees. In cols. 2-8, we report employment shares across 7 size classes based on permanent full time employment – 5-19 employees, 20-49 employees, 50-99 employees, 100-249 employees, 250-499 employees, 500-999 employees and 1000+ employees. We report summary statistics and median values across income groups and regions at the foot of the table.

	1	2	3	4	5	6	7	8
	SME	Size Class						
Nation	SME250	5-19	20-49	50-99	100-249	250-499	500-999	1000+
Afghanistan	76.00	22.40	16.85	16.20	18.76	12.70	13.08	0.00
Albania	96.90	24.62	23.85	14.91	33.52	1.26	0.00	1.83
Angola	100.00	59.66	23.30	5.48	11.56	0.00	0.00	0.00
Argentina	27.59	4.25	6.71	7.14	8.97	12.29	11.46	49.17
Armenia	61.17	10.86	12.81	12.54	23.00	15.68	8.39	16.71
Azerbaijan	43.00	9.54	9.57	10.72	13.17	10.75	3.34	42.91
Bangladesh	20.54	3.23	4.45	1.79	7.04	21.04	26.65	35.80
Belarus	35.58	4.83	7.23	6.82	16.48	11.80	33.07	19.77
Benin	69.13	28.79	29.48	0.83	10.04	8.10	22.77	0.00
Bhutan	78.66	24.97	17.78	9.87	21.87	15.70	9.82	0.00
Bolivia	79.34	18.66	24.68	15.94	16.26	12.31	11.08	1.07
Bosnia and Herzegovina	66.19	10.67	15.53	16.46	22.79	16.97	3.72	13.85
Botswana	68.19	17.98	14.54	12.06	23.62	18.86	9.89	3.06
Brazil	37.10	2.66	6.79	10.74	14.86	13.92	17.27	33.75
Bulgaria	60.24	12.92	18.24	11.80	16.84	13.81	4.90	21.48
Burkina Faso	79.00	20.39	17.47	6.25	34.89	4.06	0.00	16.94
Burundi	100.00	49.70	21.73	15.31	13.27	0.00	0.00	0.00
Cameroon	46.50	10.39	11.39	6.78	17.93	16.05	3.20	34.25
Cape Verde	82.34	28.01	24.18	13.46	16.69	11.01	6.65	0.00
Chad	84.72	20.14	29.61	11.32	23.64	15.28	0.00	0.00
Chile	23.10	4.09	5.08	4.80	8.77	36.65	7.08	33.53
Colombia	74.09	20.31	30.06	10.31	13.12	5.59	11.42	9.19
Congo, Dem. Rep.	96.60	40.14	22.83	14.07	19.57	3.40	0.00	0.00
Congo, Rep.	76.20	13.73	23.57	15.91	15.46	12.06	19.28	0.00
Cote d'Ivoire	64.95	28.94	14.91	4.06	16.55	3.86	5.88	25.80
Croatia	73.05	11.24	23.21	16.84	21.10	13.64	8.99	4.98
Czech Republic	64.41	13.83	15.58	16.25	18.12	11.80	10.45	13.97
Ecuador	62.12	13.05	13.13	12.75	23.19	14.57	13.26	10.06
El Salvador	63.87	15.66	12.51	8.36	21.16	13.88	13.11	15.32
Eritrea	100.00	40.13	28.55	18.83	12.49	0.00	0.00	0.00
Estonia	77.82	21.50	13.90	24.06	16.28	13.87	3.91	6.48
Fiji	57.07	13.29	14.68	12.64	13.19	13.55	16.27	16.37
Gabon	57.24	13.87	12.95	9.15	21.27	4.52	11.11	27.13
Gambia	85.74	23.70	22.62	23.36	9.81	20.51	0.00	0.00
Georgia	27.66	6.46	6.42	9.03	5.65	7.08	2.90	62.46
Ghana	59.04	16.42	13.06	6.47	23.09	24.64	6.43	9.89
Guatemala	74.15	19.55	16.86	17.45	19.51	8.48	4.40	13.74
Guinea	85.52	41.50	11.16	9.81	23.04	0.00	14.48	0.00
Guinea-Bissau	85.91	45.32	11.84	18.23	10.52	14.09	0.00	0.00
Honduras	34.58	5.56	4.05	10.31	14.42	40.64	20.11	4.92
Hungary	45.61	8.35	10.25	13.62	12.58	10.64	17.02	27.55
Indonesia	47.46	26.03	7.60	7.11	6.61	4.22	10.26	38.18
Kazakhstan	58.15	8.18	17.34	8.58	23.30	11.48	9.41	21.72
Kenya	53.69	11.11	11.33	10.19	18.91	12.05	13.25	23.17
Kosovo	91.24	36.49	20.04	11.24	23.46	2.00	0.00	6.76
Kyrgyz Republic	58.60	12.29	13.81	15.02	15.67	31.53	11.67	0.00
Lao PDR	72.50	26.69	19.60	9.86	15.37	9.33	3.31	15.83
Latvia	66.76	16.53	14.88	16.64	17.66	10.00	13.08	11.20
Lesotho	16.06	4.49	4.07	4.31	2.95	2.62	5.19	76.37
Liberia	96.52	62.85	7.20	17.41	9.07	3.48	0.00	0.00
Lithuania	77.83	17.20	23.50	15.32	19.79	14.50	5.05	4.64
Macedonia, FYR	66.44	16.10	14.51	20.81	15.03	8.62	3.79	21.15
Madagascar	48.47	10.27	11.40	12.42	13.90	17.51	17.18	17.33
Malawi	36.38	7.39	6.36	10.03	12.61	15.60	5.69	42.33
Mali	93.28	37.13	24.66	15.66	11.04	11.52	0.00	0.00
Mauritania	93.84	42.67	25.78	9.86	15.53	6.16	0.00	0.00
Mauritius	62.06	10.00	10.04	14.16	24.51	12.33	9.44	19.53

	1	2	3	4	5	6	7	8
	SME	Size Class						
Nation	SME250	5-19	20-49	50-99	100-249	250-499	500-999	1000+
Mexico	71.66	19.27	14.99	18.21	18.48	10.37	10.12	8.57
Micronesia, Fed. Sts.	100.00	31.94	43.03	25.03	0.00	0.00	0.00	0.00
Moldova	69.28	17.11	18.93	13.94	18.31	15.42	9.88	6.42
Mongolia	73.60	13.71	21.07	22.52	15.75	11.81	10.96	4.19
Montenegro	91.43	37.30	23.24	10.07	17.74	6.59	5.06	0.00
Mozambique	65.44	14.16	17.53	13.28	17.91	12.50	24.60	0.00
Namibia	90.47	37.59	29.09	10.48	13.32	1.36	4.06	4.10
Nepal	85.09	49.16	17.53	6.96	9.12	12.03	5.20	0.00
Nicaragua	75.19	19.30	21.22	12.18	22.48	9.28	5.21	10.32
Niger	94.42	42.64	29.20	10.88	11.71	0.00	5.58	0.00
Nigeria	91.85	36.37	24.19	16.78	14.51	3.44	4.71	0.00
Panama	57.35	12.06	10.51	13.31	19.67	10.70	12.11	21.64
Paraguay	79.43	14.43	20.91	15.59	27.16	16.79	5.11	0.00
Peru	42.33	5.04	10.21	12.19	14.60	16.19	30.93	10.84
Philippines	45.87	8.58	9.80	11.75	14.98	9.47	22.52	22.90
Poland	71.09	15.08	11.13	10.69	29.45	20.79	11.96	0.89
Romania	70.06	19.68	14.77	13.08	22.20	11.85	4.85	13.58
Russian Federation	16.62	1.74	3.32	4.25	7.16	8.41	8.72	66.40
Rwanda	66.27	16.97	16.74	9.91	22.65	6.59	27.14	0.00
Senegal	56.26	24.97	9.83	8.51	12.96	12.00	3.82	27.93
Serbia	56.57	9.83	12.43	11.71	22.11	16.46	7.61	19.86
Sierra Leone	83.85	41.35	12.88	12.44	17.18	2.63	13.51	0.00
Slovak Republic	64.54	19.84	14.52	18.85	11.32	6.80	10.09	18.57
Slovenia	48.28	10.97	11.97	10.54	14.54	23.77	18.41	9.81
South Africa	57.92	7.97	14.21	17.18	18.14	10.56	9.88	22.07
Swaziland	50.28	15.58	9.68	8.76	16.26	17.09	18.50	14.14
Tajikistan	47.48	7.29	9.10	13.00	18.09	11.69	23.65	17.18
Tanzania	77.50	22.63	18.67	13.65	21.62	17.67	3.50	2.25
Timor-Leste	67.42	22.14	32.63	12.65	0.00	0.00	0.00	32.58
Togo	79.90	44.90	13.58	5.06	16.36	13.03	7.07	0.00
Tonga	100.00	83.51	16.49	0.00	0.00	0.00	0.00	0.00
Turkey	33.25	7.50	7.57	6.96	10.51	9.22	17.58	40.67
Uganda	66.28	19.51	18.84	11.81	16.12	13.11	4.71	15.90
Ukraine	44.02	9.28	11.22	10.10	11.90	11.65	9.14	36.71
Uruguay	75.03	22.63	22.05	12.12	17.52	4.85	3.91	16.90
Uzbekistan	73.88	27.58	17.10	12.60	16.60	8.63	12.07	5.41
Vanuatu	100.00	28.99	42.39	28.62	0.00	0.00	0.00	0.00
Venezuela, RB	72.40	29.64	13.17	12.12	17.47	7.31	12.08	8.21
Vietnam	37.04	5.13	8.29	8.33	14.69	14.59	11.41	37.57
Western Samoa	63.97	19.26	22.12	9.84	12.76	7.37	0.00	28.66
Yemen, Rep.	56.82	30.39	7.69	7.16	10.72	4.66	4.92	34.46
Zambia	61.74	9.28	12.39	15.43	24.37	19.89	0.00	18.65
Summary Statistics								
Minimum	16.06	1.74	3.32	0.00	0.00	0.00	0.00	0.00
Mean	66.38	21.00	16.28	12.12	16.04	11.06	8.88	14.62
Median	66.76	17.20	14.77	12.06	16.26	11.65	7.61	10.32
Maximum	100.00	83.51	43.03	28.62	34.89	40.64	33.07	76.37
Median across Income Groups								
Low	78.25	23.17	17.16	12.12	15.89	12.04	5.39	0.00
Lower-Middle	67.42	19.26	16.86	11.24	15.46	9.47	5.88	10.32
Upper-Middle	59.2	12.49	14.36	11.93	17.50	11.12	9.43	19.65
High	65.65	14.46	14.21	16.45	16.97	12.72	11.20	10.50
Median across Regions								
AFR	76.85	23.17	15.83	11.57	16.31	11.27	5.39	0.00
EAP	65.7	24.09	18.05	10.81	9.69	5.79	1.66	19.64
ECA	64.47	12.61	14.51	12.80	17.25	11.74	9.07	13.91
LAC	67.76	15.04	13.15	12.15	17.50	12.30	11.44	10.58
MNA	56.82	30.39	7.69	7.16	10.72	4.66	4.92	34.46
SAR	77.33	23.69	17.19	8.41	13.94	14.20	11.45	0.00

Table 3: Contribution to Employment Shares by Age

This table presents the contribution of young firms as well as firms of different age bins, to total employment in each country. Total employment is the population estimate of the number of permanent, full-time employees in a particular year in each country, derived from the World Bank Enterprise Surveys. Age is defined as Survey Year-Year the company started operations. We use two definitions of young firms - ≤2 years and ≤5 years. We also report employment shares in the following age bins – 3-5 years, 6-10 years, 11-20 years, 21-50 years, and 51+ years. We report summary statistics and median values across income groups and regions at the foot of the table.

