



Report

Family businesses in the Netherlands

2015-2018

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Keywords

Family businesses, small and medium sized enterprises, provinces, turnover, employees

Summary

Statistics Netherlands (CBS) has compiled figures on family businesses at the request of the Ministry of Economic Affairs and Climate (EZK). In addition to the number of enterprises, the results of this research also include figures on the number of employee jobs and their characteristics, turnover and value added. Figures are broken down by enterprise size and province. A separate set of tables¹ (in Dutch) has been published on the Statistics Netherlands website as a statistical appendix with the complete figures of this research.

The main results presented in this publication are:

- There were 273 thousand family businesses in the Netherlands on January 1, 2018.
- 86 per cent of family businesses was a micro business. Micro businesses are enterprises with 2 to 10 employed persons.
- Most family businesses were fully owned by one family. In 45 per cent of the family businesses, one owner had full control over the company. In 48 per cent, the enterprise had multiple owners who together form one family and thus had full control.
- Family businesses are older than non-family businesses. 44 per cent of the family businesses were between 10 and 30 years old. 18 per cent was 30 years or older. These older family businesses are mainly small businesses. Of the family businesses aged 30 years or older, 77 per cent belonged to micro businesses and 18 per cent to small businesses (enterprises with 10 to 50 employed persons).
- Most family businesses (88 per cent) had one generation of the family involved with the governance of the enterprise.
- Family businesses accounted for over 29 per cent of all employee jobs in the Netherlands in December 2018.
- Family businesses in the business economy generated 403 billion euros in turnover and 103 billion euros in value added. This is roughly a quarter of the total turnover and value added in the business economy.
- The number of family businesses and the associated employee jobs, turnover and value added is fairly stable in the period 2015-2018.

¹ https://www.cbs.nl/-/media/_excel/2020/44/tabellenset_familiebedrijven-in-nederland-2015-2018.xlsx

This chapter describes the background and basic principles of the research. The chapter concludes with the structure of this publication.

1. Introduction

1.1 Background

On 20 November 2019, CDA MPs Amhaouch and Palland proposed a motion in the Dutch House of Representatives (Tweede Kamer, 2019). In the motion they write that family businesses have specific characteristics and that no national data is kept on family businesses. They also write that due to the lack of this data, the development of family businesses cannot be properly monitored and therefore targeted policy may be absent. Therefore, they asked the government to make quantitative data on family businesses available through Statistics Netherlands (CBS). The motion asks for data on family businesses broken down by size class and developments over a longer of time. They also asked for breakdowns at national, provincial and municipal levels. The House of Representatives passed this motion on November 26, 2019 with 149 in favour of the 149 votes.

The Ministry of Economic Affairs and Climate (EZK) then asked Statistics Netherlands to conduct research into family businesses in line with the motion (Tweede Kamer, 2020).

1.2 Basic principles

In conducting the research, Statistics Netherlands made a number of choices about the method, the sources used and the definition of family businesses.

Method

In 2016, Statistics Netherlands developed a method to identify family businesses (CBS, 2017) since family businesses cannot be found directly in a single register to compile figures on them. The current research contains some quality improvements and changes compared to the 2016 method. Therefore the figures in this research cannot be compared one-to-one with the previously published figures. The quantitative consequences of the improvements and changes cannot be specified further. This is because in addition to the method changes, newer information about the enterprises has also been used. A detailed description of the method can be found in Appendix 1.

Sources used

Statistics Netherlands chooses to combine data from existing registries to determine whether an enterprise is a family business. Compared to sample based research, this provides a basis for complete and more detailed insights at a national or regional level.

Linking this population to the (integral) data sources at Statistics Netherlands, allows Statistics Netherlands to answer questions about family businesses that are difficult to quantify so far at socially lowest possible costs.

Moreover, by using information from registers and survey material already supplied to Statistics Netherlands, additional administrative burdens for entrepreneurs is avoided.

Definition

Statistics Netherlands utilises the definition by the European Commission (2009). This definition was proposed in 2009 by a group of experts consisting of scientists and policy officers from different countries. The definition is widely accepted.

Family businesses

A family business is a business in which one family, direct or indirect, is in the possession of the majority of decision-making rights (for listed companies 25 per cent). At least one representative of the family is formally involved in the governance of the firm and the legal entity must be transferrable.

This definition also includes family businesses which have not yet gone through the first generational transfer. It also covers sole proprietors and the self-employed, providing there is a legal entity which can be transferred (European Commission, 2009:10).

Further specifications

Statistics Netherlands sees a need to identify specific groups of family businesses within the European definition. As the definition also includes family businesses which have not yet gone through the first generational transfer and also covers sole proprietors and the self-employed, it can be seen as a broad definition. The use of such definition would overlap with already available information. And especially with information that is available on small businesses. After all, the previous research of Statistics Netherlands (CBS, 2017) showed that family businesses can be found among smaller businesses.

Furthermore, the family business is not a physical phenomenon whose characteristics are factually established. There are choices to be made when defining 'the family business'. Choices revolve around the question of what characteristics make a company a family business. Common characteristics are family membership, ownership and the active role of individuals within the company (Tagiuri & Davis, 1982). Next, these choices deal, for example, about the overlap of those characteristics or the level of those characteristics that must be observed in order to speak of 'a family business'². Sharma and Nordqvist (2008) distinguish 72 different categories of family businesses in this way. Furthermore, the status of 'the family business' cannot be seen as something static, but can fluctuate between a family business and a non-family business (European Commission, 2009). Thus, 'the' family business is not a binomial phenomenon.

For the reasons stated above, this study distinguishes self-employed businesses without employees separately from (family) businesses with two or more employed persons. Statistics Netherlands no longer chooses to exclude this group. This improves the comparison with regular figures of Statistics Netherlands. Institutions that are not businesses (including the government and primary, secondary and higher education) are also distinguished as a separate group for better comparison with regular Statistics Netherlands figures. We also

² These choices can also be found in the definition of the European Commission.

distinguish family businesses by type of ownership. In this way we can follow the widely accepted European definition. And also, in line with the motion, we can provide new information.

Practical principles

Finally, there are a number of practical principles applied in this research. Data with which Statistics Netherlands identifies family businesses is not available prior to 2015. As a result, there are no figures that go further back in time. Developments over a longer period can therefore only be made available through future periodic monitoring.

When identifying family businesses, one source includes information from tax returns. Persons and companies will submit a tax return for the year 2019 in 2020. As a result, the required information about 2019 was not yet available during the research for figures for 2019.

Statistics Netherlands only publishes statistical information without identifiable or traceable personal or company data. The risk of identification or traceability increases in relatively small (sub) groups, for example when more detailed breakdowns are made. Partly in view of the scope of the research, the Ministry of Economic Affairs and Climate has opted for general breakdowns that do justice to the requests in the motion. Other breakdowns may be possible.

1.3 Reading guide

This publication of Statistics Netherlands presents an image of family businesses in the Netherlands. Unless stated otherwise, the figures relate to 2018.

Percentages of family businesses expressed as a total may be lower than previously published (CBS, 2017). This is due to a number of method changes, newer information about the enterprises and the fact that certain groups of enterprises and institutions are not excluded.

Important notions

As in the previous research, Statistics Netherlands uses the term ‘family business’ when an enterprise group with more than 1 employed person has been identified as such. The identification takes place at a level referred to in European business statistics as the ‘enterprise group’. The figures mentioned in this report are (unless indicated otherwise) about the enterprise. The enterprise is a statistical unit used to describe the economic reality (rather than a legal, fiscal or administrative reality). An enterprise group can consist of one or more enterprises. The enterprise can be defined as the actual transactor in the production process characterised by independence in decisions about the process and by providing products or services to others. Sole proprietorships and self-employed persons (both without employees) as mentioned in the definition are therefore referred to as ‘businesses of enterprise groups with 1 person employed’.

Structure

The report consists of a number of chapters and appendices.

Chapter 2 describes the number of family businesses in the Netherlands and their characteristics. It deals with questions like: How many family businesses are there? How are they distributed by enterprise size and type of ownership? In which economic activities are they active? And where are they located?

Chapter 3 takes a closer look on family businesses that are active as an employer. The chapter focuses on the number of employee jobs and their characteristics. Employee characteristics are also discussed.

Chapter 4 focuses on family businesses in the business economy. In the production of business statistics, the business economy is a commonly used subpopulation. The chapter answers questions such as: how many businesses are there in the business economy? And how many employees do they employ? Most of the chapter deals with the question: How much turnover and value added is generated by these businesses?

The appendix 'To a population of family businesses', describes the method how Statistics Netherlands identified family businesses. Differences with the previous research (CBS, 2017) are indicated. A brief description of the data sources and methods used in this publication to describe the economic importance of family businesses can be found in the appendix 'data sources and methods'.

A separate set of tables (in Dutch) has been published on the Statistics Netherlands website as a statistical appendix³ with the complete figures of this research.

³ https://www.cbs.nl/-/media/_excel/2020/44/tabellenset_familiebedrijven-in-nederland-2015-2018.xlsx

This chapter describes the number of family businesses in the Netherlands and their characteristics. It deals with questions like: How many family businesses are there? How are they distributed by size class and type of control? In which economic activities are they active? And where are they located?

2. Characteristics of businesses

2.1 Number of enterprises and institutions

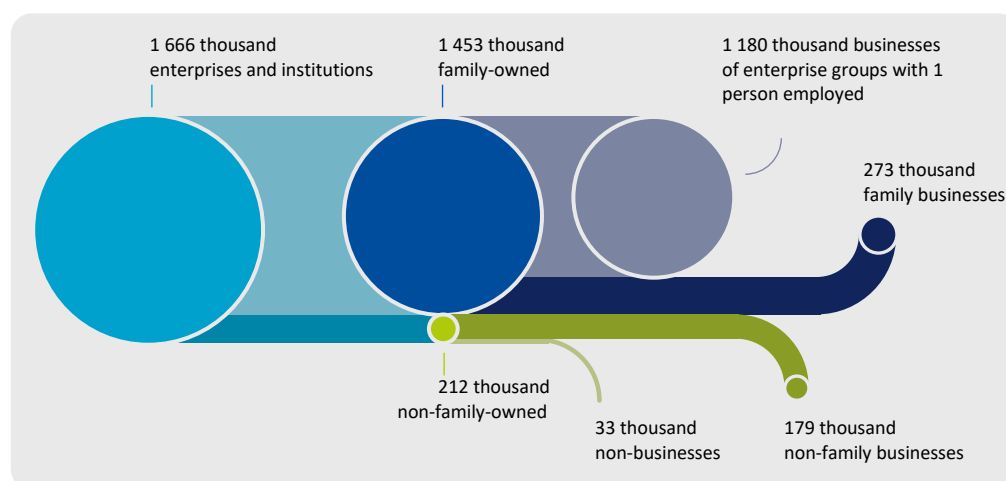
273 thousand family businesses in the Netherlands

In the Netherlands there were more than 1.66 million enterprises and institutions in 2018 (see figure 2.1.1). 1.45 million were family-owned businesses and 212 thousand non-family-owned businesses and institutions.

Of the family-owned businesses, the majority, 1.18 million, were businesses of enterprise groups with 1 person employed. These are mainly sole proprietorships without personnel and private limited companies (BV) without personnel that consist of one legal unit. About 273 thousand enterprises were family businesses.

The businesses and institutions that were not family-owned numbered more than 179 thousand non-family businesses. The remaining 33 thousand were non-businesses, including government organisations and schools in primary, secondary and higher education.

