

The LMDG Data Sets

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1 The LMDG Data

The Danish data used for the LMDG research projects are mainly yearly longitudinal data sets constructed by Statistics Denmark from administrative registers owned and managed by public authorities. Most registers include the entire population but may not include key variables for economic analyses so in order to provide correct and relevant data for scientific analyses Statistics Denmark itself has created a few registers with supplementary information obtained mainly from surveys of firms. These Statistics Denmark registers may also include variables from other registers and sometimes these variables have been adjusted to fit the intention of the register in which they are included, so it is important to be aware of from which register the variables are retrieved. One important register is IDA, Integrated Databases for Labour Market Research. The LMDG data include more variables from other registers than IDA, but the data uses the populations and concepts from IDA.

Statistics Denmark processes these registers mainly to produce yearly publications but also to produce data sets. The access to individual person and company data is restricted. Statistics Denmark has documented the content and statistical concepts of each publication and some of the variables in some of the data sets. This paper uses this official documentation and some internal memos. This Appendix 1 lists some web links to Statistics Denmark.

This document is available at <http://www.lmdg.econ.au.dk/datadoc.html> or from the WebDoc programme: <http://cafka.econ.au.dk:8080/LMDG/datadoc>

2 LMDG WebDoc

An online documentation system, WebDoc is used to document the actual contents of the different data sets. WebDoc is still under development. WebDoc also has links to technical notes about the content and the use of the data and a set of Concepts which defines concepts relevant to the data with possible links to variables and documents.

WebDoc splits the documentation into four groups:

- DSTimes which is the Statistics Denmark documentation of some of the data. This documentation is not available in English.
- DSFSE is a gross list of all variables supplied by Statistics Denmark for research projects. This is a partial list of all available variables with the periods for which data exist. This documentation is not available in English.
- DSLMDG. All data sets delivered from Statistics Denmark to LMDG. The documentation includes the period for which variables are available.
- LMDG. These are the analysis data sets generated by LMDG. The content, usages and properties of these data sets will be documented in an ongoing process.

3 Units in the LMDG Data

The data is mainly yearly longitudinal data covering varying periods between 1980 and 2006.

The Statistic Denmark's register data include the entire population of persons and firms, but the LMDG data only include persons of age 15-70. The firms and establishments included in the business registers vary in definition of units included.

In the following section names in capital letters are variable names in the LMDG data and names in *Italic*, capital letters are data set names.

The four following units are the main units. They have the same unique identifier in all data sets allowing data to be merged.

- persons - all persons living in Denmark age 15-70. Each person is identified by a unique person identification number, PNR which is equal to the official CPRNR assigned to a person at birth or when moving to Denmark. The PNR is consistent over time.
- establishments - are local, well defined business units which mainly produce one or a few types of goods. Statistics Denmark has constructed a unique establishment identifier number, LBR, which is consistent over time according to a set of rules.
- firms - are legal units which withhold income taxes and settle other taxes and tariffs. A firm consists of one or more establishments. One or more firms may be joined in an economic unit
- employments - a person can be employed in an establishment for a specified period, spell. A person may have 0, 1 or more employments at any point in time. An employment is identified by the the tuple $\{PRNR, ARBGNR, from_week, to_week\}$. In IDA only the spell covering the last week of November is available and the actual dates of the spell are not available.

The person and establishment identifiers are consistent over time making the LMDG data a longitudinal data set. Statistics Denmark decodes the identifiers in all data in such a way that the decoded data sets still are longitudinal data sets.

In general, other variables are not truncated or decoded but other variables identifying persons or firms are not available for research data sets. For example the address is only available on postal code level or more aggregated and in trade statistics goods only produced by 1 or 2 companies are not available on the 8/10 digit level.

The identifiers together with other variables can be used to form specific subpopulations

- C family variables can be used to form household data sets for single, married and cohabiting persons and links exist to the parents.
- The population can be grouped into the

– Persons in the Labour Force

- * Employed, part time or full time
- * Unemployed
- * Employers
- * Assisting spouses
- * Participants in labour market policy schemes
- Persons outside the Labour Force
 - * Persons receiving pensions
 - * In education
 - * Temporarily outside the labour force
 - * Others

4 LMDG Data Sets

LMDG has a data set for each of the units and these data sets may be merged using the identifiers.

LMDG uses IDA registers and its statistical concepts as basis for its data but more variables are available.

4.1 IDA_Persons, 1980-2006

A yearly, longitudinal data set containing all persons of age 15-70. It includes variables from

- Register of Population Statistics
sex, age, nationality, immigration, family and parents, living area
- Education Classification Module, UKM
year and grades of primary, secondary, vocational and highest education
- Employment Classification Module, AKM
primary and secondary status on the labour market, full time/part time, labour market experience
- Register of Unemployment Statistics, CRAM
unemployment insurance, weekly degree of unemployment

- Register of Income Statistics
Income, wealth, taxes, pension, pension contributions
- Coherent Social Statistics
benefits from different social programmes
- The Central Register on Salary Information, COR
This register contains information about all wages, salaries, pensions and pension contributions during the year
IDA uses this information to impute the variables WAGE and WORK-HOURS which are not directly available.
The register can also be used to generate information about other jobs than the primary employment the end of November used by IDA_Employments

4.2 IDA_Establishments, 1980-2006

A yearly, longitudinal data set which includes all establishments performing work for pay during the year and for whom tax deducted at the source has been paid.

The Establishment is identified by an identifier, LBR, which is consistent over time according to a set of rules which try to establish that it is the same product and group of workers irrespective of physical address and owner.

The data set uses variables from the RAS and ERE registers and it includes variables such as

- year established, location
- industry
- number of workers and salary

4.3 IDA_Employments, 1980-2006

A yearly, longitudinal data set which merges Establishments and Employees at the end of November each year. The data set can be used to merge with data in the IDA_Establishments data set.

The data set uses variables from the RAS and ERE registers and includes the variables

- Establishment ID, Persons ID
- Part time/full time, average weekly work hours
- Salary and wages
- Seniority

The Services Register of the Earnings Statistics for the period 1997-2006 can be used to obtain information about wage, work hours, job function and employment period for all jobs, and not just the end of November employment used by IDA. It is a different data source but the wage, work hours, etc. seem to be compatible. The wage and salary is split into several components.

4.4 FIDA, 1995-2005

A yearly, longitudinal data set which merges employments with firms.

The Firm ID is not consistent over time.

The data set can be used to merge to economic data.

- Industry Account Data which has the most detailed account data for firms with more than 10 employees.

It is a survey with a stratified sample depending on number of employees. Firms with 50 or more employees are always included.

- General Industry Statistics has compiled turnover, value added for all firms using different sources including the VAT register.
- The VAT register can be used for monthly 2001-2006 quarterly (1980-2001) turnover and value added data. The identifier is SENR which may not correspond to the Firm Identifier.

However, General Industry Statistics has converted SENR into firm identifier but only for yearly data.

- Domestic and international trade, 1993-2005.
- Quarterly Work Hours Account, imputed data for each firm on quarterly employment and average hours. The actual number of worked hours for each employee is not known, 1999-2005.