	1	2	3	4	5	6	7
	Young Firms		Establishment Age				
Nation	**≤2 years**	**≤5 years**	**3-5 years**	**6-10 years**	**11-20 years**	**21-50 years**	**51+ years**
Afghanistan	20.56	56.50	35.95	21.79	13.56	7.65	0.37
Albania	9.80	26.46	16.66	29.39	39.46	4.69	0.00
Angola	25.67	52.93	27.26	20.40	16.86	9.67	0.14
Argentina	3.46	11.30	7.84	18.14	11.07	27.05	32.43
Armenia	5.65	18.62	12.98	41.19	33.34	6.17	0.68
Azerbaijan	1.42	10.66	9.23	13.64	45.70	16.57	4.16
Bangladesh	12.05	26.16	14.11	24.38	29.78	17.12	2.57
Belarus	1.67	7.25	5.58	15.45	30.46	8.32	37.20
Benin	9.57	21.54	11.97	32.82	29.98	15.31	0.29
Bhutan	14.43	29.50	15.08	12.05	28.86	29.59	0.00
Bolivia	2.69	9.81	7.12	31.75	22.29	28.05	8.07
Bosnia and Herzegovina	1.50	7.17	5.68	13.71	25.84	23.47	28.80
Botswana	13.99	28.15	14.16	15.17	33.16	21.76	1.76
Brazil	0.21	1.67	1.47	27.62	15.04	29.96	25.59
Bulgaria	3.43	22.46	19.03	21.70	50.48	4.55	0.81
Burkina Faso	6.04	14.62	8.58	42.02	25.76	14.00	0.93
Burundi	19.68	39.54	19.85	21.91	24.58	13.07	0.90
Cameroon	0.69	4.98	4.29	14.07	13.86	54.73	11.70
Cape Verde	8.63	22.11	13.48	28.58	19.21	16.77	12.30
Chad	11.63	17.42	5.79	15.62	39.07	24.43	1.22
Chile	0.57	4.89	4.32	8.98	9.87	30.59	45.50
Colombia	5.97	15.20	9.22	15.89	34.12	23.43	9.73
Congo, Dem. Rep.	15.19	31.46	16.27	24.46	27.26	14.03	2.78
Congo, Rep.	2.69	13.83	11.14	28.87	18.70	18.76	8.55
Cote d'Ivoire	12.99	27.52	14.53	23.45	20.95	13.03	15.02
Croatia	0.43	6.47	6.04	10.01	56.81	8.17	17.51
Czech Republic	0.93	9.86	8.93	21.12	57.15	0.32	10.63
Ecuador	3.86	9.67	5.82	7.08	18.50	55.48	9.12
El Salvador	2.61	15.97	13.36	11.55	27.04	29.66	15.42
Eritrea	0.00	6.03	6.03	22.95	39.73	12.82	6.62
Estonia	0.65	8.67	8.02	17.71	63.40	6.09	4.14
Fiji	3.96	10.28	6.32	21.14	13.35	35.51	7.53
Gabon	5.33	28.95	23.62	19.27	11.74	39.56	0.47
Gambia	12.66	33.28	20.62	16.20	25.72	23.87	0.63
Georgia	17.25	25.16	7.92	35.06	25.52	13.96	0.29
Ghana	2.89	6.00	3.11	14.55	39.69	23.21	16.52
Guatemala	4.78	12.87	8.10	16.17	36.87	24.94	8.64
Guinea	8.89	35.09	26.20	35.20	17.58	10.76	0.58
Guinea-Bissau	12.49	39.19	26.70	19.20	26.32	15.28	0.00
Honduras	0.80	4.28	3.48	25.11	18.10	47.76	1.05
Hungary	1.91	6.23	4.32	20.83	59.69	10.03	2.19
Indonesia	1.97	33.31	31.35	13.55	25.94	23.47	2.04
Kazakhstan	4.38	18.99	14.62	45.68	27.82	4.54	0.47
Kenya	6.96	15.61	8.65	14.23	17.32	38.40	12.46
Kosovo	1.11	7.87	6.76	31.80	52.14	6.76	0.99
Kyrgyz Republic	11.54	15.13	3.59	18.91	34.31	25.16	5.75
Lao PDR	7.28	28.52	21.24	23.43	42.22	5.74	0.09
Latvia	0.89	9.93	9.03	23.24	63.72	0.36	2.33
Lesotho	0.98	4.34	3.36	15.94	3.93	75.47	0.00
Liberia	11.86	34.86	23.00	34.06	12.95	17.45	0.68
Lithuania	4.57	11.53	6.96	20.45	56.88	5.98	2.94
Macedonia, FYR	3.72	17.00	13.28	13.28	29.83	9.32	28.68
Madagascar	8.32	29.44	21.12	17.50	30.05	14.67	7.83
Malawi	6.07	13.74	7.67	13.22	19.64	20.75	32.48
Mali	10.67	24.89	14.23	27.07	25.41	21.11	1.52
Mauritania	8.99	33.32	24.34	24.28	25.25	17.15	0.00
Mauritius	13.87	24.42	10.55	12.50	15.98	25.12	17.94
Mexico	5.88	16.05	10.17	13.53	29.93	20.94	7.72

	1	2	3	4	5	6	7
	Young Firms		Establishment Age				
Nation	**≤2 years**	**≤5 years**	**3-5 years**	**6-10 years**	**11-20 years**	**21-50 years**	**51+ years**
Micronesia, Fed. Sts.	8.20	15.46	7.26	10.13	37.33	36.00	0.00
Moldova	5.16	14.18	9.02	26.70	53.79	1.31	4.02
Mongolia	2.16	15.08	12.92	30.01	38.27	11.19	5.18
Montenegro	2.67	17.45	14.78	28.41	47.87	3.77	2.08
Mozambique	8.56	13.79	5.24	23.65	39.18	18.18	4.35
Namibia	16.46	33.16	16.71	22.01	23.65	18.17	3.01
Nepal	12.47	26.16	13.70	19.31	29.27	25.06	0.14
Nicaragua	1.11	9.80	8.68	39.40	21.26	19.97	9.57
Niger	10.84	21.29	10.45	22.20	13.13	21.64	7.21
Nigeria	9.74	28.56	18.81	31.79	19.74	18.97	0.58
Panama	0.42	1.45	1.03	7.86	37.11	28.59	24.16
Paraguay	2.06	8.77	6.72	14.23	22.04	42.05	12.56
Peru	0.45	9.89	9.44	32.95	19.67	22.54	14.90
Philippines	1.65	7.30	5.65	18.96	30.13	34.78	7.27
Poland	1.19	3.66	2.46	16.23	55.13	8.06	15.78
Romania	4.45	12.19	7.74	27.91	50.92	2.41	4.99
Russian Federation	0.38	7.19	6.80	45.07	26.25	7.58	13.25
Rwanda	10.24	26.00	15.76	16.14	19.23	38.17	0.46
Senegal	6.13	12.29	6.16	14.96	19.02	53.17	0.56
Serbia	3.26	8.77	5.51	9.62	35.14	12.58	32.27
Sierra Leone	0.53	25.76	25.23	26.06	28.46	16.11	3.61
Slovak Republic	4.39	16.19	11.80	16.70	40.06	3.71	18.12
Slovenia	0.56	5.96	5.39	8.57	40.12	12.02	33.34
South Africa	4.37	10.77	6.41	15.49	19.11	27.30	27.32
Swaziland	14.04	54.05	40.00	11.67	16.53	16.31	0.00
Tajikistan	4.69	13.90	9.21	41.27	13.02	14.71	16.20
Tanzania	5.37	19.28	13.92	38.26	22.03	16.49	3.15
Timor-Leste	43.14	60.94	17.80	33.06	3.79	0.43	0.00
Togo	14.48	23.84	9.36	27.34	21.26	25.26	0.52
Tonga	14.86	33.18	18.33	25.95	18.89	14.43	7.45
Turkey	1.40	12.66	11.26	22.95	30.88	31.03	1.14
Uganda	2.82	10.01	7.19	31.11	41.82	10.68	4.62
Ukraine	6.15	15.45	9.30	20.42	20.62	7.06	35.58
Uruguay	6.11	10.06	3.95	13.39	15.28	34.89	26.37
Uzbekistan	1.98	20.03	18.05	18.82	29.74	19.18	11.80
Vanuatu	10.48	27.20	16.72	9.98	33.68	25.85	1.66
Venezuela, RB	14.19	31.07	16.88	11.23	10.56	35.93	9.06
Vietnam	5.00	24.90	19.90	22.18	20.59	29.98	1.39
Western Samoa	2.47	6.74	4.28	6.73	54.96	25.23	3.38
Yemen, Rep.	0.72	5.75	5.02	17.34	47.06	28.02	1.30
Zambia	4.17	17.21	13.04	15.89	28.41	32.03	6.39
Summary Statistics							
Minimum	0.00	1.45	1.03	6.73	3.79	0.32	0.00
Mean	6.75	18.75	12.00	21.52	29.34	20.34	8.60
Median	4.78	15.46	9.36	20.42	27.04	18.18	4.16
Maximum	43.14	60.94	40.00	45.68	63.72	75.47	45.50
Median across Income Groups							
Low Inc	9.28	24.37	13.81	23.19	26.04	17.13	2.04
Lower-Middle Inc	4.78	15.45	9.30	20.40	22.04	23.47	3.38
Upper-Middle Inc	3.84	11.86	9.23	17.02	28.83	22.15	9.39
High	0.91	7.57	7.03	17.20	56.98	7.08	13.21
Median across Regions							
AFR	8.94	24.13	13.70	21.96	21.65	18.47	2.27
EAP	6.14	26.05	17.26	20.05	28.04	25.54	1.85
ECA	2.41	12.42	8.98	20.98	39.76	7.82	5.09
LAC	2.65	9.85	7.48	15.06	20.46	29.13	11.14
MNA	0.72	5.75	5.02	17.34	47.06	28.02	1.30
SAR	13.45	27.83	14.59	20.55	29.06	21.09	0.26