2.1.1 Number of enterprises and institutions, 1 January 2018

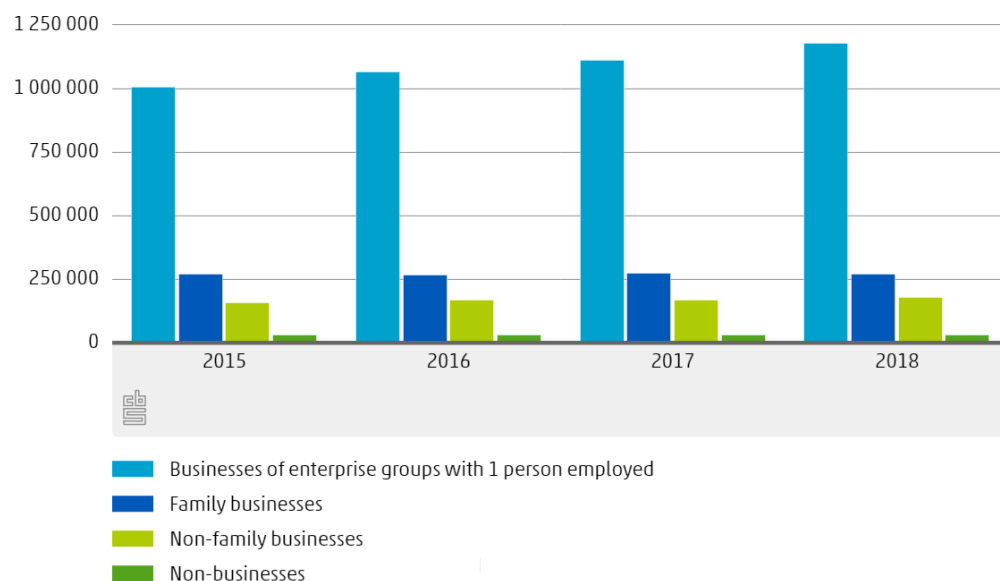


Source: Statistics Netherlands.

Development of the number of family businesses fairly stable

Figure 2.1.2 shows the development of the number of enterprises and institutions in the period 2015-2018. The number of businesses belonging to enterprise groups with 1 person employed increased the most in that period. This is related to the large number of sole proprietorships established in recent years (CBS, 2020). The number of family businesses has remained fairly stable over time.

2.1.2 Number of enterprises and institutions, 1 January 2015-2018



2.2 Size class

Most family businesses are micro businesses

The proportion of family-owned businesses decreases by size class (see table 2.2.1). The highest percentage of family businesses is found among micro businesses (enterprises with 2 to 10 employed persons). Compared to family businesses, there are both absolutely and relatively more non-family businesses with more than 50 employed persons. 15 per cent (460 enterprises) of the enterprises with 250 or more employed persons (large enterprises) was a family business.

2.2.1 Number of enterprises and institutions by size class, 1 January 2018

	Businesses of enterprise groups with 1 person employed	Family businesses	Non-family businesses	Non-businesses	Total
	number				
1 employed person ¹⁾	1 180 435	5 940	58 360	25 050	1 269 775
2 to 10 employed persons		233 800	92 205	3 800	329 805
10 to 50 employed persons		29 005	20 670	1 995	51 670
50 to 250 employed persons		3 630	6 400	1 385	11 415
250 or more employed persons		460	1 950	720	3 125
Total employed persons	1 180 435	272 830	179 585	32 950	1 665 800

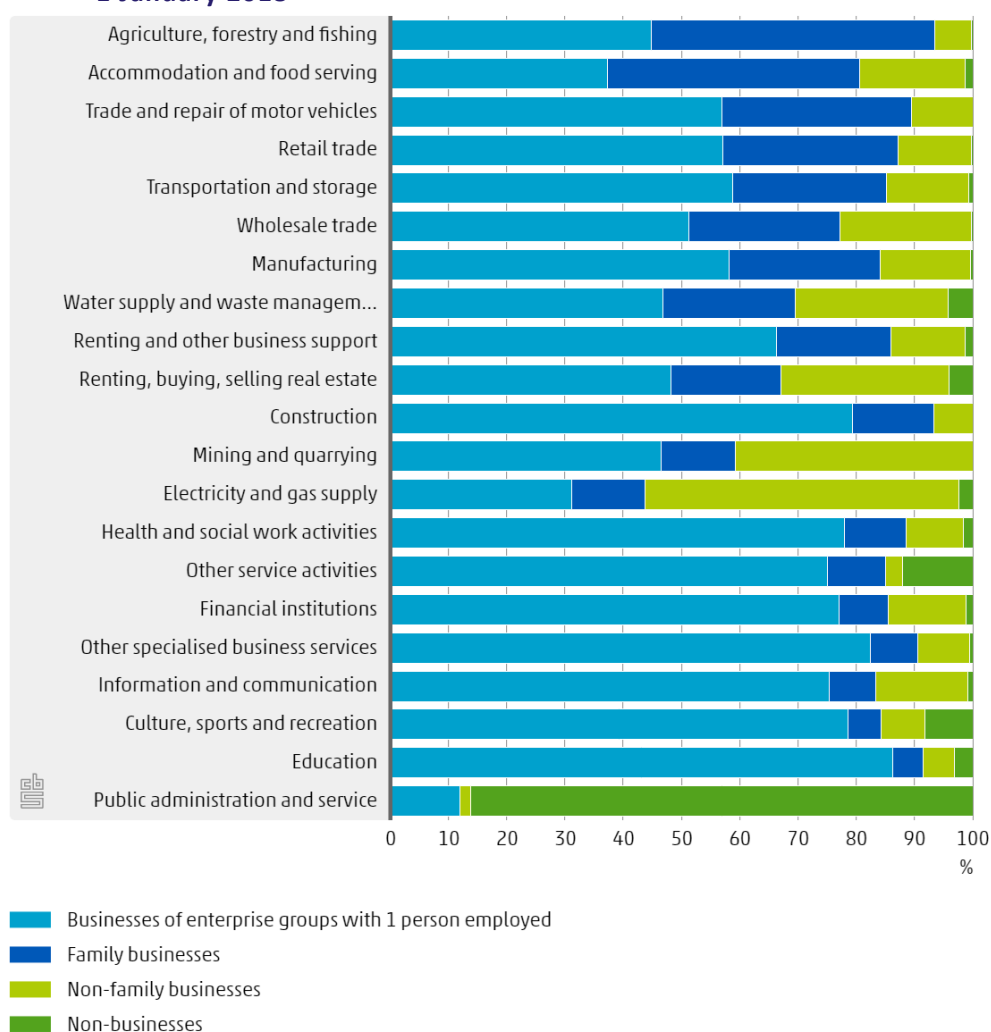
¹⁾ Identification was conducted at the level of enterprise groups. Corresponding enterprises can be smaller. This explains why there are family businesses, non-family businesses and non-businesses with 1 employed person.

2.3 Economic activity

Family businesses are found throughout the Dutch economy (see figure 2.3.1). Relatively the most in agriculture, forestry and fishing. Family businesses are also relatively common in

accommodation and food serving, trade and repair of motor vehicles and retail trade. Family businesses are relatively less common in information and communication, other specialised business services and electricity and gas supply.

2.3.1 Distribution of enterprises and institutions by economic activity, 1 January 2018

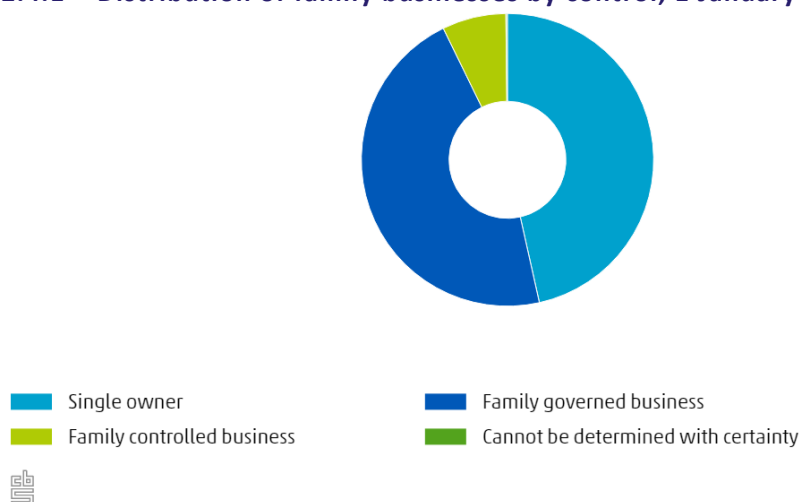


2.4 Type of family-ownership

Most family businesses are fully owned by one family

93 per cent of the family businesses were fully owned by one family. In 45 per cent of the 273 thousand family businesses, one owner had full control over the business (see figure 2.4.1). We call this 'single owner'. Family-governed businesses are enterprises with several owners that together form one family and thus had full control. 48 per cent of the family businesses were family-governed businesses. In 7 per cent, the family business had multiple owners, with the family having the majority but not full control of the business. These are the family controlled businesses. Larger family businesses are more often family-controlled businesses.

2.4.1 Distribution of family businesses by control, 1 January 2018



2.5 Enterprises by age

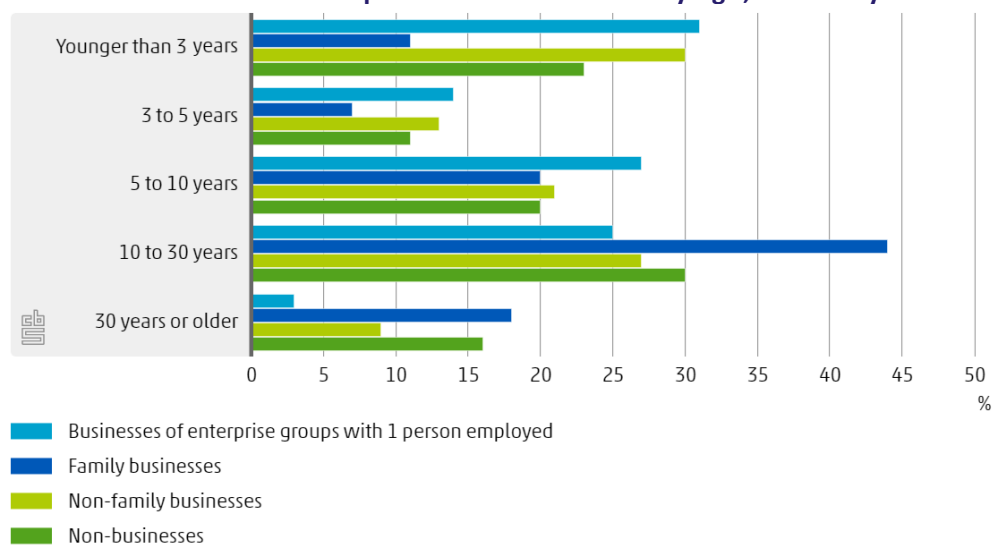
Family businesses are older

The age of enterprises has been calculated using the original date of incorporation as much as possible. Compared to non-family businesses and businesses of enterprise groups with 1 person employed, family businesses are relatively older (see figure 2.5.1).

18 per cent of the family businesses was 30 years of age or older. This was 9 per cent for non-family businesses. Most of the family businesses (44 per cent) were between 10 and 30 years old. 27 per cent of the non-family businesses were in this age group. For both family businesses and non-family businesses, half of the businesses in this age group have been in existence for 16 years.

Of the family businesses aged 30 years or older, 77 per cent belonged to micro and 18 per cent to small businesses. 3 per cent belonged to medium-sized enterprises and less than 1 per cent to large enterprises. These last two groups together comprise 1 680 family businesses.