4.5 Spells, 1984-2006

Individual multiple spell data, i.e. a longitudinal data set of transitions between different status on the labor market, is required for the analysis of many important aspects of labor market theory.

The major part of the personal register data in Statistics Denmark is yearly data which, for example, only has the labor market state in the last week of November each year, but has no information of state in between.

However, using other data sets allow us to construct spells with a higher frequency than a year and to associate a wage and work hours with the spells.

However, the information is incomplete and some unknown errors will be made in the construction of the spells. An analysis of the constructed spells often reveals some of these errors and attempts are made to improve the algorithm to construct the spells.

This work has been ongoing since the early 1980s.

The set of labor markets state is shown in Table 1.

Table 1. Labor Market state

Code	state	Source
E	employed	COR
U	receiving unemployment compensation	CRAM
T	temporarily receiving unemployment compensation	CRAM
N	not on the labor market	AKM
B	maternity benefits	SSHS
G	municipal activity	SSHS
H	early retirement program	SSHS
K	social welfare	SSHS
O	old-age pension	SSHS
P	post-employment pension	SSHS
R	rehabilitation	SSHS
X	labor market program	AMFORA
Y	sickness benefits	SSHS

Spells where no information is available are missing spells.

A spell record contains the following variables:

PNR	an identifier of the person
START	first week in the spell
SLUT	last week in the spell
TILSTAND	Labor market state

and if the state is E the following variables:

ARBGNR an identifier of the firm in which the person is employed

AKODE an identifier of the establishment

TIMERPU1-4 the result of different algorithms for the number of hourly earnings per week

WAGE1-4 the result of different algorithms for the hourly earnings

and if state is X the following variables

FORANST

SEKTOR

TIMERPU number of hours per week

WAGE the imputed wage

4.6 Spells_Sources

This is a collection of data sets used to construct the *SPELLS* dataset.

Mostly they are the complete registers documented below.

Access is restricted to the constructin of *SPELLS* but subsets of variables required for a specific project may be included in the IDA-FIDA data sets.

COR 1980-2006

AKM 1980-2005

VAT

EARNING 1997-2006

ATPEMPLOYMENT

WHA 1999-2006

CRAM 1985-2006

AMFORA 1994-2006

SSHS 1984-2006

5 Registers

5.1 IDA, Integrated Databases for Labour Market Research

5.1.1 Purpose

The purpose of IDA is to provide access to coherent data about persons and establishments at the level of individual persons and their attachment to the labour market and individual establishments.

The database contains information about the entire population living in Denmark and all establishments with employees.

The distinctive feature of the database is that it enables you to connect persons with establishments and include a vast number of background variables related to the population. In principle, all variables from other registers can be included in the IDA data set.

5.1.2 Reference period

The greater part of the information in IDA refers to a particular point of time every year - annual status information. The linkage of persons and establishments through RAS/ERE refers to the end of November. This point of time is chosen because it is close to the end of the year and the registration is not affected by seasonal circumstances (e.g. shutdown of companies around Christmas). This means that the creation of jobs in the individual company refers to the end of November.

On the other hand background information about individual persons refers mainly to the end of the year, but Educational information refers to the end of October, and unemployment is available for each week in the year.

The population is made up on December 31 each year. The population in IDA in a given year is identical to the population of January 1 from the Central Population Register the following year - information in, e.g. 1980 is thus as based on the population on December 31 1980/January 1 1981.

5.1.3 Contents

- Persons, each person, age 15-70, end of year
 - Identifier: Person id
 - Demographics: sex, age, family, living area, housing
 - Socioeconomics: family and jobtype
 - Education: general and specific education
 - Labor market: status on labor market, work experience, jobtype, unemployment spells, unemployment insurance
 - Income: different kinds of income and wealth from tax accounts
- Employments, each person employed in last week of November

- Identifier: Establishment id , Person id
 - Labor market: average working hours, seniority
 - Wage: average weekly wage
- Establishments, all establishments which during the year have employed workers, hence withhold income tax.
 - Identifier: Establishment id
 - Establishment demographics: year established, geographic area
 - Establishment size: number of employees and full-time equivalent workers, number of stays. stops and lay offs, total wage bill
 - Industrial sector: primary and secondary industrial sector, last year, current year, and next year
 - Establishment id: variables used to make the establishment id unique over time, like ownership each year, fraction of new variables

5.1.4 Statistical Concepts

5.2 FIDA, Firm-IDA Integration

5.2.1 Purpose

The purpose of FIDA is to assign all employed persons to a FIRM.

The employment in ERE is assigned to establishment while economic and trade data are assigned to firms. And the firm may belong to an enterprise with many firms.

The FIDA keys can be used merge employment with General Firm Accounts.

5.2.2 Reference period

It is the employment at the end of November which is assigned to firms. The account date is for the calendar year.

The industrial sector and establishments of a firm are determined at the end of the year.

5.2.3 Contents

The Person Identifier of all employed people, i.e. employees, self-employed, assisting spouses, and both full- and part time.

The Firm Identifier of all economic active companies.

FIDA also contains other variables about persons and firms but they are not available for all years. Hence, we need to generate these variables from the primary registers.

5.3 The Salary Information Register (COR)

is administered by the Central Customs and Tax Administration.

COR is built on information that employers and other institutions which pay out wages, remunerations, pensions or the like, are required to report to the tax authorities. For each employment COR contains e.g. information on the type and amount of taxable income, on wage earners' contribution to supplementary pension (ATP) and on the amount of income tax. COR enables you to break down incomes into different kinds of income, e.g. wages, unemployment benefits and (social) pensions.

COR is the basis for connecting an individual employee with an individual establishment.

5.4 The Central Pension Register (CPS)

5.5 The Register of Population Statistics, CPR

contains demographic information on the entire Danish population. The contents of the register are derived from the Central Population Register (CPR).

5.6 The Educational Classification Module (UKM)/The Register of Education and Training Statistics

contains information on the educational background of the Danish population. UKM classifies persons by education in progress, most recently completed course of general education and highest level of vocationally oriented education completed.

5.7 The Employment Classification Module (AKM)

contains information related to employments for persons liable for payment of income tax to the Government. For each person in the register the main place of employment in one calendar year is determined on the basis of many different registers.

5.8 The Register of Personal Income Statistics

5.8.1 Purpose

The purpose of the Personal Income Statistics is to provide a statistical picture of the population's income and allowance. The Income Statistics is for the first time published for the income year 2002. Income Statistics for the period 1983-2001 is published in the Tax-Related Income. Before 1983 the information on income was published in the so-called Tax Return Survey. It was based on a sample of income tax returns. The Tax-Related Income statistics are based on the Income Statistics Register.

5.8.2 Reference period

The statistics contains income from the income year.

5.8.3 Contents

The statistics contains information about average total income, personal income, gross income (income liable to general taxation calculated by Statistics Denmark), taxable income, taxes and the like. The average total income is split into different income types and socioeconomic groups.

5.8.4 Statistical concepts

Variables:

Socioeconomic group: The information about socioeconomic group (Employment Classification Module) classifies the individual person by the most important occupation and also by length of employment and unemployment throughout the year.