Table 4: Job Creation as a share of total job creation by Size Class

This table presents the contribution to job creation by different size classes. Job Creation is the population estimate of the change in the number of permanent, full-time employees over a two year period, derived from the World Bank Enterprise Surveys. In col. 1 we report the SME250 contribution to job creation where SME250 consists of all firms with ≤250 permanent full time employees in the base year. In cols. 2-8, we report 7 size classes based on permanent full time employment in the base year – 5-19 employees, 20-49 employees, 50-99 employees, 100-249 employees, 250-499 employees, 500-999 employees and 1000+ employees. In Panel A we report data for 81countries that had a net positive job creation (across all sizes) over the two period. In Panel B we report data for 17 countries that had a net job loss (across all sizes) over the two period. We report summary statistics and median values across income groups and regions at the foot of each panel.

Panel A: Countries with net job creation

	1	2	3	4	5	6	7	8
	SME	Size Class						
Nation	SME250	5-19	20-49	50-99	100-249	250-499	500-999	1000+
Afghanistan	207.00	147.19	62.14	19.89	-22.22	96.30	0.00	-203.29
Albania	98.55	51.43	32.74	0.31	14.08	1.45	0.00	0.00
Angola	100.00	77.43	9.66	20.01	-7.09	0.00	0.00	0.00
Argentina	46.01	13.48	10.70	8.29	11.45	9.62	20.89	25.57
Armenia	64.54	22.11	13.61	3.49	25.33	4.11	9.57	21.78
Azerbaijan	52.95	15.61	18.75	1.68	15.27	-1.99	-15.67	66.36
Belarus	48.02	9.10	20.29	23.91	-5.28	44.68	-6.60	13.90
Benin	145.69	101.96	25.19	0.00	18.53	-30.88	-14.81	0.00
Bhutan	99.22	61.00	13.15	-1.63	26.71	0.78	0.00	0.00
Bolivia	108.69	63.18	18.20	19.56	6.40	7.39	-9.16	-5.57
Bosnia and Herzegovina	77.77	38.29	23.93	20.93	-4.33	36.85	-3.96	-11.72
Brazil	63.96	4.65	7.73	6.93	44.07	5.71	11.38	19.52
Bulgaria	88.46	31.32	22.37	15.86	18.76	3.67	18.43	-10.42
Burkina Faso	302.59	118.42	61.93	114.09	8.16	8.66	0.00	-211.25
Cameroon	54.29	13.66	18.42	5.55	12.57	3.58	2.92	43.29
Cape Verde	102.70	40.70	27.14	17.92	16.95	-14.91	12.21	0.00
Chad	100.00	56.38	27.41	20.00	-3.79	0.00	0.00	0.00
Chile	20.30	5.72	3.72	4.28	4.81	39.35	6.01	36.11
Colombia	80.47	56.46	2.18	12.97	7.91	18.60	-0.85	2.74
Congo, Dem. Rep.	100.00	78.16	15.90	5.26	0.68	0.00	0.00	0.00
Congo, Rep.	89.16	22.43	25.59	12.22	28.92	0.00	10.84	0.00
Croatia	101.96	11.78	73.52	13.35	3.31	2.55	-0.93	-3.58
Czech Republic	92.98	45.34	19.24	10.03	19.22	14.37	1.18	-9.38
Ecuador	68.11	22.34	15.42	19.58	10.58	6.71	23.89	1.47
Estonia	67.30	22.64	26.43	12.96	3.21	6.75	28.01	0.00
Fiji	44.60	24.37	8.67	-1.93	11.48	7.80	49.62	0.00
Gabon	142.51	103.26	34.73	69.92	-65.41	0.00	19.80	-62.31
Gambia	98.72	60.30	30.52	24.97	-17.07	1.28	0.00	0.00
Georgia	25.49	8.97	5.32	4.54	6.16	3.10	66.25	5.67
Ghana	82.69	40.82	3.56	0.50	37.80	17.31	0.00	0.00
Guatemala	70.04	20.93	7.44	32.50	9.15	3.11	12.67	14.20
Guinea	74.17	43.52	9.64	12.86	8.14	25.83	0.00	0.00
Guinea-Bissau	100.00	104.32	19.82	-16.36	-7.78	0.00	0.00	0.00
Hungary	149.50	50.30	12.15	53.56	33.48	23.33	5.17	-77.99
Indonesia	41.83	72.45	-3.46	-12.80	-13.46	-0.31	-11.66	69.24
Kazakhstan	54.13	20.38	5.54	16.79	7.43	11.85	37.98	0.03
Kenya	82.37	24.37	21.76	13.40	23.13	5.89	-14.01	25.45
Kosovo	98.53	40.26	20.25	-10.94	15.58	34.86	0.00	0.00
Kyrgyz Republic	766.29	464.40	336.88	34.92	-208.53	-348.20	-179.48	0.00
Lesotho	27.76	28.26	-2.13	-2.37	4.00	16.37	56.54	-0.68
Liberia	139.80	220.94	-83.79	3.84	-1.19	0.00	-39.80	0.00
Lithuania	81.01	30.30	39.63	8.31	2.38	7.53	4.29	7.56
Madagascar	58.07	45.43	8.13	20.19	-11.69	27.79	21.32	-11.16
Malawi	92.77	13.54	18.15	14.24	46.84	32.15	-11.94	-12.99

	1	2	3	4	5	6	7	8
	SME	Size Class						
Nation	**SME250**	**5-19**	**20-49**	**50-99**	**100-249**	**250-499**	**500-999**	**1000+**
Mali	100.00	73.99	18.15	-0.01	7.87	0.00	0.00	0.00
Mauritania	203.77	128.13	22.69	19.72	33.23	-103.77	0.00	0.00
Mauritius	84.94	64.02	2.35	4.58	13.99	8.13	7.75	-0.82
Mexico	78.12	31.80	22.18	11.48	12.00	3.79	11.61	7.13
Micronesia, Fed. Sts.	100.00	77.15	22.85	0.00	0.00	0.00	0.00	0.00
Moldova	98.40	36.48	10.12	10.82	39.93	-10.46	-2.13	15.24
Mongolia	96.72	43.56	24.60	1.49	22.76	8.60	-1.01	0.00
Montenegro	89.77	56.49	10.92	24.00	-1.63	10.23	0.00	0.00
Mozambique	67.60	15.65	10.27	14.62	7.62	51.84	0.00	0.00
Namibia	85.88	43.09	17.05	-0.46	26.20	9.80	4.32	0.00
Nicaragua	75.44	36.20	21.79	-7.25	24.70	25.83	3.92	-5.18
Niger	117.72	102.15	7.29	14.21	11.39	17.66	-52.70	0.00
Nigeria	103.17	58.57	22.75	15.13	6.71	1.27	-4.43	0.00
Paraguay	110.84	70.34	27.86	-5.93	18.56	-2.73	-8.11	0.00
Peru	66.55	6.24	17.89	27.26	14.02	27.85	2.68	4.07
Philippines	97.11	8.28	11.59	75.27	1.34	19.05	-2.42	-13.11
Poland	171.06	49.13	34.55	46.80	40.14	-23.13	-47.50	0.00
Romania	146.73	95.77	24.12	25.58	0.59	-16.92	-16.14	-13.01
Russian Federation	304.29	65.90	35.83	31.74	164.39	-10.79	459.31	-646.37
Rwanda	93.04	47.08	17.72	2.22	26.02	0.00	6.96	0.00
Senegal	140.04	77.03	23.45	26.45	13.11	-3.64	-34.81	-1.59
Slovak Republic	73.72	34.35	28.47	23.90	-13.36	2.38	30.85	-6.59
Slovenia	99.37	23.53	17.21	48.00	7.89	4.34	-5.85	4.88
South Africa	100.94	30.37	24.15	23.98	22.70	4.94	1.47	-7.61
Swaziland	43.89	16.46	8.61	8.17	10.64	-3.55	15.90	43.77
Tajikistan	86.13	21.38	15.44	22.87	26.44	13.29	-19.93	20.51
Tanzania	89.36	44.32	24.15	11.77	9.12	5.57	5.07	0.00
Timor-Leste	100.00	89.17	20.39	-9.56	0.00	0.00	0.00	0.00
Togo	117.82	80.00	19.33	-0.60	13.26	-24.38	12.39	0.00
Turkey	62.40	47.57	2.97	5.71	2.72	14.55	14.86	11.61
Uganda	101.48	40.14	24.26	21.72	14.21	9.71	-10.03	0.00
Ukraine	120.45	99.13	-4.62	31.90	-0.39	-15.51	8.47	-18.98
Uruguay	84.90	54.47	23.64	6.51	-1.05	13.24	3.81	-0.61
Vanuatu	100.00	71.41	24.28	21.08	-16.77	0.00	0.00	0.00
Venezuela, RB	77.73	45.79	14.63	3.88	13.43	22.27	0.00	0.00
Vietnam	126.31	34.99	42.96	20.54	26.26	-11.42	-102.45	89.10
Zambia	108.83	39.56	22.98	28.45	17.84	-11.11	-21.90	24.18
Summary Statistics								
Minimum	20.30	4.65	-83.79	-16.36	-208.53	-348.20	-179.48	-646.37
Mean	105.38	55.65	22.26	15.55	9.27	2.10	4.57	-9.39
Median	93.04	43.56	19.24	12.97	10.58	4.11	0.00	0.00
Maximum	766.29	464.40	336.88	114.09	164.39	96.30	459.31	89.10
Median across Income Groups								
Low Inc	100.00	58.34	19.58	14.23	8.64	3.43	0.00	0.00
Lower-Middle Inc	98.47	40.48	18.31	9.50	10.61	0.39	0.00	0.00
Upper-Middle Inc	79.30	35.05	18.32	9.89	11.46	8.87	4.31	0.00
High Inc	99.37	34.35	26.43	23.90	7.89	4.34	1.18	-3.58
Median across Regions								
AFR	100.00	47.08	19.33	13.40	11.39	1.27	0.00	0.00
EAP	100.00	71.41	20.39	0.00	0.00	0.00	0.00	0.00
ECA	91.38	37.38	20.27	16.32	7.66	4.23	0.00	0.00
LAC	75.44	31.80	15.42	8.29	11.45	9.62	3.92	2.74
SAR	153.11	104.10	37.64	9.13	2.24	48.54	0.00	-101.65