2.5.1 Distribution of enterprises and institutions by age, 1 January 2018



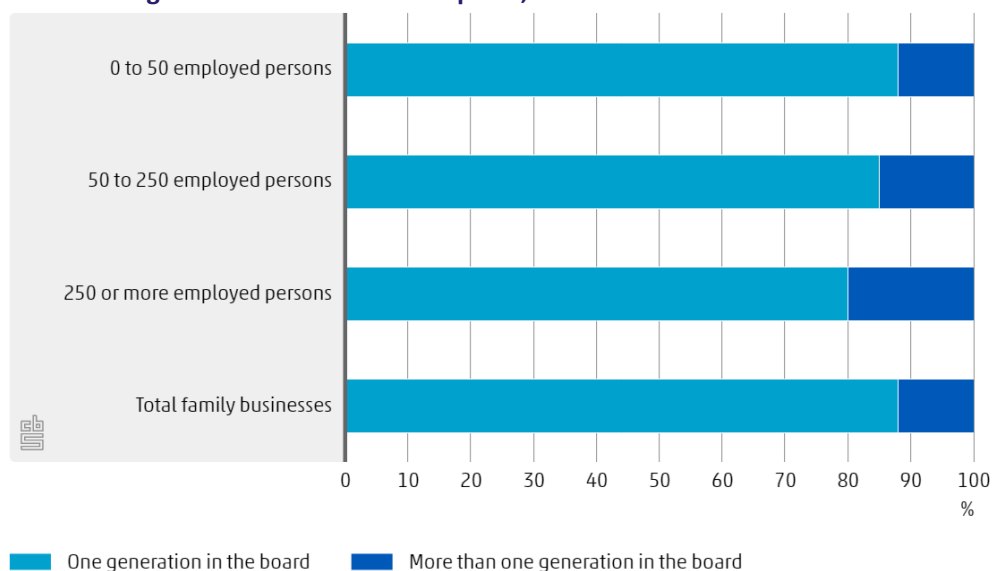
2.6 Number of generations involved in the governance of the enterprise

Most family businesses have one generation of the family involved in the governance of the enterprise

Of the 273 thousand family businesses, 32 thousand enterprises (just under 12 per cent) had more than one generation of the family involved in the governance (board of directors and / or supervisory board) of the enterprise.

The percentage of family businesses that have more than one generation of the family in the governance of the enterprises increases with enterprise size (see figure 2.6.1). Among family businesses in medium-sized and large enterprises, in that order, 15 and 20 per cent of the businesses had more than one generation of the family in the governance of the enterprise.

2.6.1 Percentage family businesses by the number of generations involved in the governance of the enterprise, 2018



2.7 Regional distribution

Enterprises and institutions may consist of more than one establishment located in different regions. To provide statistics on the number of family businesses by region the establishment is used as unit of measurement.

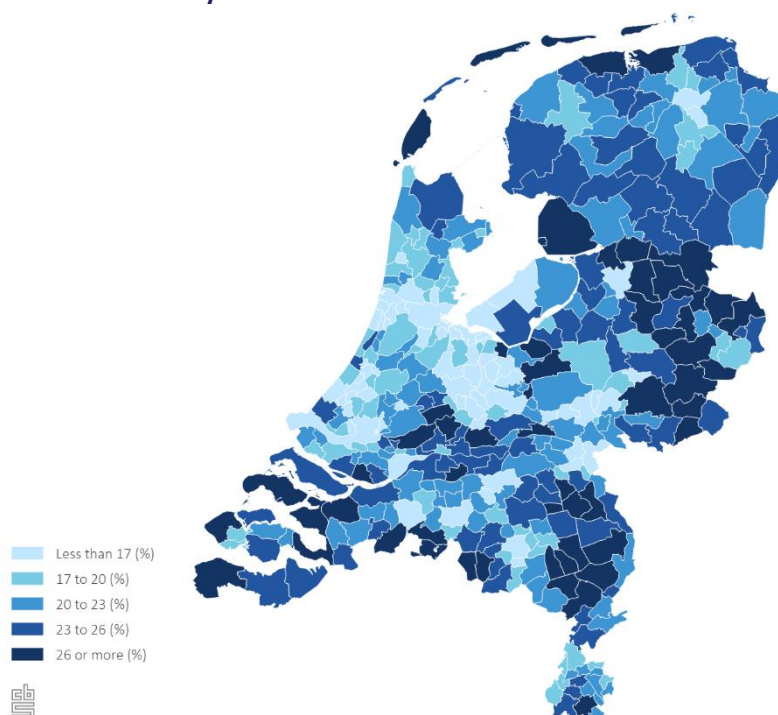
In 2018, there were a total of 1 843 980 establishments. All family businesses have 343 015 establishments in total. In absolute numbers, most establishments of family businesses can be found in Zuid-Holland, Noord-Brabant and Noord-Holland. If you add up all the establishments of family businesses in the Netherlands, 51 per cent was found in these provinces. This was a little more for non-family businesses: 56 per cent.

If you add up all the establishments in a province and look at the of share family businesses, then that share does not differ much per province. In Zeeland there are relatively many establishments of family businesses. Of the total number of establishments in Zeeland, nearly 25 per cent belonged to a family business. There are also relatively more

establishments of family businesses in Overijssel, Friesland and Drenthe. In Noord-Holland and Utrecht, there are relatively few (15 per cent).

In all provinces, most establishments of family businesses are active in trade. Agriculture, forestry and fishing has a significant share in the northern provinces and Zeeland. Business services has a large share in the Randstad.

2.7.1 Percentage of establishments of family businesses per municipality, 1 January 2018

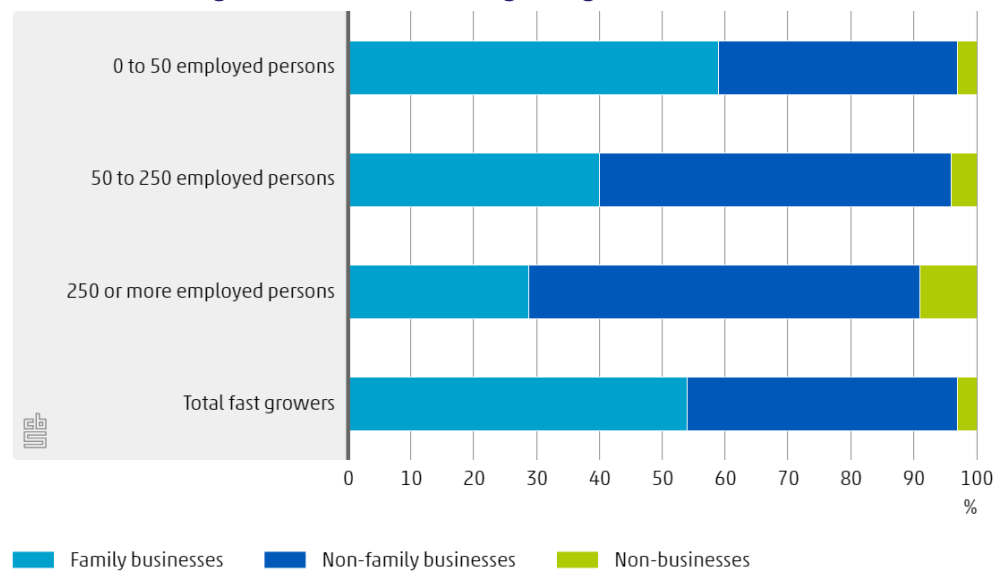


2.8 Fast growers

A very small part (0.8 per cent) of all enterprises and institutions is a fast grower. These are enterprises with an average annual growth (in number of employees) of 10 per cent per year or more, over a period of 3 consecutive years.

Of the 273 thousand family businesses, 6.8 thousand were faster growers. Among the 179 thousand non-family businesses, that number was 5.4 thousand. The percentage of fast growers among family businesses is decreasing per enterprise size.

2.8.1 Percentage of businesses among fast growers, 2018



How many family businesses are active as an employer? How many employee jobs do these enterprises provide? What are the characteristics of those jobs? And what are the characteristics of the employees? Unless stated otherwise, the figures in this chapter refer to jobs and employees in December 2018.

3. Employees and their jobs

3.1 Number of employee jobs

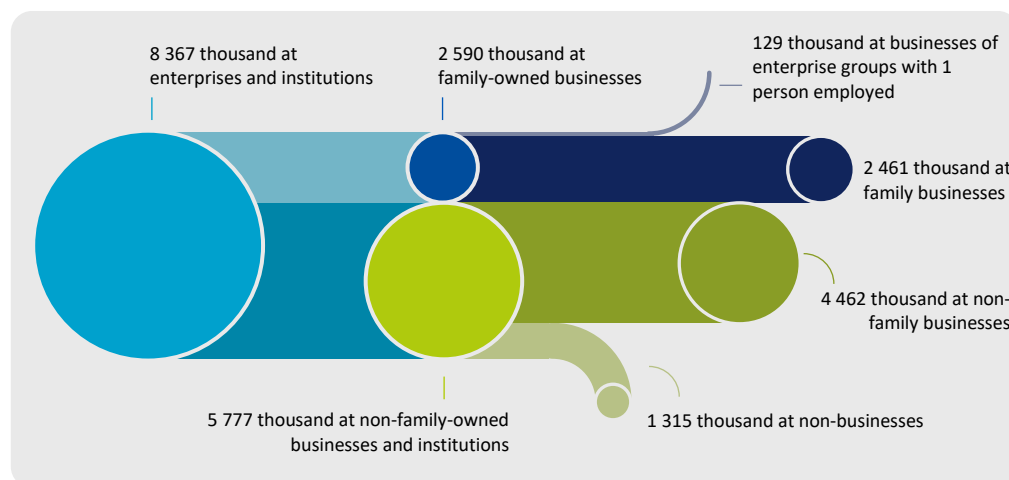
29 per cent of all employee jobs is a job at a family business

In the Netherlands, there were 8.4 million employee jobs in December 2018 (see figure 3.1.1). Broadly speaking, there were 2.59 million jobs in family-owned businesses and 5.78 million in non-family-owned businesses and institutions.

Of the family-owned businesses, 213 thousand family businesses were active as employers. At that time, they provided 2.46 million employee jobs. The share of family businesses in the total of employee jobs is over 29 per cent.

The non-family owned businesses and institutions had 4.46 million employee jobs in non-family businesses. The remaining 1.32 million were employee jobs at institutions that were non-businesses.

3.1.1 Number of employee jobs¹⁾, December 2018

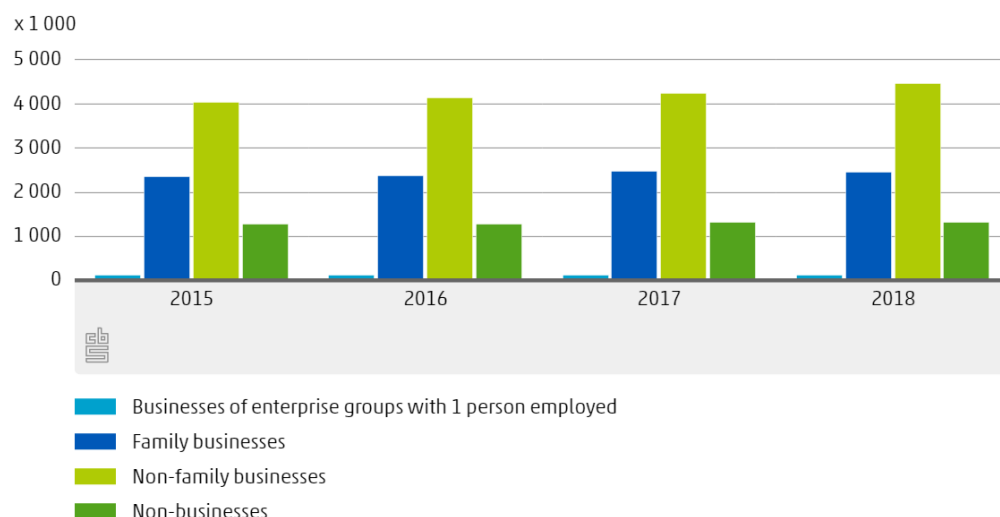


¹⁾ Including owner-managers (dga's)

Development of share of family businesses in the number of employee jobs is relatively stable

Figure 3.1.2 shows the number of employee jobs for the years 2015-2018. The share of family businesses in the total of employee jobs remains fairly stable during this period.

