

# **STATISTICS** Entrepreneurship Database

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the Statistical Product	May 08 2014
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0.4 Purpose and History	(+45) 39 17 34 08
The purpose of the Entrepreneur	■ til@dst.dk
Database is to illuminate entrepreneurs	Shortcut to this page
and new firms in Denmark. The	www.dst.dk/declarations/106175
information in the database can be used	

to analyze many different angles of the entrepreneurial culture in Denmark.

There is an Old Entrepreneur Database and the New Entrepreneur Database. The Old Entrepreneur Database covers the years 1009 to 2001, while the New Entrepreneur Database covers the years from 2001 onwards. The Entrepreneur Database contains data brake in 2001. This data brake means that data before and after 2001 are not directly comparable.

The data brake is a consequence of the Entrepreneur Databas has changed its donor register. In the new register, there is a more restrictive activity requirement for new enterprises.

The Entrepreneur Database has for years been formed on the basis of the statistics on New Enterprises (Tilgangen af virksomheder). In 2005 the database changed and the Entrepreneur Database is now made on the basis of the Business Demographic Database (Annual Business Demography).

In the old entrepreneurial statistics, based on the influx of new businesses, the formal requirements for new enterprises was a certain economic activity after at least four quarters after the establishment date, regardless of the activity level. The reuirement for economic activity in new enterprises is different in the Business Demographic Database than in the statistics on New Enterprises.

The Business Demographic Database includes only really active firms, ie. enterprises that perform a work of at least 0.5 FTE during one year. This is operationalized by the companies that have ATP-payments for employees employed at least equal to 0.5 FTE and/or have had an estimated revenue of a certain size, calculated form the turnover of the enterprise. Earnings limit varies from sector to sector. Unlike the Annual Business Demography, which takes into account that new enterprises have the opportunity of achieve a certain level of economic activity in the period following establishment and thus includes new enterprises in the year which is the actual establishement year, as well as enterprises established in the previous year - the Enterpreneur Database consists only of new enterprises actually started in the reference year.

The Business Demographic Database covers all inustries in all sectors, while the previously mentioned statistics on New Enterprises only included companies in industries subject to VAT in the private sector.

The Entrepreneur Database should be seen as a subset of the Business Demographic Database, since not alle the new enterprises from the latter are included. In forming the Entrepreneur Database a demarcation of sectors and type of ownership is done. Out of the really active enterprises in the Business Demographic Database, the Entrepreneurship Database includes only new enterprises registered in the present year and not placed in public and municipal entities, defense and social funds and government-supported enterprises. Additionally, the Entrepreneur Database is limited to private urban functions and taxable private urban functions. Delineation of taxable private urban functions increases to a certain level the comparability between the New and Old Entrepreneur Database.

#### 0.5 Users and Application

Entrepreneur statistics are used by ministries, agencies, interest groups, local government authorities, researchers and scholars.

The Entrepreneur Database has been used as a basis of various memos, policy papers and statistical portraits. Some publications can be downloaded at Enterprise and Construction Authority's website at http://www.ebst.dk/publikation.

#### 0.6 Sources

Data base for both the Old and the New Entrepreneur Database is based on existing registers in Statistics Denmark.

The Old Entrepreneur Database is built using the following sources:

- Additions of New Enterprises (donor register)
- The Integrated Database of Labour Marked Research (IDA)
- Purchases and Sales (turnover statistics)
- Business Employment

The New Entrepreneur Database, which was published first time in 2005, covers the period from 2001 onwards and is build upon the following sources:

- The Business Demographic Database (donor register)
- The Integrated Database for Labour Marked Research (IDA)
- Purchases and Sales (turnover statistics)
- Business Employment

Additional information can be found in the declaration of contents for these statistics.

## 0.7 Legal Authority to Collect Data

There is no collection of data directly from respondents, as the statistics is based on registers only.

## 0.8 Response burden

There is no respondent burden, since all information is collected from registers.

## 0.9 EU Regulation

None.

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## 1 Contents

## 1.1 Description of Contents

The Entrepreneur Database contains information on both entrepreneurs (personal data) and enterprises (enterprise data).

The Entrepreneur Database consists of 4 units; new enterprises, entrepreneurs behind sole proprietorships, entrepreneurs behind corporations and surviving companies.

## 1.2 Statistical Concepts

Definitions

### A new company

A new company is a company that is newly registered for VAT, which has not been previously operated by another owner, the second type of ownership, under a different company or an individual holder who has already registered for taxable activities. The new companies are also net of registrations due restarters Moving, bankruptcies, etc. Under the old Entrepreneur database includes a new company from the statistics if the new company has some sort of activity 4 quarters after the installation, ie. That a new business, such as is identified in the 4th quarter of 2001 is controlled up to and including 3rd quarter of 2002. Under the new Enterprise Database is only talking about a new business, and when it is within a specified activity (see Section 0.4).