Panel B: Countries with net job loss

	1	2	3	4	5	6	7	8
	SME	**Size Class**						
Nation	**SME250**	**5-19**	**20-49**	**50-99**	**100-249**	**250-499**	**500-999**	**1000+**
Botswana	1307.79	1560.04	401.44	512.35	-1166.05	-585.54	-484.76	-337.49
Burundi	81.51	66.90	10.89	2.40	1.31	0.00	0.00	-181.51
Cote d'Ivoire	0.61	0.37	0.12	0.01	0.11	0.00	-0.19	-100.42
El Salvador	1119.33	465.15	163.81	271.31	203.31	-1130.76	56.60	-129.41
Eritrea	-100.00	-25.39	-20.61	-7.63	-46.36	0.00	0.00	0.00
Honduras	151.61	18.76	1.38	7.48	102.11	124.85	-24.64	-329.93
Lao PDR	-0.06	2.45	0.11	0.70	-3.31	-0.11	-0.44	-99.39
Latvia	57.91	22.30	8.85	13.62	15.69	9.60	-3.78	-166.28
Macedonia, FYR	331.16	278.58	63.76	67.98	-79.15	-40.38	0.43	-391.21
Nepal	879.31	826.97	-11.01	-34.40	97.75	42.05	95.34	-1116.70
Panama	336.15	90.43	91.05	47.21	99.29	-56.51	-218.73	-152.74
Serbia	61.40	36.16	19.95	7.45	-1.69	-57.82	-34.39	-69.67
Sierra Leone	159.89	70.19	12.40	11.95	65.35	5.50	20.99	-286.37
Tonga	-0.03	0.31	-0.34	0.00	0.00	0.00	0.00	-99.97
Uzbekistan	-76.81	-0.41	-22.21	-22.74	-31.45	-13.45	-9.33	-0.41
Western Samoa	0.30	12.96	2.14	-10.22	-4.58	0.00	0.00	-100.30
Yemen, Rep.	167.48	68.54	32.76	49.15	17.03	7.35	3.32	-278.15
Summary Statistics								
Minimum	-100.00	-25.39	-22.21	-34.40	-1166.05	-1130.76	-484.76	-1116.70
Mean	263.39	205.55	44.38	53.92	-42.98	-99.72	-35.27	-225.88
Median	81.51	36.16	8.85	7.45	0.11	0.00	0.00	-152.74
Maximum	1307.79	1560.04	401.44	512.35	203.31	124.85	95.34	0.00
Median across Income Groups								
Low Inc	81.51	66.90	0.11	0.70	1.31	0.00	0.00	-181.51
Lower-Middle Inc	0.61	12.96	1.38	0.01	0.11	0.00	0.00	-100.42
Upper-Middle Inc	333.66	184.50	77.40	57.60	-40.42	-57.16	-126.56	-245.11
High Inc	57.91	22.30	8.85	13.62	15.69	9.60	-3.78	-166.28
Median across Regions								
AFR	81.51	66.90	10.89	2.40	0.11	0.00	0.00	-181.51
EAP	-0.03	2.45	0.11	0.00	-3.31	0.00	0.00	-99.97
ECA	59.65	29.23	14.40	10.54	-16.57	-26.92	-6.55	-117.97
LAC	336.15	90.43	91.05	47.21	102.11	-56.51	-24.64	-152.74
MNA	167.48	68.54	32.76	49.15	17.03	7.35	3.32	-278.15
SAR	879.31	826.97	-11.01	-34.40	97.75	42.05	95.34	-1116.70

Table 5: Job Creation as a share of total job creation by Age

This table presents the contribution to job creation by young firms as well as firms in different age bins. Job Creation is the population estimate of the change in the number of permanent, full-time employees over a two year period, derived from the World Bank Enterprise Surveys. Age is defined as Survey Year-Year the company started operations. We use two definitions of young firms - ≤2 years and ≤5 years. We also report job creation shares in the following age bins – 3-5 years, 6-10 years, 11-20 years, 21-50 years, and 51+ years. In Panel A we report data for 81countries that had a net positive job creation (across all sizes) over the two period. In Panel B we report data for 17 countries that had a net job loss (across all sizes) over the two period. We report summary statistics and median values across income groups and regions at the foot of each panel

Panel A: Countries with net job creation

	1	2	3	4	5	6	7
	Young Firms		Establishment Age				
Nation	**≤2 years**	**≤5 years**	**3-5 years**	**6-10 years**	**11-20 years**	**21-50 years**	**51+ years**
Afghanistan	146.9	259.9	113.0	7.6	16.4	-185.2	1.0
Albania	17.6	40.2	22.6	38.8	17.7	3.3	0.0
Angola	41.1	71.7	30.5	21.8	-3.6	10.2	0.0
Argentina	5.3	16.0	10.7	17.2	12.6	31.3	22.8
Armenia	9.6	53.9	44.3	23.2	22.5	0.8	-0.4
Azerbaijan	6.7	19.6	12.8	69.3	5.8	14.0	5.8
Belarus	12.1	19.7	7.6	24.7	9.5	20.5	27.4
Benin	33.0	90.8	57.8	-57.3	51.3	15.4	-0.3
Bhutan	27.1	35.2	8.1	11.9	45.5	7.4	0.0
Bolivia	-3.0	52.0	54.9	28.6	13.4	10.5	-4.6
Bosnia and Herzegovina	3.7	19.5	15.9	35.9	51.8	-11.8	4.5
Brazil	0.3	12.1	11.8	44.1	3.1	16.4	24.2
Bulgaria	16.0	39.7	23.7	13.8	44.6	3.7	-1.9
Burkina Faso	44.0	289.8	245.8	71.8	-283.0	25.0	-6.4
Cameroon	4.0	8.1	4.1	23.2	-1.4	53.1	16.3
Cape Verde	21.2	35.2	14.0	26.4	31.6	0.6	6.0
Chad	23.4	26.6	3.2	27.7	31.4	14.1	-0.5
Chile	4.4	4.3	-0.1	11.4	9.0	24.1	51.1
Colombia	1.1	5.4	4.3	32.5	51.0	-1.8	6.3
Congo, Dem. Rep.	30.7	57.2	26.6	20.6	9.8	9.0	3.4
Congo, Rep.	8.3	30.9	22.6	26.8	13.6	18.9	9.0
Croatia	1.0	8.1	7.1	23.9	81.0	-3.4	-9.0
Czech Republic	19.8	45.5	25.7	15.3	48.7	-0.7	-7.1
Ecuador	8.1	17.6	9.5	13.5	33.9	39.4	-4.4
Estonia	5.0	26.5	21.5	26.5	42.0	2.8	2.2
Fiji	14.3	16.0	1.7	31.9	16.0	19.9	-3.6
Gabon	46.5	49.9	3.4	9.6	-17.1	59.5	-1.9
Gambia	38.4	59.3	20.9	14.1	5.5	19.1	2.5
Georgia	10.8	13.7	2.8	82.7	3.9	0.0	-0.3
Ghana	5.6	18.3	12.7	75.2	27.1	18.7	-39.3
Guatemala	6.3	9.6	3.3	21.2	50.1	11.1	8.0
Guinea	23.8	39.0	15.2	41.3	2.3	16.3	0.0
Guinea-Bissau	29.7	77.8	48.1	9.1	12.1	1.0	0.0
Hungary	6.4	23.7	17.2	133.5	-35.9	0.2	-9.5
Indonesia	116.0	126.5	10.5	16.0	2.1	-32.8	1.5
Kazakhstan	9.0	28.8	19.8	61.2	7.7	1.0	0.1
Kenya	14.0	30.6	16.6	20.5	23.4	42.0	-20.5
Kosovo	6.1	25.3	19.2	2.6	66.3	6.9	-1.6
Kyrgyz Republic	105.1	131.6	26.5	340.9	-309.6	793.3	-687.1
Lesotho	2.3	15.8	13.5	58.3	0.6	25.3	0.0
Liberia	24.7	26.1	1.4	87.3	17.5	-31.4	0.5
Lithuania	6.1	15.1	9.0	55.3	30.4	-5.8	1.7