Total income: Total income includes all income except prizes etc. and cancelled pensions.

Property income: Property Income consists of interest received, assessed rental value for owner-occupied dwellings, dividend and capital profit and losses.

Net payment, business arrangement: Net deposit special tax arrangement for self-employed.

Tax-free income: Rent subsidies, family allowance, supplements social pensions, DANIDA salary and value of employees', assessed rental value for owner-occupied dwellings, tax-free cash benefits, cash subsidy for heating, received child maintenance from parent, tax-free options.

Personal income: Personal income comprises all types of income except income from wealth, i.e. entrepreneurial income, transfer income and other personal types of income.

Primary income: Wages and salaries, fringe benefits and entrepreneurial income.

Pensions and the like: Social pensions including supplements, pensions from the ATP (Labour market Supplementary Pension Scheme), early retirement pay, special early retirement pay, public servant's pensions and other pensions.

Daily benefits and the like: Cash benefits, unemployment benefits and the like, temporary leave benefits etc.

Other transfers: Educational aid from public funds, rent subsidies plus family allowance

Current transfers, total: Pensions and the like, daily benefits and the like plus other transfers.

Gross income includes all income (before labour market contributions and special pension are deducted), which is liable to general taxation, including income as assisting spouse. Deficit on self-employment and deductions for assisting spouse are included in gross income as negative income.

The types of income, which are excluded from income liable to general taxation and thus not included in gross income, comprise capital gains, inheritance and certain gifts, various supplements to public pensions, benefits under the Act on Active Social Policy, general rent subsidies, rent subsidies to pensioners and young persons' allowances.

Taxable income: Taxable income equals gross income minus labour market contributions, special pension contribution and income deductions.

Self-employment income contained in gross income: Profits of enterprises saved in accordance with the Act on Self-Employment Act are not included in gross income. Withdraws from previous saved profits in enter-

prises are included in gross income. Self-employment income is corrected for transfer between spouses.

Tax and the like include state tax, county tax, municipal tax, church tax, wealth tax, foreign paid taxes, labour market contributions and special pension.

Income deductions consist of the amounts which the taxpayer may deduct from the gross income before taxation, except personal income tax allowance which is subtracted from the gross calculated tax. Interest payments, including self-employment enterprise, are not deducted by the calculation of total income and gross income, but are regarded as a deduction in Tax-Related Income Statistics. It implies that the net surplus of self-employment enterprise includes interest payments. This is one of the reasons why it is impossible to compare the earnings of self-employed and employees entirely by use of total income and gross income. Earned income relief consists of travelling expenses, unemployment insurance, union dues, contributions to early retirement scheme, and other wage earner expenses.

Disposable income: Disposable income equals total income minus taxes and interest paid.

5.9 The Register of Tax-Related Income Statistics

contains information related to income, capital, deductions and taxes.

5.10 The Register-based Statistics of Establishments and Employment (ERE)

contains information on the number of establishments and employees at the end of November - divided into sectors of industry and geographical regions.

5.10.1 Purpose

The purpose of the ERE statistics is to analyse the number of establishments and their employment at the end of November, by industry and region.

The ERE statistics has been compiled since the reference year 1990. They replaced the "register-based workplace statistics" which had been compiled for the reference years 1980-1989, and which covered only establishments with employees. The introduction of the ERE statistics completed the coverage by adding information about self-employed and assisting spouses. Thus,

establishments without employees also became part of the register basis from the reference year 1990.

5.10.2 Reference period

End of November

5.10.3 Contents

ERE provides information about the number of establishments and the number of employments at the end of November, plus figures for full-time equivalent employment and annual wages and salaries. The establishments covered by the ERE statistics are all establishments connected with real active enterprises and with employment at the end of November, according to the information recorded on the Central Business Register. The employments may be filled by self-employed persons (working proprietors), by assisting spouses, or by employees.

5.10.4 Statistical concepts

- An establishment.

An establishment is defined as an organizational unit of an enterprise which is located at a specific address producing or delivering one or predominantly one kind of goods or service. The ERE statistics comprises all establishments with employment at the end of November.

- Employment

The number of employment corresponds to a head count of the employed persons at each establishment who are registered on the Central Population Register in the year $x+1$. The persons may be self-employed or assisting spouses, or they may be employees with a primary or secondary employment at the establishment at the end of November.

5.10.5 Notes

The population of employees in the central government sector or in private firms is obtained on the basis of data recorded in the Salary Information Register (COR) operated by the Customs and Tax Administration. The delimitation of the population thus depends on the extent to which the firms

have given correct answers on the form that they are required to fill in. If the wages or salaries of an employee are not entered in the proper space (cell) on the form, that person will not be classified as an employee. Conversely, if the firm makes a mistake by writing other types of pay in the space reserved for employee income, an employee record is created erroneously.

The individual's link to an establishment is also information from COR. Firms with two or more establishments must specify the establishment identification code on each employee's declaration slip, thus indicating exactly where the employee works. Verification checks are done by Statistics Denmark.

To estimate whether the individual employment is valid at the end of November, the working periods entered on the declaration slip are used. If the declaration slips are submitted by professional agencies, the working periods are given high credibility.

Otherwise, in those cases where the declaration slips are filled in manually by the firms surveyed we have no knowledge about the quality of the period entries.

Information about the employees in municipalities comes from local government agencies responsible for staff salaries. Some uncertainty attaches to employees recorded as working at town halls. We use the qualification-related pay code of each person in order to shift the relevant employments away from the town halls to alternative (fictitious) establishments somewhere else in the municipalities.

The introduction of the ERE statistics completed the coverage by adding information about self-employed and assisting spouses. Thus, establishments without employees also became part of the register basis from the reference year 1990. However, this improved coverage cannot be added to the data before 1990. Consequently, the ERE statistics is compiled in two versions: one which includes self-employed persons and assisting spouses, and one which does not.

In 1993, the DB93 replaced the DSE77 as the official Danish classification of activities, and a break in the time series occurred. However, 1992 was an overlapping year for which both sets of activity codes are available, both in the publications and in StatBankDenmark that are available to the general public.

The 2002 ERE statistics includes only establishments connected with enterprises which are real active.

The RAS considers only primary employments whereas the ERE covers

secondary employments as well. Consequently, the RAS is more comprehensive than the ERE as regards certain groups of self-employed persons and as regards persons on leave from their employments at the end of November.

The full-time equivalent employment is in principle calculated in the same way for the ERE and the ATP-employment statistics, but the kind-of-activity distributions may be slightly different. This is so because the primary data for the ATP-employment statistics are obtained directly from the pension fund administration agency, whereas the ERE primary data are derived from the Salary Information Register (COR) where they are registered at the establishment level.

5.11 The Register-based Labour Force Statistics (RAS)

contains information on the Danish population's attachment to the labour market at the end of November. For persons in employment RAS contains information on location of residence and location of establishment, which is used for commuter statistics.

5.11.1 Purpose

The purpose of the RAS statistics is to provide a description of the Danish population's attachment to the labour market at a given moment and time (at the end of November). RAS statistics follows the international guidelines set by the International Labour Organisation (ILO).