#### An entrepreneur

An entrepreneur is defined as a person who establishes a new enterprise. The entrepreneur behind one-man-owned (sole) firms are identified based on information from Statistics Denmark's business register. The entrepreneur behind companies identified on the basis of a variety of information from the Commerce and Companies Agency in line with personal information which is used to identify the relationship of the person to the company concerned.

#### Surviving companies

Entrepreneur database also includes data on surviving firms. A company can be characterized as survived from year 1 to year 2, if there is economic activity in the company in year 2. This may be in the form of employment, sales or purchases of goods and services for business purposes.

#### Servants and employees in new enterprises

The staff includes employed persons at the end of November in companies founded by entrepreneurs. Employment may also be extended to include secondary employment, self-employed and assisting spouses, and even the person who has established the company (expanded employment concept).

## Variable

Entrepreneur Database contains a wide range of variables. The key variables are listed below:

Entrepreneur Data (including survived enterprises)

- -Marital Status
- -Gender
- -Age
- -Number of children
- -Education
- -Sectoral Affiliation
- -Yearly unemployment
- -Professional experience in establishment
- -Gross
- -Profit

## Enterprise Data

- -Start Date of the Enterprise
- -Municipality Code
- -Legal Form
- -Industry Code
- -Number of employees in the company
- -Number of employees of the company at the end of November
- -Number of full-time employees, ie. FTE
- -Exports
- -Purchase
- -Turnover

## Survived Enterprises

-Start Date of the Enterprise

- -Municipality Code
- -Legal Form
- -Industry Code
- -Number of employees of the company at the end of November
- -Number of full-time employees, ie. FTE
- -Exports
- -Purchase
- -Turnover
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#### 2 Time

#### 2.1 Reference Period

Statistics reference date is the year (annual status information)

Personal data may include refer to years before the establishment of new business. Employment concerns at the end of November, and details regarding. education concerns the month of October.

For the old Enterprise Database count the new company for the year in which the entity is established, regardless of months of establishment. The new Entrepreneur Database includes new businesses in the year the company established.

## 2.2 Date of Publication

Entrepreneur database is updated annually, but will not be published.

From the end of the reference year for the publication of the Business Demographic database takes approximately. 18 months. This means that Enterprise database can be updated at the earliest 20 months after the end of a calendar year.

## 2.3 Punctuality

Punctuality depends on the punctuality of the donor registries as Entrepreneur database is built up.

## 2.4 Frequency

Entrepreneur database is updated annually.

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## 3 Accuracy

## 3.1 Overall accuracy

In opposite to the Annual Business Demography, in the New Entrepreneurship Database the requirement for the new enterprises to be cathegorized as actually new is a certain level of activity in the first 4 quarters of existance. This excludes the new companies that reach this limit only in 5th quarter's activity. There is no calculation of how many businesses are not included because this activity requirement.

## 3.2 Sources of inaccuracy

Since the Old Entrepreneur Database is based on the statistics on influx of new enterprises, there is a illumination rate of new businesses at 100 percent.

The New Enterprise Database, which is based on new registration numbers from the Business Demographic database has coverage of new tax ID numbers around 88 per cent. This is because the contents of the Business Demographic database also include public service units and the like (see Section 0.4).

In 1996 and 2001 the coverage of the Entrepreneur Database is approx. 98 per cent. This is because in those years approx. 2 per cent of owners of new enterprises have a different legal form Aps, A/S, I/S or sole proprietorship. The other years the coverage varies and is lower than 1996 and 2001.

## 3.3 Measures on accuracy

Data in the database is accurate since the input registers are censuses.

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## 4 Comparability

### 4.1 Comparability over Time

The Entrepreneur Database contains a data break in 2001. This means that data from the Old Enterprise Database, which covers 1990 to 2001, can not be directly compared with data from the New Enterprise Database, which covers 2001 onwards.

Data break caused by differences in inventory method for the donor registries as Entrepreneur database based.

## 4.2 Comparability with other Statistics

None.

### 4.3 Coherence between provisional and final statistics

Formed only final figures.

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### 5 Accessibility

### 5.1 Forms of dissemination

Extracted tables can be run as a service from Statistics Denmark.Data extraction from the Entrepreneur Database can also be made available in an anonymised form for researchers under the current research agreement (see www.dst.dk / research).

## 5.2 Basic material: Storage and usability

The basic material, which in this case can be interpreted as the donor registries and as the Enterprise Database, is stored in the registry form at the individual level

## 5.3 Documentation

There is not currently created TIMES documentation.

## 5.4 Other Information

Additional information can be found in the product information of the donor registries.

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