	1	2	3	4	5	6	7
	Young Firms		Establishment Age				
Nation	**≤2 years**	**≤5 years**	**3-5 years**	**6-10 years**	**11-20 years**	**21-50 years**	**51+ years**
Madagascar	45.1	54.7	9.7	-0.7	49.6	-2.6	-1.1
Malawi	-10.2	-1.5	8.7	59.8	2.0	36.7	3.1
Mali	17.5	29.9	12.3	33.1	20.2	9.2	7.6
Mauritania	31.4	126.2	94.8	25.4	-68.3	16.8	0.0
Mauritius	52.1	54.6	2.6	11.2	11.1	15.1	6.4
Mexico	1.7	8.9	7.2	7.0	20.6	37.2	11.7
Micronesia, Fed. Sts.	36.4	45.3	9.0	10.4	0.9	46.3	0.0
Moldova	22.7	62.7	40.0	38.9	3.6	-1.7	-3.5
Mongolia	12.5	28.6	16.1	53.1	15.2	1.6	1.5
Montenegro	10.1	12.6	2.5	39.9	51.3	-4.5	0.5
Mozambique	4.1	7.8	3.7	34.4	44.5	8.2	3.6
Namibia	11.0	31.9	20.9	30.4	14.6	23.3	-0.2
Nicaragua	15.2	64.8	49.6	30.9	2.4	8.9	-7.0
Niger	37.6	57.2	19.6	-24.6	2.5	15.1	36.9
Nigeria	16.3	46.3	30.0	26.6	18.6	7.1	1.2
Paraguay	18.2	27.5	9.3	52.4	4.3	12.4	3.7
Peru	5.1	18.3	13.2	23.9	18.7	36.0	3.2
Philippines	-5.1	0.1	5.2	19.6	6.3	69.3	4.7
Poland	16.1	15.1	-1.1	4.9	82.9	19.3	-22.9
Romania	31.7	61.1	29.4	5.6	54.3	-0.7	-21.6
Russian Federation	14.0	-734.3	-748.3	162.4	317.0	-24.3	379.2
Rwanda	19.8	35.3	15.4	29.8	15.1	19.0	0.8
Senegal	17.9	38.1	20.2	26.2	35.7	0.9	-0.9
Slovak Republic	0.0	50.3	50.3	36.7	13.4	-6.9	22.8
Slovenia	4.9	15.3	10.4	13.3	37.5	2.0	32.0
South Africa	6.6	23.0	16.3	30.2	28.9	16.2	1.8
Swaziland	53.0	73.6	20.5	15.6	7.0	3.3	0.0
Tajikistan	12.5	42.0	29.4	52.9	-8.6	19.9	-6.8
Tanzania	7.1	60.7	53.7	21.5	14.0	0.0	2.7
Timor-Leste	13.1	81.1	68.1	16.8	3.3	-1.3	0.0
Togo	39.7	25.6	-14.1	43.9	38.7	-9.6	0.1
Turkey	4.9	50.8	45.9	31.7	18.0	-0.9	0.6
Uganda	6.6	31.4	24.8	41.7	28.4	0.1	-4.7
Ukraine	64.3	102.7	38.4	60.8	12.7	-8.0	-63.5
Uruguay	16.5	32.2	15.7	16.2	23.0	36.2	-7.6
Vanuatu	2.6	24.5	21.9	19.3	32.2	23.5	0.5
Venezuela, RB	20.4	39.4	19.0	9.3	9.0	40.5	1.8
Vietnam	106.8	167.6	60.8	53.6	-7.2	-110.7	-3.3
Zambia	22.6	52.5	29.9	36.1	32.2	2.5	-23.6
Summary Statistics							
Minimum	-10.2	-734.3	-748.3	-57.3	-309.6	-185.2	-687.1
Mean	21.7	36.5	14.8	35.3	15.6	17.5	-3.0
Median	14.0	31.9	16.1	26.5	15.2	9.0	0.1
Maximum	146.9	289.8	245.8	340.9	317.0	793.3	379.2
Median across Income Groups							
Low Inc	24.3	47.2	20.2	31.4	15.7	14.6	0.0
Lower-Middle Inc	14.1	36.7	19.7	24.7	9.8	7.3	0.0
Upper-Middle Inc	9.5	19.6	12.3	30.3	17.9	15.6	1.8
High Inc	5.0	23.7	17.2	23.9	42.0	0.2	-7.1
Median across Regions							
AFR	22.6	38.1	16.6	26.6	14.6	15.1	0.0
EAP	14.3	45.3	10.5	19.3	3.3	19.9	0.0

	1	2	3	4	5	6	7
	Young Firms		Establishment Age				
Nation	≤2 years	≤5 years	3-5 years	6-10 years	11-20 years	21-50 years	51+ years
ECA	10.4	27.5	19.5	37.8	20.3	0.5	-0.1
LAC	5.3	17.6	10.7	21.2	13.4	24.1	3.7
SAR	87.0	147.5	60.6	9.8	30.9	-88.9	0.5

Panel B: Countries with net job loss

	Young Firms		All Firms by Age				
Nation	≤2yrs	≤5yrs	3-5years	6-10years	11-20years	21-50years	51+years
Botswana	288.54	1275.59	987.05	218.74	-1012.30	-634.46	52.43
Burundi	26.40	-132.44	-158.84	4.37	22.37	5.70	0.00
Cote d'Ivoire	-75.06	-74.84	0.23	0.23	0.02	-25.42	0.01
El Salvador	-400.69	-497.49	-96.81	327.90	523.50	-498.93	45.02
Eritrea	3.52	9.19	5.66	-18.59	-35.01	-17.33	-29.40
Honduras	6.73	114.54	107.81	-3.86	79.19	-288.65	-1.21
Lao PDR	-0.31	1.00	1.30	-97.47	-3.11	-0.41	0.00
Latvia	2.28	28.40	26.12	33.04	-161.17	-0.66	0.10
Macedonia, FYR	54.61	177.45	122.85	24.32	138.23	-10.50	-427.40
Nepal	344.09	542.88	198.80	147.17	-895.61	104.98	0.00
Panama	16.50	-264.01	-280.51	30.10	62.71	7.54	51.97
Serbia	5.39	-6.04	-11.44	18.76	70.59	-33.57	-149.02
Sierra Leone	24.69	39.00	14.31	31.05	98.57	-274.12	5.50
Tonga	-99.94	-99.44	0.49	-0.04	0.05	-0.52	-0.05
Uzbekistan	-1.95	-17.31	-15.35	-31.01	-15.49	-25.28	-10.71
Western Samoa	-0.67	5.17	5.84	3.33	-101.46	-3.76	-0.97
Yemen, Rep.	10.54	29.28	18.73	36.27	-268.58	98.31	3.13
Summary Statistics							
Minimum	-400.69	-497.49	-280.51	-97.47	-1012.30	-634.46	-427.40
Mean	12.04	66.53	54.49	42.61	-88.09	-93.95	-27.09
Median	5.39	5.17	5.66	18.76	0.02	-10.50	0.00
Maximum	344.09	1275.59	987.05	327.90	523.50	104.98	52.43
Median across Income Groups							
Low Inc	24.69	9.19	5.66	4.37	-3.11	-0.41	0.00
Lower-Middle Inc	-1.95	-17.31	0.49	0.23	0.02	-25.28	-0.05
Upper-Middle Inc	35.55	85.71	55.70	27.21	66.65	-22.03	-48.52
High Inc	2.28	28.40	26.12	33.04	-161.17	-0.66	0.10
Median across Regions							
AFR	24.69	9.19	5.66	4.37	0.02	-25.42	0.01
EAP	-0.67	1.00	1.30	-0.04	-3.11	-0.52	-0.05
ECA	3.84	11.18	7.34	21.54	27.55	-17.89	-79.86
LAC	6.73	-264.01	-96.81	30.10	79.19	-288.65	45.02
MNA	10.54	29.28	18.73	36.27	-268.58	98.31	3.13
SAR	344.09	542.88	198.80	147.17	-895.61	104.98	0.00

Table 6: Establishment Size, Age, and Growth

The regressions estimated in this table are: Employment Growth/Sales Growth/Productivity Growth = a + b_0 Size Dummy for 5-100 employees + b_1Size Dummy for 101-250 employees + b_2 Size Dummy for 251+ employees (reference category) + b_3 Age Dummy for ≤ 2 years + b_4 Age Dummy for 3-5 years + b_5 Age Dummy for 6+ years (reference category) +Country Dummies + Sector Dummies + Year Dummies + e. Employment Growth is defined as the log difference in permanent, full-time employment over a two year period. Sales Growth is defined as the log difference in sales over a two year period and Labor Productivity Growth is defined as the log difference in labor productivity (Sales/Employment) over a two year period. In cols. 1-3, 6, and 9 we report results for the full sample. In cols. 4,7, and 8 we report results for just the manufacturing sector and in cols. 5, 8, and 11 we report results for non-manufacturing firms. All data is at the firm level from the World Bank Enterprise Surveys. All regressions are OLS regressions with standard errors clustered at the country level.

Panel A:

	1	2	3	4	5	6	7	8	9	10	11
	Employment Growth					Sales Growth			Productivity Growth		
	Full Sample			Manu-facturing	Non-Manu facturing	Full Sample	Manu-facturing	Non-Manu facturing	Full Sample	Manu-facturing	Non-Manu facturing
Size Dummy (5-100 employees)	0.113***		0.100***	0.105***	0.087***	0.005	0.007	-0.002	-0.091***	-0.094***	-0.085**
	(0.009)		(0.009)	(0.010)	(0.015)	(0.021)	(0.019)	(0.041)	(0.017)	(0.018)	(0.039)
Size Dummy (101-250 employees)	0.029***		0.026***	0.031***	0.014	-0.015	-0.025	0.003	-0.037**	-0.051***	-0.008
	(0.008)		(0.008)	(0.010)	(0.016)	(0.018)	(0.016)	(0.046)	(0.016)	(0.016)	(0.043)
Age Dummy (<=2 years)		0.118***	0.110***	0.115***	0.105***	0.133***	0.136***	0.129***	0.028**	0.032*	0.022
		(0.009)	(0.008)	(0.012)	(0.008)	(0.015)	(0.020)	(0.018)	(0.011)	(0.017)	(0.014)
Age Dummy (3-5 years)		0.063***	0.057***	0.058***	0.056***	0.047***	0.045***	0.049***	-0.007	-0.009	-0.006
		(0.005)	(0.005)	(0.006)	(0.006)	(0.007)	(0.009)	(0.012)	(0.007)	(0.009)	(0.012)
Constant	-0.011	0.065***	-0.021*	-0.012	0.018	0.104***	0.121***	0.192***	0.120***	0.112***	0.135***
	(0.012)	(0.009)	(0.011)	(0.012)	(0.018)	(0.024)	(0.022)	(0.048)	(0.020)	(0.018)	(0.044)
# of Observations	40750	40129	40129	22974	17155	33220	19112	14108	33205	19109	14096
# of Countries	98.000	98.000	98	98	98	98	98	98	98	98	98
R-sq	0.058	0.065	0.078	0.085	0.079	0.052	0.057	0.052	0.042	0.046	0.044
Adjusted R-sq	0.056	0.062	0.076	0.08	0.074	0.049	0.052	0.045	0.039	0.04	0.037

*, **, and *** represent significance at 10, 5, and 1% respectively.