The first version of the RAS statistics includes the population resident in Denmark as of January 1st, 1981 and its attachment to the labour market at the end of November 180. The statistics has been compiled once every year over the period 1981 to 2006.

5.11.2 Reference period

Register-based labour force statistics is dated after reference time for the population which is January 1st. The time of reference for the population's attachment to the labour market is the last working day in November the year before.

5.11.3 Contents

The register-based labour force statistics (RAS) are annual status observations of the population's attachment to the labour market at *given* point-in-time at the end of November.

The RAS statistics of the population is divided into 3 main groups according to the guidelines laid down by the ILO. The 3 groups are persons in employment, unemployed persons outside the labour force. Employed persons are either employees, self-employed or assisting spouses. Persons outside the labour force are divided into 4 groups. Persons temporarily outside the labour force, retired from the labour force, pensioners and others outside the labour force.

In some cases a person can be part of several different groups at the time of reference (they are part of more than one gross stock). To determine the most important attachment to the labour market an order of priority is used. The order of priority is based on the principles for the population's attachment to the labour market as given from ILO. Changes on the labour market and better sources resulted in a need for alternations in the statistics.

5.11.4 Statistical concepts

The population in the RAS statistics are persons resident in Denmark on January 1st. The population's attachment to the labour market at the end of November the year before is measured.

The RAS statistics contains a number of variables. The most important variable is socioeconomic status, which is defined for each person in the population.

Employees are divided into levels of skills based on DISCO-88. The level of skills is achieved through education or learning in praxis.

5.11.5 Notes

The information regarding the level of skills for employees working in the State, Counties and Municipalities is collected from Earnings Statistics on central and local government employees. Information on employees in the private sector comes either from Earnings Statistics for the private sector, or from the unemployment statistics register, or from the classification module. The information from Earnings Statistics relates to the person's most impor-

tant employment during the year, this might not be the same employment, in which the person is employed at the end of November.

The division of employees into level of skills (top managers, employees in upper levels, employees in medium levels, employees in basic levels, other employees, employees not further specified), is made on the basis of different data sources of which some have a high quality and others have a slightly lower quality. Information from the statistics on earnings is generally considered to have a high quality, and this statistical source is used wherever possible. Enterprises with less than 10 persons employed do not report data to the statistics on earnings, and consequently the quality of the information about socioeconomic status for persons who are employed in these enterprises is lower.

Comparable data exists from 1981 (Nov. 1980) to 2002 (Nov. 2001). In 2003 (Nov. 2002) there is a break in the timeseries. The number of employed persons drops by 17,596 as a consequence of the change in method.

In the EBS statistics the unit of enumeration is the establishment and the employment. The RAS statistics and the EBS statistics are coordinated statistics and are based on the same primary statistical data. However, some major conceptual differences should be noted. The RAS statistics considers only primary employment, whereas the EBS statistics covers secondary employment as well. Conversely, the RAS statistics are more comprehensive than the EBS as regards certain groups of self-employed persons and as regards persons on leave from their employment at the end of November.

The employment in the RAS and ATP statistics differs. The reason for this difference is the use of different units of enumeration and populations in the two statistics. The RAS statistics incorporates all employees in employment, while the ATP statistics only provides data on full-time equivalents for wage-earners aged 16-66.

Unemployed persons in the RAS statistics are persons who are fully unemployed in the reference week. In the register-based unemployment statistics, unemployment is calculated as full-time persons, which implies that a person who is not unemployed throughout the whole week will still contribute to the calculation.

5.12 Purchases and sales by firms (VAT Statistics)

5.12.1 Purpose

The purpose of the statistics is to monitor business trends and economic activity through monthly information on purchases and sales as reported by business enterprises covered by the Danish VAT system

5.12.2 Reference period

The month

5.12.3 Contents

The primary variables published are: total sales, domestic sales, total purchases and domestic purchases, as well as the number of units (enterprises) covered.

5.12.4 Statistical concepts

Just over 400,000 VAT-liable units (businesses) form the basis of the statistics. The statistical reference unit is the legal unit (corporation/enterprise/firm) identifiable through its code number (CVR number) in the Danish Business Register. In Denmark a business must register for VAT if its annual turnover is expected to exceed DKK 50,000.

Sales consist of domestic sales of goods and services and exports of goods and services.

The Danish VAT system covers trade in new and used goods as well as electricity, water and heating. Nearly all market **services** are subject to VAT as well, but there are major exceptions concerning passenger transportation and travel agencies, banking, financial and insurance services, medical and dental services and education. As regards real estate, VAT is payable on building and construction activities and on agents fees, whereas the actual property or rental values are normally exempt. Apart from energy and water supply, transport of goods and refuse collection, public (government) services are only liable to VAT if the activity is done in competition with private enterprises.

It is a general rule is that domestic sales are subject to VAT, but export sales are not. There are a few important exceptions from this rule: domestic

sales of newspapers and postage stamps are exempt of VAT, and this is also the case for the leasing or sale of commercial aircraft and large ships, as well as the for the domestic transport of goods in connection with exports to countries outside the EU. For administrative purposes these exemptions are treated by the Customs and Tax Authorities in the same way as exports, and therefore in the statistics they form part of exports sales even if they are domestic.

5.12.5 Notes

VAT (value added tax) was introduced in Denmark in 1967, and the administrative information on the tax system was primarily used as a source for compiling quarterly statistics on **VAT and turnover in non-agricultural industries**. Starting with January 2001 the statistics became monthly, the statistical reference unit was changed from the VAT-reporting unit to the legal unit (corporation/enterprise/firm), and the agricultural sector was included, hence the title **Purchases and Sales by Firms**.

5.13 The Register of Unemployment Statistics

contains information on persons who are or have been members of an approved unemployment insurance fund and other persons who are or have been registered with a public job centre as being in search of a job. The register contains e.g. information on the extent of unemployment on a weekly basis. The contents of the register are derived from the Central Register of Labour Market Statistics (CRAM)

5.14 The Statistical Business Register

5.15 Industrial Accounts Statistics

5.15.1 Purpose

The purpose of Accounts statistics is to analyse the activity level and of the structure of the Danish business sector. This means that the statistics should be seen as a primary source of financial data for analytical studies of Danish business enterprises.

The new type of business accounts statistics started with the reference year 1994, covering construction and retail trade at the enterprise level. Man-

ufacturing was added from 1995, when the former type of statistics for that sector was discontinued. At the establishment (i.e. workplace) level, regional statistics have been published since the reference year 1995, covering manufacturing, construction and retail trade.

Wholesale trade was added from 1998 and the remaining part of the private secondary and tertiary industries from 1999.

So results are published at the national level relating to enterprises (legal units) and from 1995 also at the regional level relating to workplaces

5.15.2 Reference period

The accounts statistics for a given year, t , relates to annual accounts ending in the period from May 1st of year t to April 30 of year $t+1$.

5.15.3 Contents

The new statistics of business accounts covers construction and retail trade from the reference year 1994 at enterprise level (i.e. for legal units, such as corporations and sole traders) and from the reference year 1995 at establishment (workplace) level. The coverage was extended to manufacturing industries from 1995, to wholesale trade from 1998, and to the remaining part of the service industries from 1999.