3.1.2 Employee jobs¹⁾, December 2015-2018



¹⁾ Including owner-managers (dga's)

3.2 Employee jobs by size class

Share of family businesses in the number of employee jobs decreases as enterprise size increases

Because family businesses are mainly micro enterprises (see section 2.2), the share of family businesses in the number of employee jobs per size class declines. The share of family businesses was largest among small enterprises (up to 50 employed persons). Non-family businesses had both absolute and relatively more jobs in medium-sized and large enterprises (see table 3.2.1).

3.2.1 Employee jobs¹⁾ by size class, December 2018

	Businesses of enterprise groups with 1 person employed	Family businesses	Non-family businesses	Non-businesses	Total
	x 1 000				
0 to 50 employed persons	128,9	1 337,4	690,4	78,7	2 235,4
50 to 250 employed persons		540,1	797,4	171,6	1 509,1
250 or more employed persons		583,7	2 973,9	1 065,2	4 622,8
Total employed persons	128,9	2 461,2	4 461,7	1 315,5	8 367,4

¹⁾ Including owner-managers (dga's)

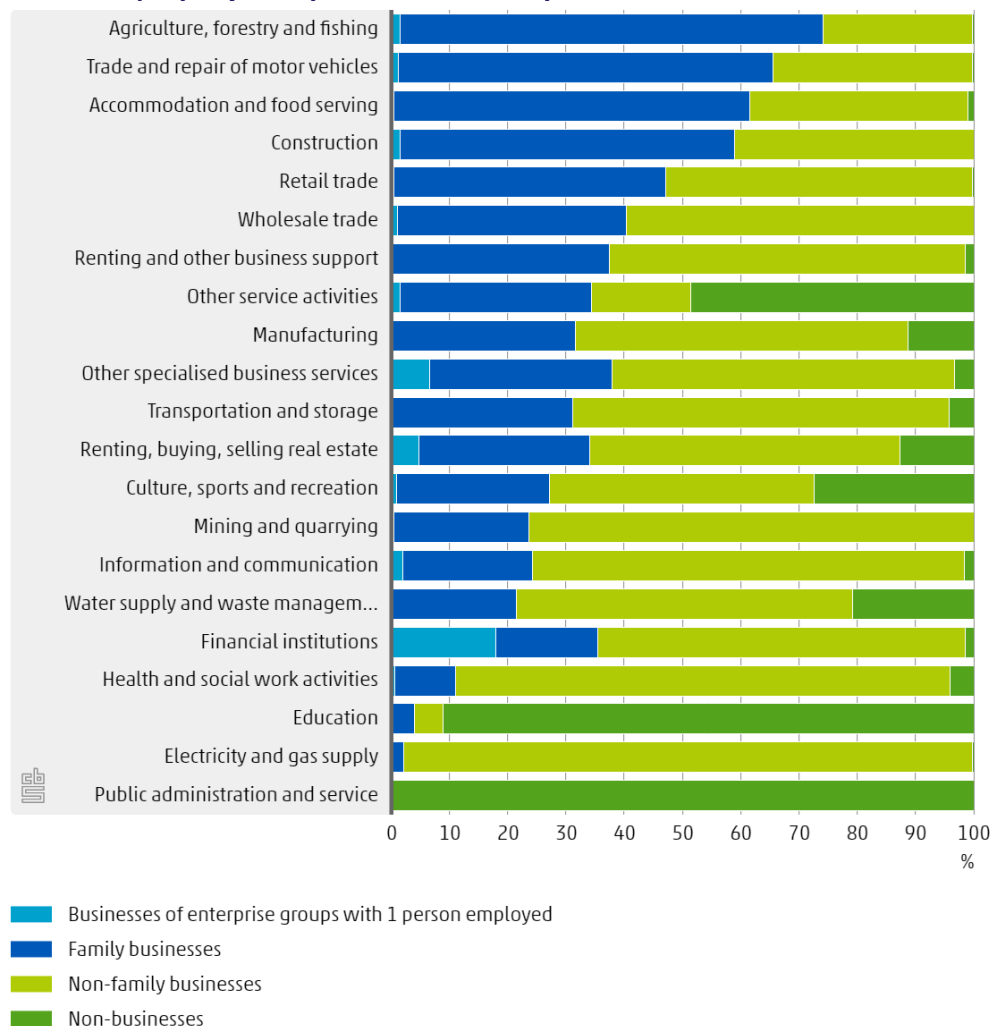
3.3 Employee jobs by economic activity

Relatively many employee jobs at family businesses in agriculture

The number of jobs at family businesses differs by economic activity. Relatively many employee jobs at family businesses can be found in agriculture, forestry and fishing, trade and repair of motor vehicles and motor cycles, accommodation and food serving and

construction (see figure 3.3.1). In other economic activities, such as health and social work activities, there is relatively a large number of employee jobs in non-family businesses. In the total of employee jobs in family businesses, the retail trade, accommodation and food serving, and construction accounted for a considerably higher share than in non-family businesses. Health and social work activities had a considerably smaller share.

3.3.1 Employee jobs by economic activity, December 2018

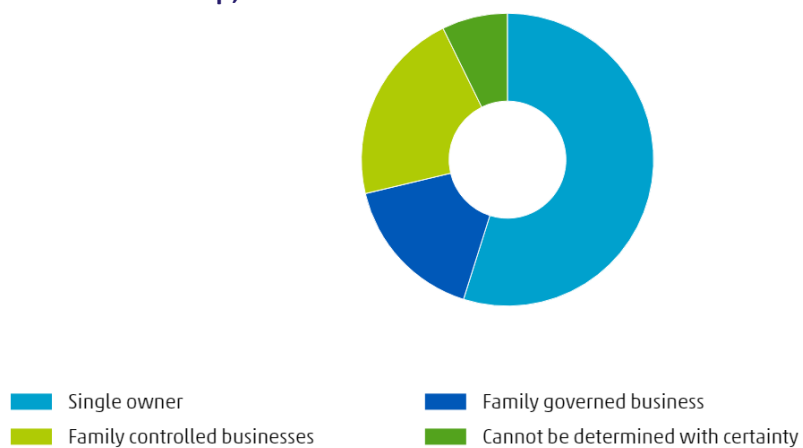


3.4 Employee jobs by type of control

Single owner family businesses have the largest share of family business employee jobs

More than 71 per cent of employee jobs at family businesses were in fully family-owned businesses. 55 per cent were owned by family businesses with a single owner. 16 per cent were in family governed businesses and 21 per cent in family controlled businesses (see figure 3.4.1).

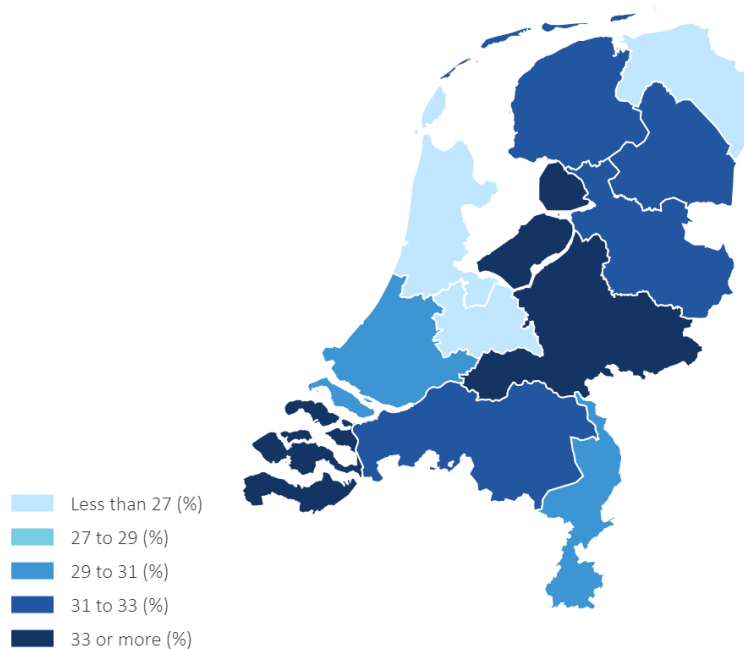
3.4.1 Distribution of employee jobs at family businesses by type of ownership, December 2018



3.5 Regional distribution of employee jobs

The share of employee jobs at family businesses does not differ much from province to province (see figure 3.5.1). In Gelderland, Flevoland and Zeeland almost a third of the employee jobs was at a family business. In Noord-Holland, Utrecht and Groningen this share was less than 27 per cent.

3.5.1 Share of employee jobs at family businesses, December 2018

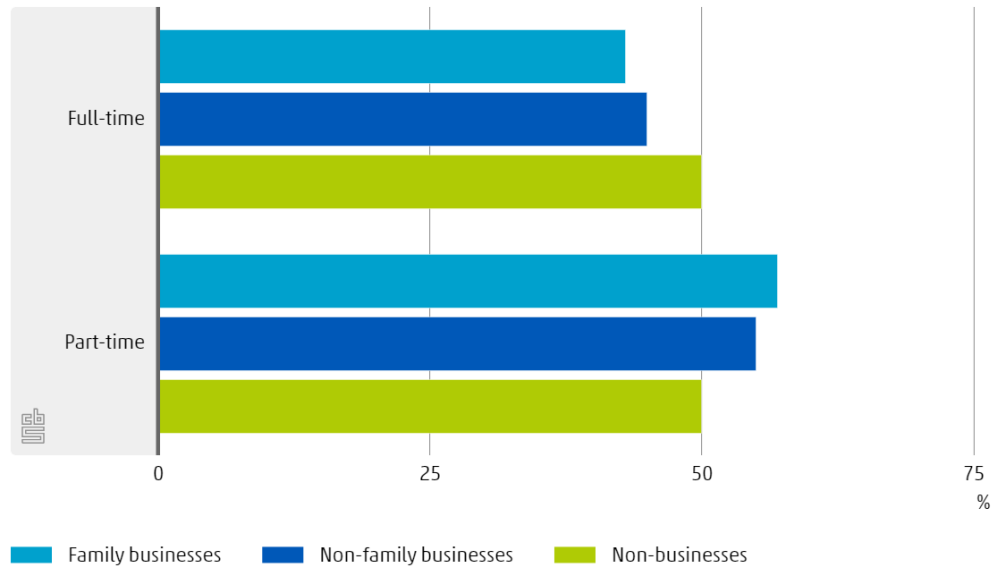


3.6 Job characteristics

Difference in type of employment of employee jobs between family and non-family businesses relatively small

43 per cent of the employee jobs at family businesses is a full-time job (see figure 3.6.1). The family businesses hardly deviate from the non-family businesses, which count 45 per cent full-time jobs.