Panel B:

	1	2	3	4	5	6	7	8	9
	Employment Growth			Sales Growth			Productivity Growth		
	Full Sample	Manufacturing	Non-Manufacturing	Full Sample	Manufacturing	Non-Manufacturing	Full Sample	Manufacturing	Non-Manufacturing
Size (5-100 employees) and Age (<=2 years)	0.208***	0.222***	0.184***	0.137***	0.142***	0.129***	-0.062***	-0.064***	-0.057
	(0.011)	(0.015)	(0.018)	(0.023)	(0.025)	(0.043)	(0.019)	(0.020)	(0.039)
Size (5-100 employees) and Age (3-5 years)	0.150***	0.157***	0.134***	0.049**	0.049**	0.047	-0.095***	-0.101***	-0.085**
	(0.009)	(0.011)	(0.016)	(0.021)	(0.021)	(0.040)	(0.017)	(0.018)	(0.038)
Size (5-100 employees) and Age (6+ years)	0.089***	0.094***	0.074***	0.003	0.004	-0.001	-0.082***	-0.085***	-0.074*
	(0.008)	(0.008)	(0.016)	(0.021)	(0.020)	(0.040)	(0.017)	(0.017)	(0.038)
Size (101-250 employees) and Age (<=2 years)	0.018	0.009	0.019	0.120*	0.087	0.160	0.106*	0.084	0.145
	(0.023)	(0.034)	(0.028)	(0.065)	(0.086)	(0.104)	(0.059)	(0.074)	(0.094)
Size (101-250 employees) and Age (3-5 years)	0.052***	0.062***	0.034	0.046	0.045	0.053	0.012	0.003	0.032
	(0.014)	(0.016)	(0.032)	(0.043)	(0.041)	(0.102)	(0.038)	(0.039)	(0.086)
Size (101-250 employees) and Age (6+ years)	0.024***	0.030***	0.011	-0.019	-0.030*	0.002	-0.040**	-0.055***	-0.010
	(0.007)	(0.008)	(0.016)	(0.019)	(0.018)	(0.044)	(0.017)	(0.016)	(0.043)
Size (251+ employees) and Age (<=2 years)	-0.059	-0.058	-0.064	0.064	0.102	-0.039	0.130	0.175	0.013
	(0.096)	(0.124)	(0.086)	(0.073)	(0.064)	(0.190)	(0.115)	(0.143)	(0.171)
Size (251+ employees) and Age (3-5 years)	0.015	0.020	-0.007	0.048	0.023	0.122	0.040	0.020	0.111
	(0.024)	(0.025)	(0.054)	(0.058)	(0.033)	(0.170)	(0.056)	(0.041)	(0.165)
Constant (reference category of Size(251+ employees) and Age (6+ years))	-0.012	-0.004	0.028	0.106***	0.124***	0.191***	0.113***	0.108***	0.127***
	(0.011)	(0.011)	(0.018)	(0.025)	(0.023)	(0.047)	(0.020)	(0.018)	(0.043)
# of Firms	40129	22974	17155	33220	19112	14108	33205	19109	14096
# of Countries	98.000	98.000	98.000	98.000	98.000	98.000	98.000	98.000	98.000
R-Squared	0.080	0.087	0.080	0.052	0.057	0.053	0.042	0.046	0.045
Adjusted R-Sq	0.078	0.083	0.075	0.049	0.052	0.045	0.039	0.040	0.037

*, **, and *** represent significance at 10, 5, and 1% respectively.

Table 7: Establishment Size, Age, and Growth – Across Income Groups

The regressions estimated in this table are: Employment Growth/Sales Growth/Productivity Growth = a + b_0 Size Dummy for 5-100 employees + b_1Size Dummy for 101-250 employees + b_2 Size Dummy for 251-500 employees + b_3 Age Dummy for ≤ 2 years + b_4 Age Dummy for 3-5 years + b_5 Age Dummy for 6-10 years +Country Dummies + Sector Dummies + Year Dummies + e. Employment Growth is defined as the log difference in permanent, full-time employment over a two year period. Sales Growth is defined as the log difference in sales over a two year period and Labor Productivity Growth is defined as the log difference in labor productivity (Sales/Employment) over a two year period. In cols. 1, 5, and 9, we report results for a subpopulation of firms in low income countries. In cols. 2, 6, and 10, we report results for a subpopulation of firms in lower-middle income countries. In cols. 3, 7, and 11, we report results for a subpopulation of firms in upper middle income countries. In cols. 4, 8, and 12, we report results for a subpopulation of firms in high income countries. All data is at the firm level from the World Bank Enterprise Surveys. All regressions are OLS regressions with standard errors clustered at the country level.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Employment Growth				Sales Growth				Productivity Growth			
	Low	Lower-Middle	Upper-Middle	High	Low	Lower-Middle	Upper-Middle	High	Low	Lower-Middle	Upper-Middle	High
Size Dummy (5-100 employees)	0.143***	0.097***	0.097***	0.071***	0.017	-0.008	0.009	0.024	-0.117**	-0.095***	-0.089***	-0.039
	(0.024)	(0.016)	(0.014)	(0.013)	(0.036)	(0.038)	(0.033)	(0.040)	(0.043)	(0.034)	(0.025)	(0.041)
Size Dummy (101-250 employees)	0.047*	0.035*	0.016	0.017	0.016	-0.031	-0.025	0.056	-0.031	-0.057**	-0.039	0.047
	(0.025)	(0.018)	(0.011)	(0.017)	(0.035)	(0.031)	(0.029)	(0.047)	(0.042)	(0.023)	(0.026)	(0.051)
Age Dummy (<=2 years)	0.090***	0.099***	0.135***	0.124**	0.091***	0.131***	0.170***	0.228***	0.006	0.036	0.037	0.109*
	(0.012)	(0.015)	(0.014)	(0.040)	(0.022)	(0.027)	(0.026)	(0.055)	(0.016)	(0.021)	(0.023)	(0.051)
Age Dummy (3-5 years)	0.043***	0.053***	0.064***	0.096**	0.038***	0.052***	0.041***	0.101**	-0.003	0.001	-0.023	0.023
	(0.008)	(0.006)	(0.011)	(0.030)	(0.013)	(0.013)	(0.014)	(0.036)	(0.013)	(0.014)	(0.014)	(0.032)
Constant	-0.113***	-0.005	-0.049***	-0.043	0.184**	0.035	0.038	-0.096*	0.251***	0.127***	0.092***	-0.036
	(0.032)	(0.021)	(0.015)	(0.026)	(0.071)	(0.032)	(0.040)	(0.049)	(0.055)	(0.024)	(0.030)	(0.067)
# of Observations	7760	14502	15480	2387	7037	11982	12254	1947	7034	11978	12246	1947
# of Countries	29.000	33.000	28.000	8.000	29.000	33.000	28.000	8.000	29.000	33.000	28.000	8.000
R-sq	0.087	0.088	0.068	0.067	0.085	0.052	0.041	0.038	0.074	0.046	0.028	0.029
Adjusted R-sq	0.082	0.085	0.066	0.059	0.079	0.048	0.037	0.027	0.067	0.042	0.024	0.018

*, **, and *** represent significance at the 10, 5, and 1% respectively.

Table 8: Establishment Size, Age, and Growth – Large vs. Small Informal Sector

The regressions estimated in this table are: Employment Growth/Sales Growth/Productivity Growth = a + b_0 Size Dummy for 5-100 employees + b_1Size Dummy for 101-250 employees + b_2 Size Dummy for 251-500 employees + b_3 Age Dummy for ≤ 2 years + b_4 Age Dummy for 3-5 years + b_5 Age Dummy for 6-10 years +Country Dummies + Sector Dummies + Year Dummies + e. Employment Growth is defined as the log difference in permanent, full-time employment over a two year period. Sales Growth is defined as the log difference in sales over a two year period and Labor Productivity Growth is defined as the log difference in labor productivity (Sales/Employment) over a two year period. Cols 1-3 present results for countries that have a large informal sector (above the median value) and cols. 4-6 present results for countries with a small informal sector (below the median value) where informal sector is defined by the informal sector's contribution to GDP in Schneider et al. (2010). All data is at the firm level from the World Bank Enterprise Surveys. All regressions are OLS regressions with standard errors clustered at the country level.

	(1)	(2)	(3)	(4)	(5)	(6)
	Employment Growth	Sales Growth	Productivity Growth	Employment Growth	Sales Growth	Productivity Growth
	Large Informal Sector			Small Informal Sector		
Size Dummy (5-100 employees)	0.105***	-0.004	-0.100***	0.089***	0.016	-0.072***
	(0.016)	(0.035)	(0.029)	(0.009)	(0.023)	(0.019)
Size Dummy (101-250 employees)	0.037**	-0.028	-0.054	0.018**	-0.002	-0.021
	(0.017)	(0.035)	(0.033)	(0.008)	(0.018)	(0.017)
Age Dummy (<=2 years)	0.112***	0.133***	0.029*	0.115***	0.129***	0.018
	(0.014)	(0.023)	(0.017)	(0.011)	(0.019)	(0.016)
Age Dummy (3-5 years)	0.060***	0.051***	-0.004	0.057***	0.039***	-0.017
	(0.006)	(0.010)	(0.011)	(0.008)	(0.011)	(0.011)
Constant	-0.019	0.192***	0.196***	-0.023*	-0.023	0.120***
	(0.024)	(0.041)	(0.037)	(0.012)	(0.028)	(0.022)
# of Observations	17313	14488	14485	20907	17220	17211
# of Countries	45.000	45.000	45.000	43.000	43.000	43.000
R-sq	0.083	0.059	0.050	0.070	0.048	0.030
Adjusted R-sq	0.079	0.055	0.046	0.067	0.044	0.027

*, **, and *** represent significance at the 10, 5, and 1% respectively.

Table 9: Establishment Size, Age, and Growth – Stand-Alone Establishments vs. Establishments that are part of a larger firm

The regressions estimated in this table are: Employment Growth/Sales Growth/Productivity Growth = a + b_0 Size Dummy for 5-100 employees + b_1Size Dummy for 101-250 employees + b_2 Age Dummy for ≤ 2 years + b_3 Age Dummy for 3-5 years + Country Dummies + Sector Dummies + Year Dummies + e. Employment Growth is defined as the log difference in permanent, full-time employment over a two year period. Sales Growth is defined as the log difference in sales over a two year period and Labor Productivity Growth is defined as the log difference in labor productivity (Sales/Employment) over a two year period. Cols. 1 to 3 present results for only single establishment firms. Cols. 4 to 6 present results for establishments that report being part of a larger firm. All data is at the firm level from the World Bank Enterprise Surveys. All regressions are OLS regressions with standard errors clustered at the country level.