The statistics are essentially aggregations of items of the annual accounts of business enterprises, notably items of the profit and loss account, the balance sheet and the statement of fixed assets. Thus, a wide range of subjects are covered, e.g. turnover, purchases, expenses, profits, assets, liabilities and investment. Results are compiled and published at both enterprise and establishment level, including distributions according to kind of activity, form of ownership, size group and region.

The data collected from all sources are combined in such a way that a complete set of accounting items is computed for each business enterprise and its component units (establishments) in the survey population. The resulting survey files can easily yield alternative breakdowns and tabulations, in addition to those published.

5.15.4 Statistical concepts

Enterprise. Usually corresponding to the legal unit, e.g. limited-liability corporations, sole traders, partnerships, etc. In a few cases several legal units

which are run as one entity are gathered into one enterprise.

Establishment. An enterprise or part of an enterprise, that is situated in a single location and produces one – or mainly one – sort of goods and services.

Kind of activity. This concept, which is sometimes termed branch or industry, refers to the 6-digit code numbers found in the Danish activity classification DB93 until 2002, and in DB03 from 2003. The activity classification is based on the European NACE nomenclature.

Form of ownership. Enterprises may be distinguished according to legal types, such as sole traders, partnerships, limited-liability corporations, government bodies, etc.

Size refers to employment in terms of full-time equivalent persons.

Number of employees. Persons on the payroll in full-time equivalent units.

Number of persons employed. For corporations equal to number of employees. For sole traders etc. are added an estimated number of owners namely +1 for single proprietors/self employed and +2 for partnerships.

Accounting item: These are the items derived from the financial accounts or bookkeeping systems of the business enterprises, such as turnover, cost of goods sold, expense items, assets, liabilities and capital expenditure. Clarification of some of the used accounts items and concepts:

Turnover represents the net sales. Included are capitalised work performed by the firm for own purposes and all charges (transport, packaging, etc.) passed on to the customer. Excluded are reduction in prices, rebates, discounts, VAT and excise duties. Income classified as other operating income, financial income and extraordinary income in company accounts is also excluded from turnover.

Other operating income. Secondary income.

Cost of goods consumed. Purchases of goods and energy plus/minus changes in stocks.

Value added. Turnover plus Other operating income minus consumption of goods and services.

Financial receipts. Receipts from interest, dividends, income from participating interests, profit due to appreciation and on exchanges.

Financial expenses. Interest payable and similar charges, depreciation etc. on financial current or fixed assets.

Fixed assets. Part of the capital of the enterprise which are meant to be kept e.g. land, buildings, machinery, equipment, patent, shares, and bonds.

Current assets. Stocks, debts receivable, cash.

Capital and reserves. The owners part of the capital of the enterprise. Is calculated as Total assets minus (Provisions for liabilities and charges plus Debts).

Provisions for liabilities and charges. Obligations where the exact amount or due date is not known with certainty, e.g. deferred taxation.

Short-term debts. Debts payable within 1 year.

Long-term debts . Debts payable later than 1 year.

Investment. Increase and decrease of assets. Increase (acquisitions) is stated at book value before any adjustments. Assets acquired through financial l leasing are included. Decrease (disposals) is stated at selling price (if not known then the written-down value).

Value added (percent). Value added in per cent of Turnover and Other operating income.

Gross profit ratio. Turnover minus Cost of goods consumed minus Cost of subcontractors and other work done by others on your firms materials measured in per cent of Turnover.

Net profit ratio. Profit or loss before financial and extraordinary items measured in per cent of Turnover and Other operating income.

Return on equity. Profit or loss for the financial year after Corporation tax measured in per cent of the average of the Capital and reserves during the year.

Proprietary ratio. Capital and reserves measured in per cent of Total liabilities.

Average. Is calculated for each industry (or size group etc.) using the accumulated figures for the relevant accounting items.

The figures of large enterprises will weigh more than the figures of small enterprises.

Median. The enterprises are sorted according to their size of the relevant figure or ratio. The median is the figure or ratio of the enterprise which are placed exactly in the middle of this sequence. The figures of large enterprise will not weigh more than the figures of small enterprises.

5.15.5 Notes

Some items of the statistical questionnaire go beyond the level of disclosure prescribed by the annual accounts legislation. A case in point is the question concerning expenditure on fuel and energy. In those cases it is more difficult

or more trouble for the firms to provide the requested information, and it is likely that some underreporting occurs.

Investment is another subject which is not itemized in the annual accounts, but information on the subject can be deduced from a separate table in the notes to the accounts where acquisitions and disposals of fixed assets are specified. So investment too could be underreported to some extent by those respondents who fill in and return the questionnaires. 2005 is the first year where investment information is available for the firms from SKAT, which means that the total investment estimates is assumed to be more reliable from this year.

The accounts statistics are less reliable at the establishment level than at the enterprise level because the allocation procedures are based on assumptions. But also at the establishment level the published results for major activity groups and for counties are deemed to be reliable.

Remarks on data sources:

A. Direct surveying. The most thorough coverage is extended to the firms that are selected for direct surveying. They are given the choice of either filling in a lengthy questionnaire or submitting their annual accounts plus detailed specifications. The questionnaire is modelled on the list of items set out in the Danish annual accounts legislation, so as to facilitate responding. The data obtained by direct surveying are keyed into a data entry system which comprises error detection and verification procedures. Thus, the data are checked for accounting inconsistencies, and warning messages are written out if significant deviations are found when comparing with last year's data or with figures for firms in the same stratum (form of ownership / activity / size group). Frequently the respondents are contacted for clarification. The resulting data for the direct-surveyed firms are regarded as highly reliable. In terms of turnover these firms (including those of B below) accounted for 70 per cent of the total for 2006.

B. Pharmacies. All Danish pharmacies must submit a standardised set of accounts to the Drugs Administration, which sends a file containing the audited accounts to Statistics Denmark. On some points the pharmacy accounts differ from the items of Statistics Denmark's questionnaire, but it is possible to estimate the missing data, so the overall quality is high.

C. The accounts data from the Danish tax authorities (SKAT) does not comprise so many items as Statistics Denmark's questionnaire, but the quality of the data is regarded as high, because they are used for individual tax assessment. By stratified imputation the data aggregates from

SKAT are distributed among the more detailed items, and in the opinion of Statistics Denmark the resulting item values are reasonably reliable. The firms contributed from SKAT accounted for 18 per cent of total turnover in the 2006 survey.

D. The rest. Many (especially small) firms are not covered by the sources A to C, so the available information is limited. Stratified imputation based on employment size groups is used to fill the gaps, but this method yields results with large margins of error. However, the firms of the "rest" population accounted for only 12 per cent of turnover in the 2006 survey, so the negative effect on the overall quality of the accounts statistics is limited.

At enterprise level, comparable statistics (time series) are available from 1994 for construction and retail trade, from 1995 for manufacturing industries, from 1998 for wholesale trade, and from 1999 for the remaining part of the private secondary and tertiary industries.