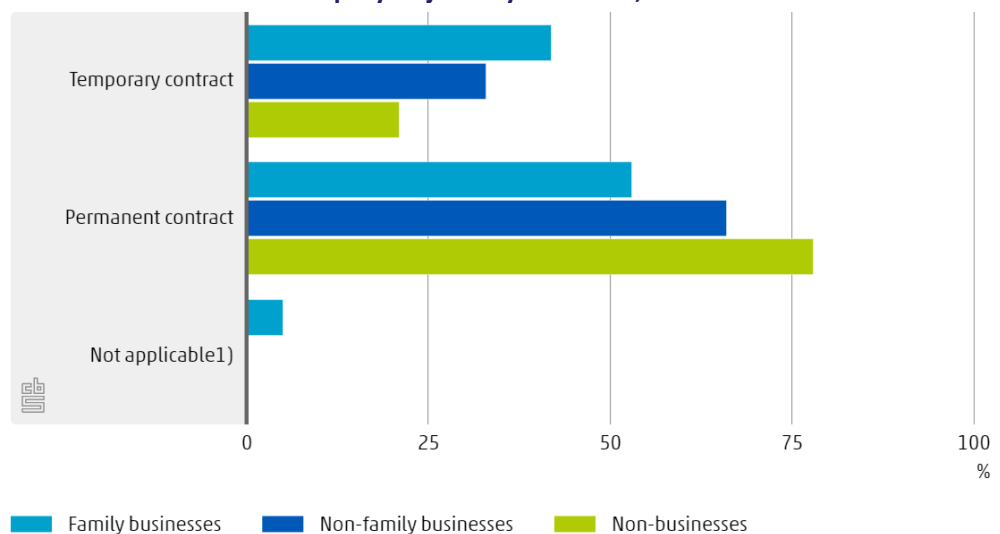
3.6.1 Distribution of employee jobs by type of employment, December 2018



Relatively more temporary contracts at family businesses

46 per cent of the employee jobs at family businesses is a temporary contract. In non-family businesses this is 37 per cent (see figure 3.6.2). In comparison with non-family businesses, relatively few temporary contracts at family businesses are found only in retail trade and renting and other business support.

3.6.2 Distribution of employee jobs by contract, December 2018

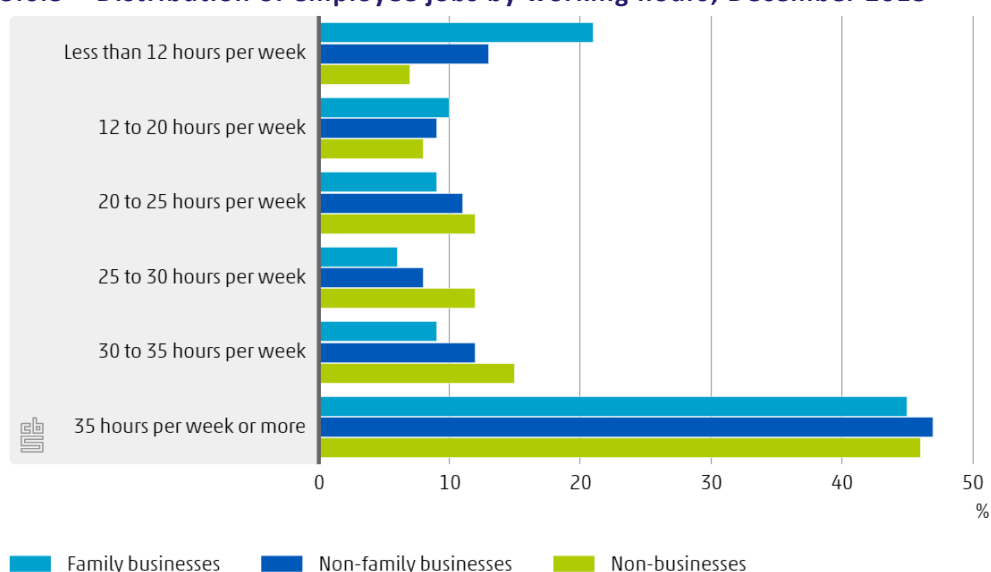


1) Owner-manager

Relatively more jobs with short working hours at family businesses

One in five employee jobs at family businesses is for 12 working hours or less per week (see figure 3.6.3). In non-family businesses, this is more than one in ten. The greater importance of retail trade and accommodation and food serving (with relatively many jobs with shorter working hours) in the total of employee jobs at family businesses partly explains the difference. In almost all other economic activities, family businesses also have relatively more employee jobs with less than 12 working hours a week. Exceptions include transportation and storage and rental and other business services. 45 per cent of the jobs at family businesses have 35 working hours per week or more. This does not differ much with the percentage of non-family businesses (47 per cent).

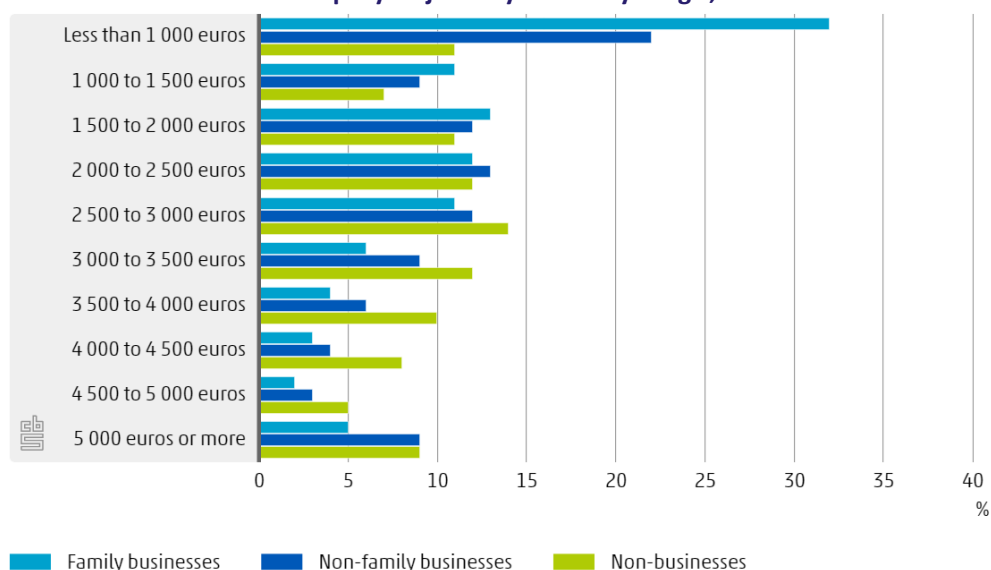
3.6.3 Distribution of employee jobs by working hours, December 2018



Relatively more employee jobs at family businesses with a monthly wage up to 1 000 euros

32 per cent of the employee jobs at family businesses has a monthly wage up to 1 000 euros (see figure 3.6.4). In non-family businesses, this is 22 per cent. The monthly wage depends on the number of working hours. Family businesses have relatively more employee jobs with a small number of working hours than non-family businesses. Also, the age of employees is a factor. As indicated in figure 3.7.2, almost a quarter of the employees of family businesses are 25 years old or younger.

3.6.4 Distribution of employee jobs by monthly wage, December 2018

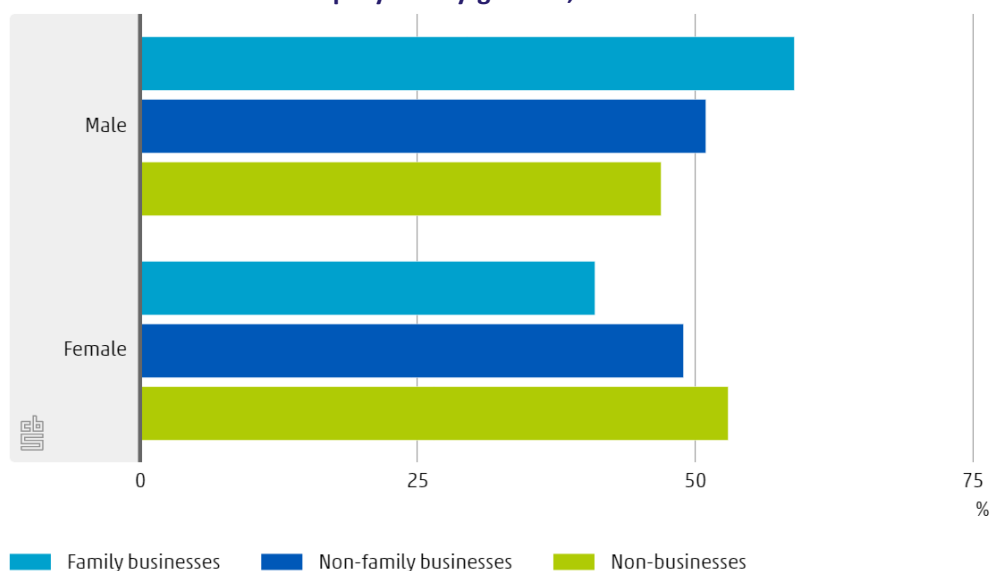


3.7 Employee characteristics

Relatively more male employees at family businesses

In total, 59 per cent of the employees in family businesses is male (see figure 3.7.1). In non-family businesses, the distribution of males and females is almost equal. This is related to the high number of female employees in health and social work activities and the low percentage of family businesses in this economic activity.

3.7.1 Distribution of employees by gender, December 2018

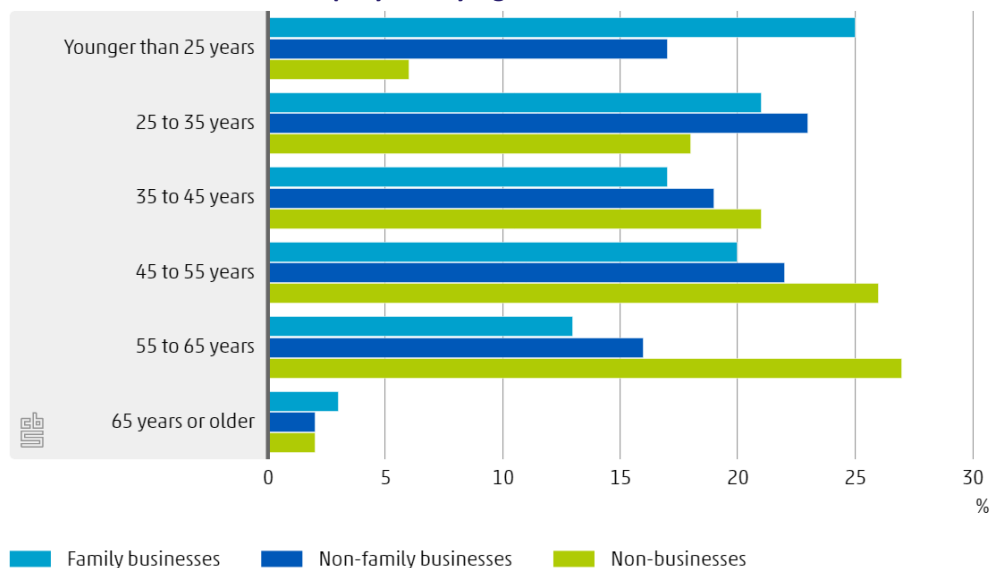


Employees of family businesses are relatively young

The employees at family businesses are relatively young. A quarter of the employees are under 25 years of age (see figure 3.7.2). In non-family businesses this is 17 per cent. On one hand, the greater share of retail trade and accommodation and food serving (where

relatively many young people work) in the total number of employees at family businesses explains the difference. On the other hand, a number of economic activities where relatively older employees work are of greater importance to the number of employees in non-family businesses.