	(1)	(2)	(3)	(4)	(5)	(6)
	Employment Growth	Sales Growth	Productivity Growth	Employment Growth	Sales Growth	Productivity Growth
	Single Establishment			Part of a Larger Firm		
Size Dummy (5-100 employees)	0.108***	-0.001	-0.103***	0.099***	0.048	-0.048
	(0.011)	(0.021)	(0.018)	(0.011)	(0.036)	(0.034)
Size Dummy (101-250 employees)	0.029***	-0.029	-0.051**	0.033***	0.018	-0.015
	(0.010)	(0.024)	(0.022)	(0.011)	(0.032)	(0.033)
Age Dummy (<=2 years)	0.112***	0.132***	0.024**	0.097***	0.145***	0.054
	(0.009)	(0.015)	(0.011)	(0.014)	(0.036)	(0.035)
Age Dummy (3-5 years)	0.060***	0.043***	-0.013	0.039***	0.057***	0.015
	(0.005)	(0.008)	(0.009)	(0.012)	(0.020)	(0.023)
Constant	-0.039***	0.110***	0.175***	-0.135***	0.117	0.267***
	(0.014)	(0.023)	(0.019)	(0.025)	(0.082)	(0.069)
# of Observations	34318	28574	28564	5429	4408	4405
# of Countries	97.000	97.000	97.000	96.000	96.000	96.000
R-sq	0.081	0.056	0.045	0.098	0.064	0.057
Adjusted R-sq	0.078	0.052	0.041	0.079	0.039	0.032

*, **, and *** represent significance at the 10, 5, and 1% respectively.

Table 10: Establishment Size, Age, and Growth – Additional Robustness

The regressions estimated in this table are: Employment Growth/Sales Growth/Productivity Growth = a + b_0 Size Dummy for 5-100 employees + b_1Size Dummy for 101-250 employees + b_2 Size Dummy for 251-500 employees + b_3 Age Dummy for ≤ 2 years + b_4 Age Dummy for 3-5 years + b_5 Age Dummy for 6-10 years +Country Dummies + Sector Dummies + Year Dummies + Country x Sector Dummies + e. Employment Growth is defined as the log difference in permanent, full-time employment over a two year period. Sales Growth is defined as the log difference in sales over a two year period and Labor Productivity Growth is defined as the log difference in labor productivity (Sales/Employment) over a two year period. In Cols. 1-3 we include country x sector interaction effects and use OLS regressions with standard errors clustered by country. In cols. 4 to 6 we use OLS regressions but cluster standard errors by survey strata. In cols. 7 to 9 we use weighted survey regressions.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Employment Growth	Sales Growth	Productivity Growth	Employment Growth	Sales Growth	Productivity Growth	Employment Growth	Sales Growth	Productivity Growth
	Country x Sector Effects			Clustering by strata			Weighted Survey Regression		
Size Dummy (5-100 employees)	0.100***	0.003	-0.093***	0.092***	0.004	-0.084***	0.069***	-0.056	-0.112
	(0.009)	(0.022)	(0.019)	(0.006)	(0.018)	(0.018)	(0.020)	(0.132)	(0.130)
Size Dummy (101-250 employees)	0.028***	-0.019	-0.043**	0.025***	-0.021	-0.043**	0.062	-0.439*	-0.506*
	(0.009)	(0.019)	(0.017)	(0.007)	(0.020)	(0.021)	(0.049)	(0.265)	(0.302)
Age Dummy (<=2 years)	0.110***	0.130***	0.026**	0.127***	0.169***	0.043**	0.092***	0.106**	0.010
	(0.008)	(0.015)	(0.012)	(0.008)	(0.016)	(0.017)	(0.020)	(0.048)	(0.054)
Age Dummy (3-5 years)	0.057***	0.046***	-0.009	0.061***	0.056***	-0.000	0.057***	0.106*	0.046
	(0.005)	(0.008)	(0.008)	(0.005)	(0.012)	(0.011)	(0.017)	(0.060)	(0.072)
Constant	0.045***	0.310***	0.262***	0.094***	0.391***	0.294***	0.115***	0.516***	0.388**
	(0.008)	(0.018)	(0.015)	(0.013)	(0.028)	(0.028)	(0.035)	(0.161)	(0.161)
# of Observations	40129	33220	33205	27748	21757	21746	27748	21757	21746
# of Countries	98.000	98.000	98.000	64	64	64	64	64	64
R-sq	0.108	0.087	0.074	0.077	0.050	0.036	0.050	0.082	0.082
Adjusted R-sq	0.083	0.056	0.043	0.074	0.047	0.032			

*, **, and *** represent significance at 10, 5, and 1% respectively.

Appendix:

		Full Sample	Manufacturing							Source (Common for all tables)
Nation	**year**	**SME50**	**SME50**	**SME100**	**SME150**	**SME200**	**SME250**	**SME300**	**SME500**	
Afghanistan	2007	41.76	36.51	62.19	72.91	77.33	77.33	77.33	77.33	Enterprise Surveys
Albania	2006	50.47	37.58	54.35	65.43	82.65	94.78	94.78	96.91	Enterprise Surveys
Angola	2005	83.85	78.16	84.36	100.00	100.00	100.00	100.00	100.00	Enterprise Surveys
Argentina	2005	11.60	12.33	19.49	26.16	28.86	29.18	34.16	43.21	Enterprise Surveys
Armenia	2008	26.97	19.29	36.82	59.58	63.44	73.50	85.89	88.56	Enterprise Surveys
Azerbaijan	2008	20.54	17.16	30.51	41.46	47.37	54.69	72.79	85.85	Enterprise Surveys
Bangladesh	2006	7.96	6.29	8.09	9.77	12.78	18.12	23.32	37.33	Enterprise Surveys
Belarus	2007	12.96	5.50	10.39	13.88	17.37	18.93	25.05	38.65	Enterprise Surveys
Benin	2008	58.27	17.47	17.47	32.89	32.89	40.42	40.42	40.42	Enterprise Surveys
Bhutan	2008	43.58	26.11	40.38	54.94	65.55	70.97	83.57	100.00	Enterprise Surveys
Bolivia	2005	44.67	45.53	58.16	64.57	67.75	78.61	79.34	91.39	Enterprise Surveys
Bosnia and Herzegovina	2008	27.41	22.80	47.52	54.66	59.48	65.04	68.33	81.12	Enterprise Surveys
Botswana	2005	34.42	19.31	36.77	54.89	59.31	64.05	64.05	69.56	Enterprise Surveys
Brazil	2008	11.26	10.80	21.39	28.68	33.41	36.69	37.69	48.49	Enterprise Surveys
Bulgaria	2006	32.48	31.55	43.90	52.49	58.19	59.68	66.74	74.66	Enterprise Surveys
Burkina Faso	2008	38.53	33.47	44.36	61.47	62.91	79.91	84.46	90.79	Enterprise Surveys
Burundi	2005	74.79	60.90	81.71	93.24	100.00	100.00	100.00	100.00	Enterprise Surveys
Cameroon	2008	22.26	11.59	23.55	30.60	35.62	35.62	38.15	51.62	Enterprise Surveys
Cape Verde	2008	52.91	69.00	75.46	84.89	84.89	84.89	100.00	100.00	Enterprise Surveys
Chad	2008	52.02	25.08	44.16	64.47	64.47	64.47	85.22	100.00	Enterprise Surveys
Chile	2005	9.48	17.14	25.13	32.89	38.17	41.34	48.18	53.16	Enterprise Surveys
Colombia	2005	51.90	58.38	72.42	74.54	76.53	78.92	79.42	83.09	Enterprise Surveys
Congo, Dem. Rep.	2005	62.97	55.15	65.84	74.53	89.32	93.49	100.00	100.00	Enterprise Surveys
Congo, Rep.	2008	37.30	30.09	53.10	53.10	53.10	53.10	53.10	53.10	Enterprise Surveys
Cote d'Ivoire	2008	44.31	36.76	42.29	51.21	54.57	59.95	62.89	64.51	Enterprise Surveys
Croatia	2006	34.86	28.30	38.41	50.31	56.01	62.37	66.12	83.94	Enterprise Surveys
Czech Republic	2008	31.15	18.53	34.47	45.61	52.77	55.66	57.76	69.72	Enterprise Surveys
Ecuador	2005	27.26	25.42	34.32	52.96	64.64	65.91	73.42	87.22	Enterprise Surveys
El Salvador	2005	28.49	16.77	28.36	34.42	40.22	42.67	48.34	56.18	Enterprise Surveys
Eritrea	2008	74.98	65.03	84.22	100.00	100.00	100.00	100.00	100.00	Enterprise Surveys
Estonia	2008	37.82	29.92	55.92	63.54	73.61	82.38	87.85	100.00	Enterprise Surveys
Fiji	2008	29.71	17.12	31.90	45.51	52.28	52.28	52.28	59.74	Enterprise Surveys
Gabon	2008	27.25	23.85	34.01	34.01	38.25	54.51	54.51	54.51	Enterprise Surveys
Gambia	2005	50.84	62.22	71.49	71.49	84.26	100.00	100.00	100.00	Enterprise Surveys
Georgia	2007	13.35	14.27	23.08	25.51	26.52	27.79	29.03	31.81	Enterprise Surveys