Starting with the reference year 2000 the estimation method has been changed for enterprises with no more than 1 employee (full-time equivalence) and from which there is no information from questionnaire or SKAT. This change in estimation method is considered to make the data for these enterprises more reliable, but makes it more difficult to compare with previous years, in particular in sectors where this type of enterprise makes up a substantial part.

Starting with the reference year 2002 The Danish Law on Annual Reports was revised. Among the major changes can be mentioned:

a) Intangibles and financial fixed assets and also assets acquired by financial leasing must to a higher extent than earlier be included in the balance sheet, and as a principal rule it must be valued at market prices, whereas earlier it could alternatively be valued at historical cost prices or the like.

b) Work in progress, not for own account (contract work), is moved from current stocks to debts receivable.

The previous type of accounts statistics for manufacturing industries, which ended with the year 1994, covered all manufacturing enterprises with 20 or more employees. The new type of accounts statistics covers all enterprises irrespective of size. Consequently, the two types of statistics are not directly comparable.

At establishment level, comparable statistics are available from 1995 for construction, retail trade and manufacturing, from 1998 for wholesale trade, and from 1999 for the remaining part of the private secondary and tertiary industries.

The accounts statistics do not cover inactive businesses and primarily non-commercial enterprises. The threshold limit regarding the level of economic activity required, was raised substantially with effect from the reference year 1999. Until 1998 an enterprise to be included in the statistics should have employees or an annual VAT at least 20,000 DKK. Since 1999 to be included in the statistics an enterprise should have had an annual performance corresponding to at least a half year's work for one person. Consequently, the number of enterprises and establishments (workplaces) dropped considerably and the number of employed people dropped slightly. The effect on the economic variables relating to the accounting items was minimal.

5.16 Services Register of the Earnings Statistics, EARNING

5.16.1 Purpose

The purpose of the services register of earnings statistics is to make available data about wage, salary, job function, work hours for individuals employed in the private, central government and local government sectors

The register in its present form is first available as from the year 2002. Before 2002, the register was split up into 3 parts in accordance with the sector relation.

5.16.2 Reference period

The calendar year to which the earnings statistics is related.

5.16.3 Contents

The register covers:

- All employees in the private sector. However, employees in business enterprises within agriculture and fisheries are excluded, which is also the case for employees in enterprises with less than 10 full-time employees.
- All employees in the public sector, except employees paid by fees, employees paid by special arrangements, draftees, ph.d.-students, some teachers paid by the hour and students.

The register only covers employees with permanent employment comprising a lower limit for the scope of work. This delimitation is conducted in accordance with the rules contained in the Act on contracts of employment. This implies that the employee must have been employed for more than one month, and the average weekly working time must exceed 8 hours.

The register only comprises of people employed in accordance with the so-called "normal terms". Consequently, the following groups are excluded from the statistics:

- Employees who are paid an exceptionally low wage rate due to disablement or the like. Employees who are paid the normal wage rate by the business enterprise, but where the enterprise receives public wage subsidies are included in the statistics.
- Employees who are not liable to tax in accordance with the general conditions in Denmark, including e.g. sailors working on ships recorded in the international shipping register.
- Foreign residents working in Denmark but who are liable to tax in accordance with the taxation rules of their country of origin.
- Danish residents stationed abroad who are paid in accordance with local rules. While Danish residents working abroad, who are paid and liable to tax in accordance with the usual rules in Denmark, are included in the statistics.

5.16.4 Statistical concepts

The statistical unit is the job, which is defined as the same person in the same occupation at the same workplace, subject to the terms of employment.

There are as known different types of employment and terms of employment for employees. Some employees receive pay during holidays as well as during public holidays, while others save up holiday pay and/or public holiday pay. Some employees are paid during sickness, while others claim sickness benefits. Some employees have a pension scheme financed by their employer, and others have a pension scheme where the contributions are fully or partially paid by the employees themselves. For some employees, earnings are calculated on the basis of the number of hours worked, while others receive a fixed monthly salary, etc.

For purposes of comparing earnings, regardless of the type of employment and terms of employment, some concepts of wages and salaries have been defined in order to ensure data comparability.

The main concept is **total earnings related to the number of hours worked**. Earnings comprise each employee's total earnings in connection with his/her job, including employees' or employers' share of any pension contributions, and income in the form of fringe benefits liable to tax.

Hours of work are understood to mean the number of hours actually performed by an employee. Hours off in connection with public holidays and hours of absence due to sickness, etc. are excluded.

Earnings are divided into the following components in the statistics:

- Nuisance bonuses, e.g overtime bonuses, shift-work bonuses and various forms of bonus for dirty work.
- Earnings and other payments in connection with other absence, including payments for days off due to sickness, holidays, care, etc.
- Holiday and public holiday allowances.
- Fringe benefits (car and board and lodging free of charge).
- Pension contributions, including ATP (The Danish Labour Market Supplementary Pension Fund) and the special pension savings.
- Remuneration.

Remuneration is the earnings component that account for the largest share of earnings. The concept remuneration is the concept that is the nearest to what is understood by most employees to be hourly earnings. Therefore, remuneration is also the only earnings component which is entirely independent of the number of hours worked.

In addition to earnings and remuneration, another important concept used in the earnings statistics is **monthly earnings**. Monthly earnings are calculated on the basis of remuneration to which pension contributions, special holiday allowances and fringe benefits converted to a monthly basis, are added. The conversion, which is conducted on a monthly basis, is calculated using the weekly working time of 37 hours. Monthly earnings are only calculated for fixed salary-earners.

5.16.5 Notes

The register in its present form is first available as from the year 2002. Before 2002, the register was slit up into 3 parts in accordance with the sector relation.

5.17 The Register for Domestic Trade, DTRADE

5.17.1 Purpose

Domestic trade supplies data for the sale of own products for the industry.

5.17.2 Reference period

Year

5.17.3 Contents

The following data are available:

- Report ID
- CVRNR (is de-coded)
- Industry (DB93 or. DB03)
- Product code (10 digits equal to KN8 in the Foreign Trade Statistics)
- Value (in 1000 DKK)
- Quantity (supplementary unit)

5.17.4 Statistical concepts

5.18 The Register for International Trade, ITRADE

5.18.1 Purpose

The statistics analyse the development in Denmark's trade in goods at a detailed commodity level (imports and exports) with other countries. The statistics has been compiled regularly since 1838 with the introduction of the EC Single Markets January 1st, 1993 the source of data differs for trade with member states of the European Union and other 3rd part countries.

5.18.2 Reference period

The month in which the commodity is released by the Central Customs and Tax Administration for imports or exports from/to a non-European Union country.

5.18.3 Contents

The statistics show Denmark's imports and exports of goods from/to other countries. The statistics is distributed among partner countries (country of origin/country of consignment for imports, country of destination for exports) ad approx. 10,500 different goods recorded by value, net weight in kilograms, and any supplementary unit (e.g. liters, units, or square metres).

5.18.4 Statistical concepts

EU trade

The statistics is prepared on the basis of reports from Danish companies with total annual imports and /or exports of goods of DKK 1.6m and DKK 4.1m, respectively. The obligation to report is established for imports and exports separately.