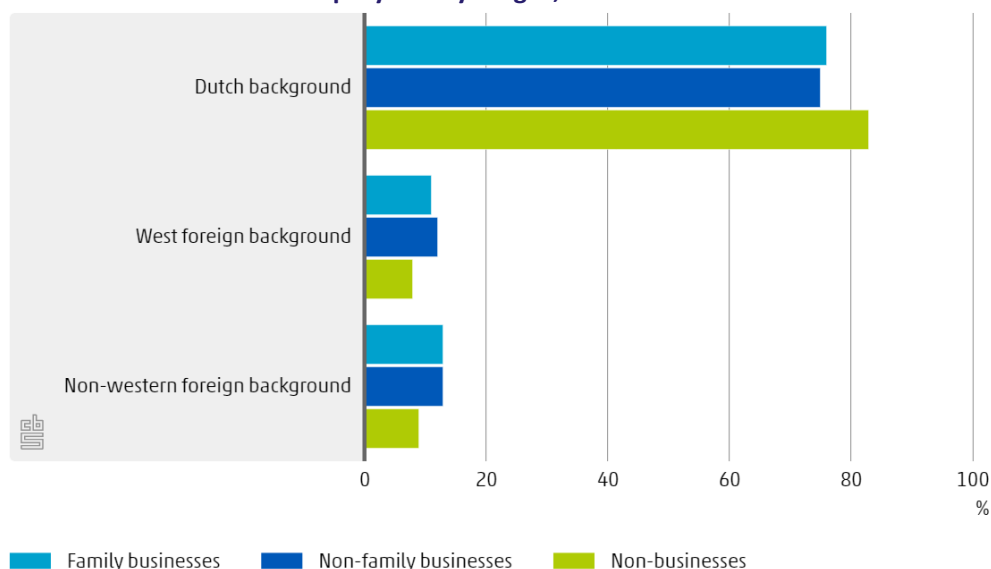
3.7.2 Distribution of employees by age, December 2018



Small differences between family businesses and non-family businesses in origin of employees

The distribution of employees by origin shows roughly the same picture among family businesses as with non-family businesses (see figure 3.7.3). About 75 per cent of the employees is from Dutch origin.

3.7.3 Distribution of employees by origin, December 2018



This chapter focuses on family businesses in the business economy. In the production of business statistics, the business economy is a commonly used subpopulation⁴. The chapter answers questions such as: how many businesses are there in the business economy? And how many employees do they employ? Most of the chapter deals with the question: How much turnover and value added is generated by these businesses?

4. Family businesses in the business economy

4.1 Number of enterprises

There were more than 1.08 million enterprises and institutions active in the business economy in 2018. Of these, 941 thousand were family-owned and 140 thousand were non-family-owned. Of the family-owned businesses, the majority, 746 thousand, were businesses of enterprise groups with 1 person employed. 195 thousand enterprises were family businesses. The enterprises and institutions that were non-family-owned accounted for more than 134 thousand non-family businesses. The remaining 6 thousand were institutions that were non-businesses.

4.2 Employee jobs

There were 2.1 million employee jobs in the business economy in December 2018⁵ (see table 4.2.1). The share of family businesses in the total of employee jobs in the business economy is over 39 per cent.

4.2.1 Employee jobs¹⁾ in the business economy by size class, December 2018

	Businesses of enterprise groups with 1 person employed	Family businesses	Non-family businesses	Non- businesses	Total
	x 1 000				
0-50 employed persons	67,8	1069,7	545,7	15,0	1698,1
50-250 employed persons	0	484,4	665,1	19,2	1168,7
250 or more employed persons	0	549,4	1789,7	123,1	2462,2
Total employed persons	67,8	2103,5	3000,4	157,3	5329,0

¹⁾ Including owner-managers (dga's)

⁴ The business economy does not include agriculture, forestry and fishing, financial institutions, education, public administration and service, health and social work activities, culture, sports and recreation, membership organisations and other personal services.

⁵ Because the business economy is a subpopulation of all enterprises and institutions, the number of employee jobs is lower than the number of employee jobs reported in chapter 3.

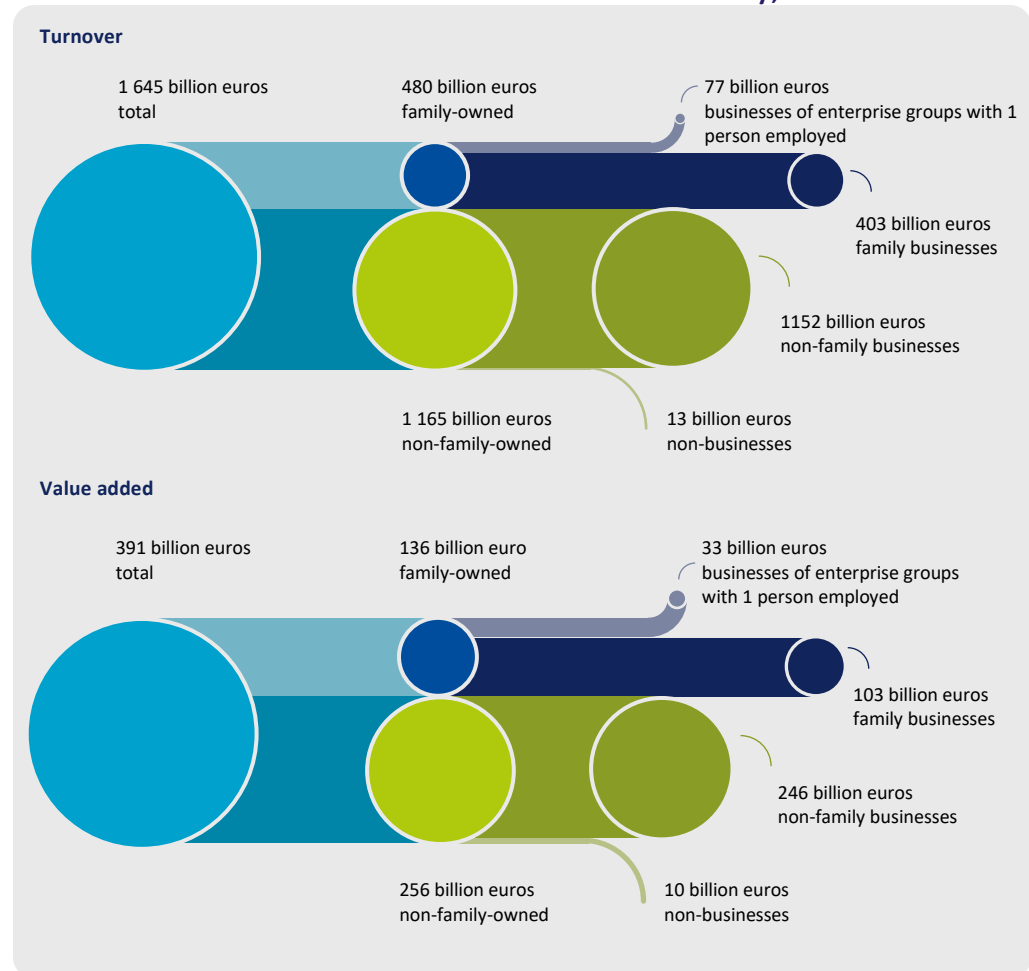
4.3 Turnover and value added

In the business economy, most of the turnover and value added is generated by non-family businesses

Enterprises and institutions in the business economy generated a turnover of 1 645 billion euros and a value added⁶ of 391 billion euros in 2018 (see figure 4.3.1). Hereof, a turnover of 480 billion euros and a value added of 136 billion euros was generated by family-owned businesses. The majority, 403 billion euros in turnover and 103 billion euros value added, was generated by family businesses. The large number of businesses of enterprise groups with 1 person employed (see chapter 2) thus generated a turnover of 77 billion euros and 33 billion euros value added.

The non-family-owned businesses in the business economy generated the majority of turnover (1 165 billion euros) and value added (256 billion euros). Non-family businesses generated 1 152 billion euros in turnover and 246 billion euros in value added.

4.3.1 Turnover and value added in the business economy, 2018



⁶ The difference between the market value of production and the raw materials purchased for it.

The share of family businesses in the turnover and value added of the business economy decreases as the enterprise size increases

The highest share of family businesses in turnover and value added is found among enterprises with less than 50 employed persons. Within this group 42 per cent of the turnover is generated by family businesses. Because family businesses are mainly micro businesses (see section 2.2), this share decreases as the enterprise size increases. A large part of the turnover and value added is generated by larger non-family businesses (see table 4.3.2).

4.3.2 Turnover and value added in the business economy by size class, 2018

	Businesses of enterprise groups with 1 person employed	Family businesses	Non-family businesses	Non- businesses	Total
	mln euros				
Turnover					
0 to 50 employed persons	76 911	232 492	231 887	4.118	545 408
50 to 250 employed persons		92 885	384 615	4.048	481 548
250 or more employed persons		78 144	535 622	4 454	618 220
Total employed persons	76 911	403 521	1 152 124	12.620	1 645 175
Value added					
0 to 50 employed persons	32 752	64 034	51 684	2 219	150 689
50 to 250 employed persons		21 365	65 766	2 389	89 520
250 or more employed persons		17 651	128 383	5 168	151 202
Total employed persons	32 752	103 050	245 833	9 776	391 411

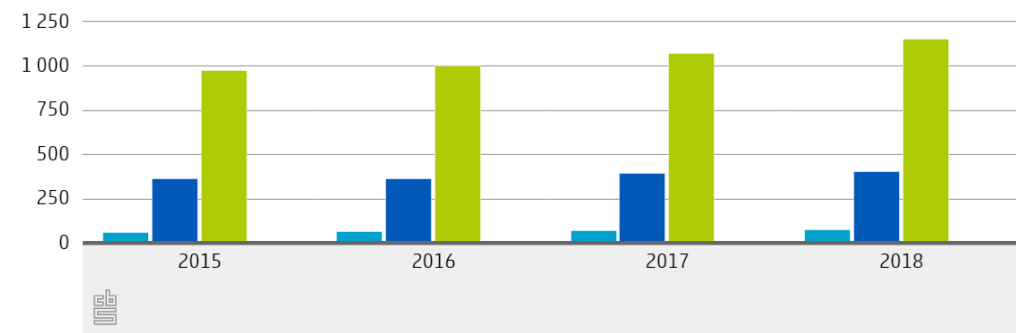
Stable development of share of family businesses in turnover and value added

Figure 4.3.3 shows the turnover and value added in current prices (not adjusted for inflation) for the years 2015-2018. The share of family businesses in the total has remained fairly stable over the years, both in terms of turnover and value added.