		Full Sample	Manufacturing							Source (Common for all tables)
Nation	**year**	**SME50**	**SME50**	**SME100**	**SME150**	**SME200**	**SME250**	**SME300**	**SME500**	
Ghana	2006	29.83	25.38	30.73	41.40	54.34	55.48	72.09	82.27	Enterprise Surveys
Guatemala	2005	36.87	33.70	43.25	47.75	59.79	62.35	63.12	78.13	Enterprise Surveys
Guinea	2005	52.66	46.08	58.64	62.36	68.17	81.46	81.46	81.46	Enterprise Surveys
Guinea-Bissau	2005	60.93	58.30	72.10	72.10	72.10	72.10	100.00	100.00	Enterprise Surveys
Honduras	2005	9.88	26.92	60.96	67.15	71.16	72.89	75.22	81.67	Enterprise Surveys
Hungary	2008	19.79	14.81	28.23	34.89	38.36	40.87	46.13	56.54	Enterprise Surveys
Indonesia	2008	34.74	32.32	38.43	41.63	44.04	45.10	46.18	51.00	Enterprise Surveys
Kazakhstan	2008	27.87	16.97	23.92	33.65	43.53	51.15	55.50	72.41	Enterprise Surveys
Kenya	2006	24.08	8.19	20.09	30.74	38.01	41.75	47.59	53.82	Enterprise Surveys
Kosovo	2008	62.25	82.95	96.10	96.10	96.10	100.00	100.00	100.00	Enterprise Surveys
Kyrgyz Republic	2008	28.49	21.60	35.32	41.56	47.91	47.91	75.53	87.39	Enterprise Surveys
Lao PDR	2008	48.34	28.78	36.33	40.53	45.90	50.68	56.79	64.89	Enterprise Surveys
Latvia	2008	33.19	27.44	49.02	57.61	70.56	75.86	78.48	96.44	Enterprise Surveys
Lesotho	2008	8.82	1.64	2.70	2.94	3.14	3.14	3.84	6.57	Enterprise Surveys
Liberia	2008	72.64	81.01	82.82	82.82	85.85	89.35	89.35	100.00	Enterprise Surveys
Lithuania	2008	43.84	28.89	49.86	58.42	63.45	69.16	76.76	89.38	Enterprise Surveys
Macedonia, FYR	2008	30.89	19.87	43.73	52.54	57.44	59.03	64.60	71.31	Enterprise Surveys
Madagascar	2008	22.07	9.48	19.35	25.78	29.62	30.71	34.03	48.00	Enterprise Surveys
Malawi	2008	14.42	4.93	14.20	19.24	21.92	23.11	24.80	30.17	Enterprise Surveys
Mali	2006	63.30	59.31	70.24	76.47	79.23	91.13	91.13	100.00	Enterprise Surveys
Mauritania	2005	70.72	59.78	74.14	78.78	91.54	91.54	100.00	100.00	Enterprise Surveys
Mauritius	2008	21.84	19.81	30.93	33.15	45.83	52.59	53.19	68.07	Enterprise Surveys
Mexico	2005	34.80	24.52	43.83	56.30	57.79	59.58	62.92	69.89	Enterprise Surveys
Micronesia, Fed. Sts.	2008	74.97	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Enterprise Surveys
Moldova	2008	37.33	22.45	32.42	38.11	48.24	53.48	58.48	70.81	Enterprise Surveys
Mongolia	2008	36.96	36.06	54.13	67.73	69.82	74.37	77.94	84.29	Enterprise Surveys
Montenegro	2008	60.54	49.03	69.73	84.41	100.00	100.00	100.00	100.00	Enterprise Surveys
Mozambique	2006	33.47	55.25	75.74	91.06	92.32	95.82	95.82	100.00	Enterprise Surveys
Namibia	2005	69.37	52.81	63.53	68.15	72.43	74.51	74.51	83.14	Enterprise Surveys
Nepal	2008	68.25	61.85	63.34	68.62	73.35	81.72	83.50	94.67	Enterprise Surveys
Nicaragua	2005	42.00	46.32	58.20	59.27	60.73	64.51	72.41	87.84	Enterprise Surveys
Niger	2008	72.91	62.98	75.55	93.66	100.00	100.00	100.00	100.00	Enterprise Surveys
Nigeria	2006	63.05	47.20	70.64	78.84	86.57	87.81	88.66	94.21	Enterprise Surveys
Panama	2005	24.23	27.93	50.00	60.59	67.75	72.30	77.19	82.37	Enterprise Surveys
Paraguay	2005	36.93	34.87	51.72	66.94	74.62	77.91	81.15	100.00	Enterprise Surveys
Peru	2005	15.68	9.90	20.90	24.54	26.09	26.31	44.30	52.70	Enterprise Surveys
Philippines	2008	20.35	15.90	30.63	37.33	41.37	47.49	50.94	60.89	Enterprise Surveys
Poland	2008	27.45	15.16	26.54	37.27	47.14	63.90	73.56	82.48	Enterprise Surveys

		Full Sample	Manufacturing							Source (Common for all tables)
Nation	**year**	**SME50**	**SME50**	**SME100**	**SME150**	**SME200**	**SME250**	**SME300**	**SME500**	
Romania	2008	35.94	20.38	37.56	48.78	57.78	61.80	65.59	76.56	Enterprise Surveys
Russian Federation	2008	5.94	6.67	14.76	18.45	21.59	26.26	33.84	49.88	Enterprise Surveys
Rwanda	2005	34.45	21.69	29.72	38.75	46.62	53.31	62.43	62.43	Enterprise Surveys
Senegal	2006	36.08	20.61	31.68	39.54	43.27	43.27	49.09	56.54	Enterprise Surveys
Serbia	2008	22.60	17.38	31.35	42.18	48.91	54.11	58.61	71.57	Enterprise Surveys
Sierra Leone	2008	54.24	84.42	96.00	100.00	100.00	100.00	100.00	100.00	Enterprise Surveys
Slovak Republic	2008	34.41	25.96	39.92	47.33	52.67	53.84	55.33	64.89	Enterprise Surveys
Slovenia	2008	23.15	14.53	26.09	30.16	36.18	39.96	39.96	65.59	Enterprise Surveys
South Africa	2006	23.86	19.90	36.97	47.81	52.18	56.80	60.80	70.77	Enterprise Surveys
Swaziland	2005	25.57	10.00	17.63	22.41	29.87	34.64	49.16	57.10	Enterprise Surveys
Tajikistan	2007	17.36	10.38	24.90	30.68	32.87	39.53	42.51	49.90	Enterprise Surveys
Tanzania	2005	41.70	30.20	45.31	54.98	70.65	74.51	74.51	88.18	Enterprise Surveys
Timor-Leste	2008	54.77	91.66	100.00	100.00	100.00	100.00	100.00	100.00	Enterprise Surveys
Togo	2008	59.87	22.11	29.56	35.83	67.25	67.25	67.25	100.00	Enterprise Surveys
Tonga	2008	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	Enterprise Surveys
Turkey	2007	15.64	17.29	28.50	33.58	39.30	44.02	48.21	57.22	Enterprise Surveys
Uganda	2005	39.65	25.34	34.21	39.36	43.55	45.85	50.05	71.21	Enterprise Surveys
Ukraine	2007	21.35	11.10	21.21	25.88	28.02	31.31	35.97	45.87	Enterprise Surveys
Uruguay	2005	47.78	56.65	71.35	79.86	83.11	86.44	87.18	92.03	Enterprise Surveys
Uzbekistan	2007	44.86	29.30	51.36	63.06	65.51	65.95	68.32	73.98	Enterprise Surveys
Vanuatu	2008	73.46	33.46	100.00	100.00	100.00	100.00	100.00	100.00	Enterprise Surveys
Venezuela, RB	2005	44.23	41.71	53.68	60.61	69.53	73.75	80.05	81.85	Enterprise Surveys
Vietnam	2008	14.64	6.56	14.57	20.79	27.16	28.29	32.54	41.30	Enterprise Surveys
Western Samoa	2008	44.96	25.01	30.24	30.24	30.24	30.24	30.24	30.24	Enterprise Surveys
Yemen, Rep.	2009	40.21	40.06	46.17	49.44	60.15	68.51	69.58	80.41	Enterprise Surveys
Zambia	2006	21.92	16.06	35.19	44.80	51.07	58.71	69.21	91.02	Enterprise Surveys
Data from Sources other than World Bank Enterprise Surveys										
Australia	2002					52.30				IFC-OECD
Austria	2008						54.66			European Commission on Enterprise& Industry
Belgium	2008						54.98			European Commission on Enterprise& Industry
Canada	2009			36.36				53.63	61.71	Statistics Canada, Survey of Employment, Payrolls and Hours (SEPH)
Cyprus	2008						87			European Commission on Enterprise& Industry
Denmark	2008						54.46			European Commission on Enterprise& Industry
Finland	2008						48.74			European Commission on Enterprise& Industry
France	2008						53.72			European Commission on Enterprise& Industry
Germany	2008						46.85			European Commission on Enterprise& Industry
Greece	2008						78.24			European Commission on Enterprise& Industry
Hong Kong, China	2008			53.71						Hong Kong Trade & Industry Dept

		Full Sample	Manufacturing							Source (Common for all tables)
Nation	**year**	**SME50**	**SME50**	**SME100**	**SME150**	**SME200**	**SME250**	**SME300**	**SME500**	
Iceland	2008						6.70			European Commission on Enterprise& Industry
Ireland	2008						53.40			European Commission on Enterprise& Industry
Israel	2008						51.19			European Commission on Enterprise& Industry
Italy	2008						77.91			European Commission on Enterprise& Industry
Japan	2006/2007			55.27		67.75	67.8	74.20		JPN Census/OECD
Liechtenstein	2007						31.61			European Commission on Enterprise& Industry
Luxembourg	2008						39.49			European Commission on Enterprise& Industry
Malaysia	2008				33.2					Malaysian Dept of Statistics
Malta	2008						59.26			European Commission on Enterprise& Industry
Netherlands	2008						67.20			European Commission on Enterprise& Industry
Norway	2008						61.69			European Commission on Enterprise& Industry
Portugal	2008						81.55			European Commission on Enterprise& Industry
Spain	2008						74.04			European Commission on Enterprise& Industry
Sweden	2008						50.60			European Commission on Enterprise& Industry
Switzerland	2005						63.26			European Commission on Enterprise& Industry
Taiwan, China	2006					64.49			77.03	National statistics of Taiwan
Thailand	2006			38.54		48.04			62.82	National Statistics Office
United Kingdom	2008						56.47			European Commission on Enterprise& Industry
United States	2007			26.07					44.43	US Small Business Administration
Netherlands Antilles	2010	50.59								IFC- (Central Bureau of Statistics Netherlands Antilles)
Bermuda	2008	49.32								IFC-(Bermuda Dept of Statistics)
Guam	2007	59.94								IFC-US Census Bureau
Virgin Islands (U.S.)	2007	64.77								IFC-US Census Bureau
West Bank and Gaza	2007	82.00								IFC-Palestinian Central Bureau of Statistics
Summary Statistics										
Minimum		5.94	1.64	2.70	2.94	3.14	3.14	3.84	6.57	
Mean		39.72	32.87	45.79	53.45	59.13	62.00	67.42	74.95	
Median		36.90	25.96	40.15	51.85	58.19	60.82	68.33	78.13	
Maximum		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Median across Income Groups										
Low Inc		49.59	31.84	44.84	61.92	67.71	73.31	79.40	90.91	
Lower-Middle Inc		37.32	30.09	42.77	53.10	60.44	65.91	69.58	79.27	
Upper-Middle Inc		27.64	19.89	36.87	47.81	54.86	57.92	63.49	71.44	
High		34.64	22.25	37.38	46.47	52.77	55.66	61.94	69.72	
Median across Regions										
AFR		43.01	30.15	44.26	54.94	63.69	65.86	73.30	85.66	
EAP		48.34	30.55	38.54	41.63	52.28	52.28	56.79	63.86	
ECA		29.69	20.13	36.07	46.47	52.67	55.32	65.86	74.32	
LAC		35.84	27.43	46.92	57.79	62.69	65.21	72.92	81.76	
MNA		61.11	40.06	46.17	49.44	60.15	59.26	69.58	80.41	
NAmer		49.30		31.21				53.63	53.07	
SAR		42.67	31.31	51.29	61.78	69.45	74.15	80.42	86.00	