For each commodity flow (imports or exports) and month, the following statistical information is gathered:

- Product code in accordance with the Combined Nomenclature CN
- Partner country (imports=country of consignment, exports=country of destination)
- Nature of transaction
- Invoice value in Danish kroner (whole numbers)
- Net weight in kilograms (whole numbers) and/or supplementary unit, e.g. liters,units (if indicated in CN)

Non-EU trade

The statistics is prepared on the basis of reports to the Central Customs and Tax Administration ("Told og Skat") in connection with imports and exports of goods to/from Denmark from/to non-European Union countries.

All transactions in the imports must be declared while it is not mandatory to report transactions below the statistical threshold in the exports. Missing trade on the exports amount to less than 2 per cent of total 3rd country export and is estimated making the statistics complete. In the imports small transactions can be declared using a simplified declaration.

For each commodity transaction (imports or exports) the following information n which is used in the external trade statistics is collected.

- Product code in accordance with the Combined Nomenclature CN or TARIC (only imports)
- Partner country (country of origin/country of consignment country of destination for exports)
- Procedure code
- Statistical value in Danish kroner (whole numbers) (cif for imports and fob for exports)
- Net weight in kilograms (whole numbers)
- Any supplementary unit, e.g. liters,units (if indicated in CN)
- The mode of transport at the border

5.19 The Education Classification Module - BUE

5.20 Student Register

5.20.1 Purpose

The purpose of "The Student Register" is to analyse entrance to, enrolment in and graduation from the initial education system as well as stream of student within the system. These kinds of statistics are all based on The Students Register, which has been established in the early 1970's as a longitudinal register allowing you to trace the educational careers of students in initial education.

5.20.2 Reference period

The Student Register is a longitudinal register covering the period from early 1970s up to September 30 in the reference year. The period is prolonged annually by one year.

5.20.3 Contents

The Student Register is organised in a way which allows you to trace the educational career of each student throughout all the educational programmes constituting the student's educational career.

The register is updated annually by reported data from the educational institutions. The reports concern continuing students from the previous year as well as entrance and exit during the proceeding year. Regarding exit, information on achieved qualification (= graduation) is retained.

The register covers educational careers starting from grade 8 in public school ()SCED 2 grade 2) and going to ph.d. at university level. All public recognised educational programmes are included. 'Recognised programmes' means that the Ministry of Education or some other ministry has regulated and approved the programmes. **Notice, that adult or continuing education is not included.**

Data on subjects are also collected in lower secondary education (final grades). From the year 2001 and forth all data are reported via the Ministry of Education and information on mark/grades are added.

Data on subjects opted for by students in upper secondary education are also collected together with final average grades for graduating students.

More statistical products are based on this register using the multiple possibilities inherent in a longitudinal register:

Period oriented statistics treating entrance and exit (graduation or drop out) during a reference period of normally 1 year. Furthermore enrolment by the end of the reference period is also calculated.

Educational career statistics are using annual educational status of persons in a cohort of student leaving lower secondary or higher secondary general education in order to trace the development of their educational accomplishments.

Highest attained qualification is derived from the educational careers information on graduation. These data are the core of data on educational attainment of the population.

5.20.4 Statistical concepts

5.21 ATP-employment Statistics

5.21.1 Purpose

The purpose of the statistics is to give a quick indicator concerning employment trends analysed by industry and sector.

The ATP scheme (Labour Market Supplementary Pension Scheme) came into force on April 1, 1964. The purpose of the scheme is to pay out supplementary pension to retired employees, among others. Since then, the scheme has been subjected to a number of changes, such as an extension of membership, changes in payments and in the administration.

5.21.2 Reference period

The statistics is compiled quarterly, and full-time employment is calculated from the total ATP payments in the reference period. The data relating to industry and sector, which are collected from the Central Business Register, concerns the reference period.

5.21.3 Contents

The calculation of employment is undertaken by using two types of contributions, a quarterly contribution and three annual contributions. The annual contributions relate to the total contributions made by the employer for the year prior to the quarter under survey in the statistics. These annual contributions are analysed by, respectively A, B and C contributions, as the distribution of the paid-up contributions analysed by A, B and C contributions for the previous year is known when the statistical data for the quarter under survey are to be compiled. By January 1st 2006 the D contribution was introduced, this has necessitated changes in the method of calculating the employment, since the annual contributions divided into A- B- C- and now D contribution is not yet known.

The quarterly contribution and the three annual contributions form the basis for calculating employment, as the annual contributions are used as distribution key for the quarterly contribution. When recalculating the quarterly contributions into employment, the starting point is the distribution of the total annual contribution for the most recently known year analysed by,

respectively A, B and C contributions for the SE number in question. Subsequently, the quarterly contribution is divided by the ATP contribution for a person employed full-time. With the introduction of the D contribution the method of calculating the employment has been adjusted, by estimating the annual distribution of the D contribution based on information from the ATP fund on the number of public sector employees changing contribution. According to the ATP fund about 180.000 public employees have changed contribution from B- to D rate on January 1st 2006, at the same time about 45.000 public employees changed contribution from B- to C rate. Furthermore, 120.000 public employees have by April 1st 2006 changed from D- to C-rate contributions.

The employment figures are calculated by dividing the total amount of ATP payments with the ATP contribution made by each employer for a person employed full-time. This measurement can thus be said to reflect the number of full-time employees, who are able to carry out the same amount of work, which is actually carried out in all full, commenced, and completed jobs for full-time as well as part-time employees in the quarter under survey. Consequently, the number of full-time employees is not similar to the number of persons in employment.

5.21.4 Statistical concepts

5.22 The Quarterly Work Hours Account (WHA)

5.22.1 Purpose

The purpose of establishing the Working Time Account (WTA) is to compile time series on hours worked. Furthermore, it is also intended to compile data on earnings and employment for the national accounts statistics, adopting the definitions of work, earnings and employment as applied in the national accounts.

5.22.2 Reference period

Numbers of persons employed and jobs are obtained as a quarterly average. Hours worked and compensation of employees refer to the activity in the quarter under survey.

5.22.3 Contents

Integrated statistics with consistent time series on hours worked, jobs, employment and compensation of employees on a quarterly basis.

5.22.4 Statistical concepts

5.23 Tax-Related Income Statistics

5.23.1 Purpose

The average number of jobs is calculated as the sum of primary and secondary jobs. The WTA are thus the only labour market statistics that include the secondary jobs for self-employed and assisting spouses. The average number of jobs each day over the period is estimated, and only jobs filled by persons over 15 years. Persons, who are temporarily absent from the labour market, are not covered by the statistics on jobs.

(The method for calculating average number of jobs can be seen in annex 3 of the attached document in section 6).

1. **Number of jobs = number of primary jobs + number of secondary jobs**

Employment

The average number of employed consist of the average number of persons above the age of 15 who every day during the period have been paid either as self-employed, assisting spouse or as employee. Persons who are temporarily absent due to leave, but who are connected to a workplace in the form of having a job to return to, are counted as being employed. In the WTA, employment for self-employed and assisting spouses is delimited in the same way as in the Register-based Labour Force Statistics.

(The method for calculating average number of employed can be seen in annex 4 of the attached document in section 6).