4.3.3 Turnover and value added in the business economy, current prices, 2015-2018

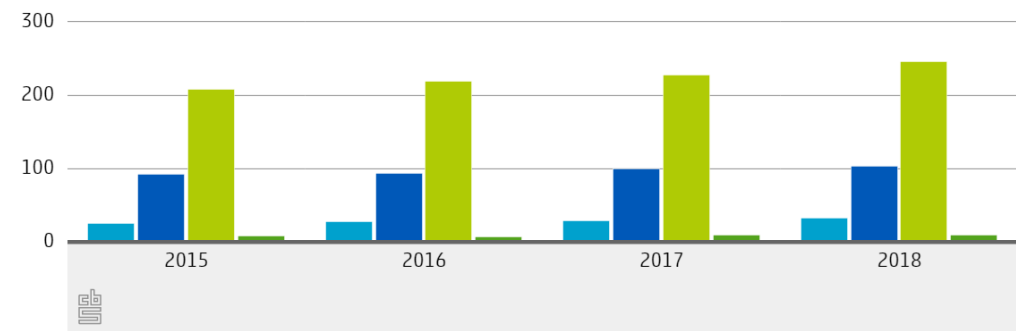
Turnover

x 1 Bn. euros



Value added

x 1 Bn. euros

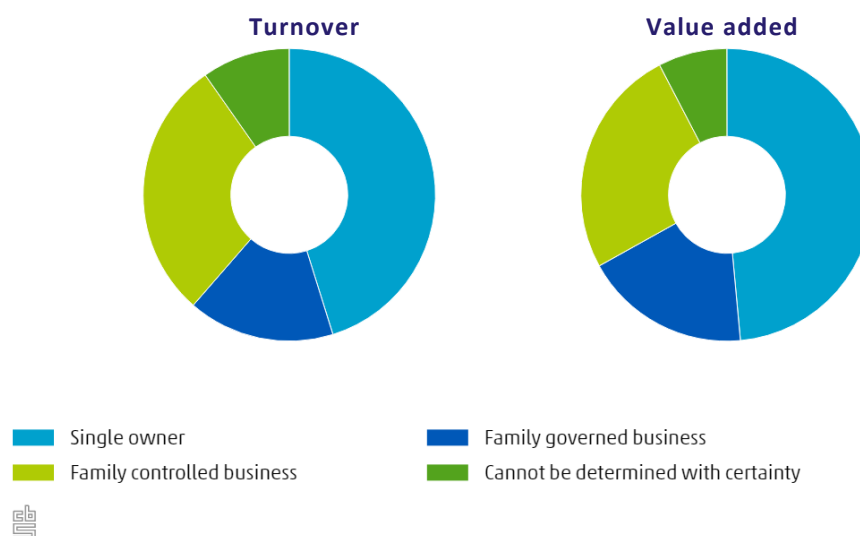


- Businesses of enterprise groups with 1 person employed
- Family businesses
- Non-family businesses
- Non-businesses

Single owner family businesses account for the largest share of the turnover and value added of family businesses

At least 61 per cent of the turnover and 67 per cent of the value added of family businesses was generated in full ownership. 45 per cent of the turnover and 49 per cent of the value added of family businesses was generated by enterprises with a single owner. Family governed businesses accounted for 16 per cent of turnover and 18 per cent of value added. The family controlled businesses generated 29 per cent of the turnover and 25 per cent of the value added (see figure 4.3.4).

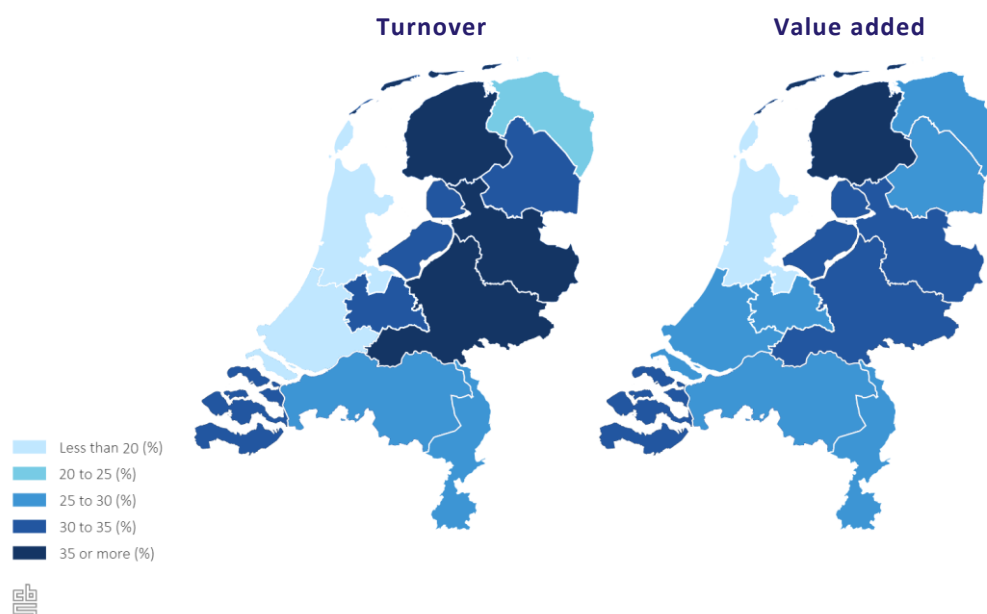
4.3.4 Distribution of turnover and value added of family businesses in the business economy by type of control, 2018



Family businesses are important to Friesland, Overijssel and Gelderland in terms of turnover and value added

Family businesses made relatively the largest contribution to the turnover (39 per cent) in the business economy of Overijssel. In Friesland this was true for the value added (36 per cent). Over 33 per cent of the value added in Gelderland and Zeeland was also generated by family businesses. In North Holland, the contribution of family businesses in turnover (15 per cent) and value added (17 per cent) was relatively the smallest.

4.3.5 Share of family businesses in the turnover and value added of the business economy, 2018



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This appendix explains the steps to identify the population of family businesses.

Appendix 1 To a population of family businesses

Definition of family businesses

To identify family businesses, it is necessary to determine how a family business is defined. Statistics Netherlands utilises the definition by the European Commission. This definition was adopted in 2009.

The definition of the European Commission states that an enterprise is a family business if:

- The majority of decision-making rights is in the possession of the natural person(s) who established the firm, or in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children's direct heirs.
- The majority of decision-making rights are indirect or direct.
- At least one representative of the family or kin is formally involved in the governance of the firm.
- Listed companies meet the definition of family enterprises if the person who established or acquired the firm (share capital) or their families or descendants possesses 25 per cent of the decision-making rights mandated by their share capital.

This definition also includes family businesses which have not yet gone through the first generational transfer. It also covers sole proprietors and the self-employed, providing there is a legal entity which can be transferred (European Commission, 2009:10).

Searching for data sources

Family businesses cannot be found directly in a single register. Statistics Netherlands chooses to combine data from existing registries to determine whether an enterprise is a family business. Compared to sample based research, this provides a basis for complete and more detailed insights. In addition, Statistics Netherlands complies with the Act on Statistics Netherlands (CBS-wet) to minimise the administrative burden on its respondents, such as enterprises, as much as possible.

When searching for suitable sources, we first looked at the relevance of the source. Does the source provide information that is needed in relation to the definition of family businesses? More specifically, provides a source information relating to the population of enterprises, or information about their legal structures, control, formal involvement in the governance or family relationships between persons. Next, a number of additional (statistical) criteria have been looked into such as validity, objectivity, timeliness, availability, transparency and independence.

The research resulted in various sources. The following sources are used in this study to identify family businesses:

- The general business register (ABR) of Statistics Netherlands. The ABR contains information about the total population of enterprise groups and corresponding enterprises and establishments. The register is based on the new trade register (NHR) of the Dutch Chamber of Commerce (KVK).
- The NHR of the KVK is also used as a source for information about owners, partners and directors and shareholders of enterprises.
- The payroll tax register of the Dutch Tax and Customs Administration contains information about board members and their decision-making rights.
- The Satellite Self Employed Entrepreneurs (SZO) of Statistics Netherlands contains information about shareholders. The register is derived from, among others, the ABR and the tax declarations for company tax, which is received from the Dutch Tax and Customs Administration.
- The marriages and partnership registration of Statistics Netherlands contains information about marriages and registered partnerships. The register is based on the BRP.
- The child-parent register of Statistics Netherlands contains information about family relations between child and parent. The register is based on the BRP.

Operationalisation

In 2016, Statistics Netherlands developed a method to identify family businesses. The current research contains some quality improvements and changes compared to the 2016 method.

Applying the definition

During the research, and in light of the scope, a number of choices were made regarding the interpretation of the definition of family businesses.

Identification at the level of enterprise groups

Statistics aim to provide information about a set of elements with certain (equal) characteristics: the target population. With business statistics, for example, statements can be made about the target population ‘enterprises’. To make statistically responsible statements it must be clear in a certain well-defined way what an enterprise entails. In the ABR of Statistics Netherlands, companies and institutions are established and registered in units suitable for statistical research.

The statistical unit of Statistics Netherlands to which family businesses have been identified is the enterprise group (OG)⁷. This is a term of Statistics Netherlands for the most comprehensive collection of legal entities established in the Netherlands over which control can be exercised. The identification at the level of the OG is relevant as the definition indicates that the majority of the decision-making rights (and with listed companies 25 per cent) may be indirect or direct.

⁷ The results in this publication at the national level are reported, as for many business statistics of Statistics Netherlands, at the level of the enterprise (BE). Where the OG is regarded as the actual actor in financial processes, the BE is the actual actor in the production process. For the description of a regional economy, Statistics Netherlands uses the local enterprise unit (LBE). In many cases, an OG includes one BE, and one LBE. For larger companies, more than one BE and LBE may be linked to an OG.

Governance

The involvement in the governance of the firm is interpreted as: member of the board of directors or member of the Supervisory Board (RvC).

Compared to the 2016 method, the operationalisation of the involvement in the governance of the company has been expanded. Statistics Netherlands now focuses on both the persons who are the focal point of an enterprise in terms of all policy preparation, setting and implementation (the management) as well as the persons who oversee the management's policy (as directed by the board of directors) and the general affairs of the company and its affiliated enterprise (RvC).

Governance also includes the supervision of the firm. Under Dutch law, private limited liability companies (BV) and public limited liability companies (NV) may have a supervisory body. This is the Supervisory Board (RvC). In companies governed by the structure regime a RvC is required and has additional powers regarding the approval of certain types of administrative decisions (Burgerlijk Wetboek 2, Titel 4 and 5, Afdeling 5 and 6). In the case of companies not governed by the structure regime, the Dutch law does not make it compulsory for the RvC to have specific decision-making rights. However, articles of association may contain additional provisions on the duties and powers of the RvC. Information about whether there are additional provisions on decision-making rights of a RvC are not available in registers. Statistics Netherlands is aware of the possibility that companies not governed by the structure regime can be identified as family businesses based on membership in the RvC, while reading the additional provisions on decision-making rights of a supervisory board, they could be seen as non-family businesses. Of course only in cases where a majority of decision-making rights exists and the involvement of the family in the governance of the company is entirely limited to the RvC.

Enterprise groups with more than one person employed

Although the definition of the European Commission includes sole proprietors and the self-employed, enterprise groups with one person employed are distinguished as a separate group. Compared to the 2016 method, Statistics Netherlands no longer chooses to exclude this group. This improves the comparison with regular CBS figures.

As required by the definition, enterprise groups with 1 person employed consist of legal entities that can be transferred. Although it is not a requirement according to the definition, Statistics Netherlands wondered during the development of the method in 2016 whether, in addition to a legal entity, there were also transferable production factors (or corporate goodwill) to continue the business upon transfer. New insight suggests there is. Under Dutch law (handelsnaamwet) the trade name is subject to transfer in connection with the company.

Identifying family businesses

Identification methods to identify family businesses are operationalised per legal form.

Sole-proprietorship

In the Netherlands, sole proprietorship is a legal form with no legal personality, where exactly one natural person owns the business (however, more than one person may be employed by the enterprise). Thus, the owner is in the possession of the majority of the decision-making rights.

The owner is also entirely liable for all business and capital matters, including personal assets. This makes it highly likely that the owner is formally involved in the governance of the enterprise group. Sole-proprietorships can be transferred through transfer of assets and liabilities. Thus, sole proprietorship can be regarded as a family business.

Sole proprietorships are selected directly in the ABR. As indicated, sole proprietorships with 1 person employed are distinguished separately.

General and professional partnerships

A general partnership ('vof') is an agreement with no legal personality between two or more partners to run a business. The partners contribute business capital, which is separated from their personal assets ('separate estate'), and which may be used solely for the business. Each partner has unlimited liability, including personal assets, for obligations entered into by the partnership, even if these are entered into by another partner.