2. **Employment = primary jobs + persons on leave + persons on maternity leave**

Hours worked

Hours worked are defined as hours paid by employers, including paid overtime and excluding paid hours of absence. Paid hours of overtime are defined as the number of paid hours worked in excess of normal paid hours (i.e. contractual hours) and include extra hours of work for part-time employed without additional overtime pay. Paid meal breaks are regarded as hours of availability and are included in hours worked. Hours worked include hours paid by employers, which have been carried out by persons aged over 15, including the hours in jobs that are not part of either the persons main employment or the persons largest secondary job. Unpaid overtime hours and undeclared work are excluded from the calculation of hour of work performed in the WTA.

(The method for calculating hours worked can be seen in annex 4 of the attached document in section 6).

3. Actual hours worked = average actual hours worked per job x number of jobs.

Compensation of employees is calculated in accordance with the definitions in the Danish national accounts. Compensation of employees include total wages and salaries in cash or in kind paid by the employer to an employee for work performed in an accounting period. Compensation of employees also include employers' actual or calculated social contributions, including contribution to pensions. The time series on compensation of employees only cover employees compensation of employees paid out over the period, and not compensation of employees paid out for self-employed persons and assisting spouses.

(The method for calculating compensation of employees can be seen in annex 5 of the attached document in section 6). of the Tax-Related Income Statistics is to provide a statistical picture of the population's income and allowance.

5.23.2 Reference period

The statistics contains income from the income year 2000.

5.23.3 Contents

The statistics contains information about average gross income (income liable to general taxation calculated by Statistics Denmark), taxable income, taxes

and the like. The average gross income is split up by various income types and socioeconomic groups.

5.23.4 Statistical concepts

Population. Persons who are 15 years at the end of the year and who are fully liable to pay tax in the year concerned - which mainly comprise persons with a permanent address in Denmark.

Gross income includes all income (before labour market contributions and special pension are deducted), which is liable to general taxation, including income as assisting spouse. Deficit on self-employment and deductions for assisting spouse are included in gross income as negative income.

The types of income which are excluded from income liable to general taxation and thus not included in gross income, comprise capital gains, inheritance and certain gifts, various supplements to public pensions, benefits under the Act on Active Social Policy, general rent subsidies, rent subsidies to pensioners and young persons' allowances.

Taxable income is arrived at by subtracting income deductions, labour market contributions, and special pension from gross income.

Self-employment income contained in gross income: Profits of enterprises saved in accordance with the Act on Self-Employment are not included in gross income. Withdrawals from previous saved profits in enterprises are included in gross income. Self-employment income is corrected for transfer between spouses.

Foreign income⁴ includes wages and salaries, net interest and the like, pension and net surplus from self-employment.

Tax and the like include state tax, county tax, municipal tax, church tax, wealth tax, foreign paid taxes, labour market contributions and special pension.

Income deductions consist of the amounts which the tax payer may deduct from the gross income before taxation, except personal income tax allowance which is subtracted from the gross calculated tax. Interest payments, including self-employment enterprise, are not deducted by the calculation of gross income, but are regarded as a deduction in Tax-Related Income Statistics. It implies that interest payments are not deducted from net surplus of self-employment enterprise. This is one of the reasons why it is impossible to compare the earnings of self-employed and employees entirely on the basis of gross income. Earned income relief consists of travelling expenses, unem-

ployment insurance, union dues, contributions to early retirement scheme, and other wage earner expenses.

5.24 The Central Register of Labour Market Statistics (CRAM)

5.25 The Labour Market Policy Measures Register (AMFORA)

5.26 The Sickness Benefits Statistics Register

5.27 Recipient of Income Compensating Benefits, SSHA

5.27.1 Purpose

The purpose of the Coherent Social Statistics is to analyse and provide a comprehensive outline of the number of persons (stock, gross and net change) who in a calendar year have received one or more income-compensating benefits, i.e. statutory social benefits compensating for the full or partial absence of labour market income. The statistics includes data going back to 1984 and the data are regularly adjusted to reflect changes in legislation and in the administration of the different social areas covered by the statistics. The first publication covers the year of 1990.

5.27.2 Reference period

The year of reference is the calendar year of the registration of benefits.

5.27.3 Contents

The statistics sheds light on the part of the population that receives income-compensating benefits within a calendar year. The statistics includes the benefits, measured according to the first and last month of receipt of the specified types of benefits, the duration in days of receipt of a specific type of compensating benefits and the annual gross payment.

5.27.4 Statistical concepts

The term income-compensating benefits is not a common, pre-defined concept. On one hand, it is a question to what extent the more specific benefits are covered by the population, e.g. students receiving general study grants are not included in the population, nor are persons/families receiving general commendation contributions (such as housing benefits and family allowances). On the other hand, legislation is continuously being amended and new types of benefits and data are introduced. Some of the data are based on new definitions. Some are old, but with new contents (changes in the population entitled). In recent years, new types of social benefits and social data have developed, combining labour market income and income-compensating benefits.

Operationally defined, the population consists of recipients of income-compensating benefits according to the following list:

- Temporary benefits
 - Unemployment benefit
 - Sickness benefit
 - Maternity benefit
 - Social assistance (cash benefits)
 - Rehabilitation benefit
 - Local government activation (1994-)
 - Central government activation (1995-)
 - Unemployment allowance (2001-)
 - Leave benefit
- Permanent benefits:
 - Old-age pension
 - Early-retirement pension
 - Early-retirement pay/temporary allowance (Temporary allowance: 1995-)

Furthermore, the register contains data relating to civil servant pensioners.

5.27.5 Notes

The sources are the following registers in Statistics Denmark: the Central Register of Labour Market Statistics (CRAM), the Labour Market Policy Measures Register (AMFORA), the Sickness Benefits Statistics Register, the Social Benefits Register, the Social Pensions Statistics, the Tax-Related Income Statistics, the Educational Classification Module and the Central Population Register.

6 Concepts

- persons - all persons living in Denmark age 15-70. Each person is identified by a unique person identification number, PNR which is equal to the official CPRNR assigned to a person at birth or when moving to Denmark. The PNR is consistent over time.
- establishments - are local, well defined business units which mainly produce one or a few types of goods. Statistics Denmark has constructed a unique establishment identifier number, LBR, which is consistent over time according to a set of rules.
- firms - are legal units which withhold income taxes and settle other taxes and tariffs. A firm consists of one or more establishments. One or more firms may be joined in an economic model. Private firms may have several identifiers and they need not be consistent over time. SENR number are used to identify tax payments. CVRNR identifies a legal unit and was introduced in 1999. If a company only has one SENR number this number is also its CVRNR. If a company has several SENR the major SENR is selected as a CVRNR. For a private company the ARBGNR is equal to an SENR for the period 1980-1999. From 2000 the ARBGNR is equal to the CVRNR. Statistics Denmark has constructed a firm identification number, ARBGNR.
- employments - a person can be employed in an establishment for a specified period, spell. A person may have 0, 1 or more employments at any point in time. An employment is identified by the tuple $\{(PRNR, ARBGNR, period)\}$

Data about persons, establishments and employments are obtained from IDA, Integrated Database for Labour Market Research.