Like the general partnership a professional partnership ('maatschap') is also an agreement with no legal personality between two or more partners to run a business. In this case, the partners make an agreement about who has what authority, usually in the form of a contract (partnership articles). An authorised partner may enter into agreements on behalf of the partnership, thus binding fellow partners. Partners are jointly liable and liable severally for the business. An unauthorized partner only binds himself.

In both cases, the decision-making rights are in the possession of the partners. As the partners have unlimited liability it is highly likely that they are formally involved in the governance of the enterprise group. Partnerships can be transferred through transfer of assets and liabilities. Family businesses can be found in general and professional partnerships if a majority of the partners belongs to one family. In the first step, general or professional partnerships at the top legal unit of the enterprise group are selected directly in the ABR. Next, the NHR is used to select the corresponding partners. In the last step a family relation between the partners can be determined (see determining family relations among directors or partners).

Commandite partnership

A commandite partnership ('cv') is a special type of general partnership. The partners in this partnership are either controlling or silent. A controlling partner has unlimited liability, including personal assets, for obligations entered into by the partnership. A silent partner is only financially involved and has a limited liability towards his financial contribution in the partnership. A silent partner may share in the profits of the partnership. However, the name of a silent partner may not be used in the firm. Moreover, a silent partner may not perform any act of management or be employed in the firm, not even by proxy. A commandite partnership's capital is not divided into shares (Wetboek van Koophandel, pp. Art.19-20). Thus, the decision-making rights are in the possession of the controlling partners. As a controlling partner has unlimited liability it is highly likely that the controlling partner is formally involved in the governance of the enterprise group. Commandite partnerships can be transferred through transfer of assets and liabilities.

Family businesses can be found in commandite partnerships if a majority of the controlling partners belongs to one family. Family businesses in commandite partnerships are identified

with the same methods applied to general and professional partnerships. Apart from the commandite partnerships with at least two controlling partners, there are also commandite partnerships with exactly one controlling partner. In these cases family businesses are identified with the same method applied to sole proprietorships.

Private and public limited liability companies

Private (BV) and public (NV) limited liability companies are legal persons whose capital is divided into shares. In the case of private limited liability companies, shares are nominative shares and are not freely transferable. The liability of the shareholders is limited to the amount of their participation. In the case of public limited liability companies, shares are freely transferable. The transferability of shares may be limited, and shares may be nominative shares or bearer shares. Private and public limited liability companies can be transferred through transfer of assets and liabilities or transaction of shares. Several identification methods are combined to identify family businesses among private and public limited liability companies:

- Using the payroll tax register
- Using the satellite self-employed entrepreneurs
- Using the NHR

Identifying family businesses among BVs and NVs using the payroll tax register

Payroll tax is an advance levy in respect of income tax and social security contributions. The Dutch Tax and Customs Administration is responsible for levying wage tax and social security contributions. Wage tax and social security contributions together are often called payroll tax, because they are withheld and paid by the withholding agent as one amount.

The social security contributions include employed persons' insurance contributions. This is a social security insurance scheme that insures employees against the financial consequences of illness, occupational disability and unemployment. Participation is obligatory by Dutch law. The employer bears the full cost of the contributions. An employer does not pay these specific contributions for those who are not viewed by law as an employee. As a result, these persons cannot claim social benefits under the Sickness Benefits Act, the Work and Income Act and the Unemployment Insurance Act.

The eligibility for social security of a director under Dutch laws depends on the relation of authority between himself and the enterprise. A relation of authority is considered not to exist if (Ministerie van Sociale Zaken en Werkgelegenheid, 2015):

- a. the director, possibly with his or her spouse, owns such a number of shares, whether or not of a particular kind, that the director, either alone or together with his or her spouse, in accordance with the company's articles of association, can decide on his/her resignation; or
- b. the director, together with close relatives up to the third degree, possibly with his or her spouse, owns such a number of shares, whether or not of a particular kind, representing at least two thirds of the votes, that the director, together with close relatives up to the third degree, possibly with his or her spouse, can decide on his/her resignation.
- c. a. and b. also apply to the director who has such control in that company through one or more legal persons, of which he is a director, whether or not in a group, or through companies in which he holds shares, that the director thereby can decide on his/her resignation. This also applies in relation to the spouse and close relatives.

- d. directors who together own all of the company's shares and, as shareholders, represent an equal or almost equal share of the company's capital. If a director holds shares of the company through one or more legal persons of which he is a director or of companies in which he holds shares, the first sentence shall apply mutatis mutandis.

Annually, Statistics Netherlands receives a payroll tax register from the Dutch Tax and Customs Administration, with information about wages, pensions and welfare in the previous year. This register also contains information about the income category, including 'board member with social security insurance for employees' and 'board member without social security insurance for employees'. The Dutch tax authorities use income code 13 and 17 to describe these income categories. The indication of board members with income code 17 is useful for identifying family businesses. In the case of one board member, it implies that this board member (either alone or with his family) is in the possession of the majority of the decision-making rights (based on the first three conditions regarding the relation of authority). It also implies that this family has a member involved in the governance of the enterprise. Therefore, these enterprises qualify as a family business.

In the case of two or more board members with income code 17 (relating to the fourth condition regarding the relation of authority) a family relation between the board members needs to be determined to qualify as a family business (see determining family relations among directors or partners).

Identifying family businesses among BVs and NVs using the satellite self-employed entrepreneurs

Legal persons have to pay a company tax based on the profits made. Before being charged with a tax payable the company has to give a tax declaration of the profits. This tax declaration also contains information about shareholders with a substantial amount of shares. Rather than using the raw tax declaration data, the SZO of Statistics Netherlands is used. The SZO is derived from, among others, the ABR and the tax declarations for company tax received from the Dutch Tax and Customs Administration. Compared to the 2016 method, tax return data is used that relates to the year of identification and no longer partly the preceding year.

The tax declarations are being searched to find out if there is one person or a family who

- has a majority of shares in all legal entities of the enterprise group which are independently taxable, or
- has a majority of shares in the legal entity that makes tax returns for the upper legal entity of the enterprise group.

Next, the tax declarations are joined with the ABR. Enterprise groups with 1 person employed are distinguished separately (as indicated).

After this selection, it is determined whether a relative of the shareholder(s) is involved in the governance of the enterprise group. Two registers are used for determining governance involvement:

- Payroll tax register of the Dutch Tax and Customs Administration
- NHR of the KVK

The payroll tax register contains information about board members (as indicated before).

The selected enterprise groups with their major shareholders are joined with the payroll tax register to see if the major shareholders are also board member with income code 13 or 17. Another way to determine governance involvement by a family member is to use the NHR of the KVK. The selected enterprise groups with their major shareholders are joined with the NHR to see if the major shareholders are also board member according to the trade register.

Identifying family businesses among BVs and NVs using the NHR

To identify family businesses one could use the NHR of the KVK as a starting point, rather than the payroll tax register or the SZO.

To identify family businesses, one or more persons that are both board member and single shareholder in at least one legal entity of the enterprise group are selected. Enterprise groups with 1 person employed are distinguished separately (as indicated). In addition, enterprise groups with the legal forms BV or NV are selected.

This results in a number of enterprise groups with exactly one person that is both board member and single shareholder for at least one legal entity. And it results in a number of enterprise groups that have at least two persons that are both board members and single shareholders for at least one legal entity. In the latter case, a family relation between the board members needs to be determined to qualify as a family business (see below 'determining family relations among board members or partners').

Determining family relations among board members or partners

Two methods are used to determine a family relation between board members or partners.

These methods use:

- The NHR of the KVK
- Child-parent register and marriages and partnership registrations of Statistics Netherlands.

Compared to the 2016 method, family relations are no longer derived from the household register of Statistics Netherlands. In this way, identification by Statistics Netherlands is more in line with how persons relate to each other in Dutch personal and family law.

Using the NHR

The NHR contains information about board members and partners, including their family name and the family name of their spouses. A family relation between two board members (BM1 and BM2) is assumed if one of the following conditions is true:

- Family name BM1 = Family name BM2
- Family name BM1 = Family name spouse BM2
- Family name spouse BM1 = Family name BM2
- Family name spouse BM1 = Family name spouse BM2

A family business is assumed when over 50% of the relations between board members with income code 17 is a family relation. Suppose an enterprise group has three board members with income code 17 (BM1, BM2, BM3). Then there are three board member relations (BM1, BM2), (BM1, BM3) and (BM2, BM3). To qualify as a family business, at least two out three of these relations have to be family relations. The same applies to partners.

Using the child-parent register and the marriages and partnership registrations

The most important sources used to determine family relations among board members and partners are the child-parent register and the marriages and partnership registrations.

The child-parent register of Statistics Netherlands contains almost every child-parent relation since 1945. Data for children born from 1966 onwards are the most reliable. The register is based on the BRP.

The marriages and partnership registration is also based on the BRP. It contains marriages and registered partnerships since January 1, 1995 of persons registered at the BRP who are (or were) connected through marriage or registered partnership.

Population frame

The population frame has also changed compared to the 2016 method. The previous study was based on a single reference date for the business population. Now a volume frame is created for this study. All enterprises that existed in a year can be found in a volume frame. This improves, for example, the matching result when the population of enterprises is linked to other statistics. This creates a more complete picture.

Discussion

As indicated, the method for identifying family businesses has been refined compared to the 2016 method. For example, enterprise groups with 1 person employed are now distinguished separately. The identification under BVs and NVs has also been expanded to include companies where family governance involvement is limited to the Supervisory Board. Furthermore, based on the identification method, a distinction has been made according to type of ownership if possible. And the number of generations involved in the governance has been charted. Being able to distinguish between first generation and multiple generation family businesses (family businesses that have already been transferred once) was not yet sufficiently possible on the basis of register information.

Research or calculation methods may be further refined or improved in the future. For example, based on new insights, further research, newly available registers and information with clues for identifying family businesses. As a result, the figures may be revised.

This appendix provides a brief description of the data sources and methods used in this publication to indicate the characteristics and economic importance of businesses.

Appendix 2 Data sources and methods

Business demographic frame

The Business Demographic Frame (BDK) is an edited version of the General Business Register (ABR). The BDK has been corrected for method breaks and all enterprises that existed in a year can be found in it. Also, the BDK contains some additional characteristics about enterprises such as the date of establishment and whether they are a fast grower.

Production statistics

Statistics Netherlands collects data on operating income and operating costs of Dutch enterprises for the European structural business statistics. These statistics focus on the business economy. Data for the following economic activities is available: mining and quarrying, manufacturing, electricity and gas supply, water supply and waste management, construction, wholesale and retail trade, transportation and storage, accommodation and food serving, other specialised business services and renting and other business support, repair of consumer goods. For enterprises with fewer than ten employees, data is collected from tax registrations or with surveys on a sample basis. This depends on the usability of the fiscal information for statistical purposes and varies per economic activity. Enterprises with 10 to 50 employed persons receive a questionnaire on a sample basis. Enterprises with 50 employed persons or more are all included in the survey. As a result, Statistics Netherlands has data on approximately 80,000 enterprises. Received data are raised to the total number of enterprises in a sector in the period under review.

Value added is calculated with data on operating income and operating costs.

In order to regionalize the turnover and value added for enterprises with multiple establishments, the number of employed persons per establishment is used as a distribution key.

Because a sample was used, the outcomes have a certain margin of error. The size of the margin of the published results differs. The smaller the (sub) population and the greater the variation of the variable in question, the greater the margin will be. Part of the uncertainty has been overcome by completing to 5 million euros. Outcomes with a large margin of error are not published and replaced by a dot. To prevent disclosure of enterprise information, some figures are also replaced by a dot.

Employee jobs and employees

Figures on employee jobs and employees are based on data from the insurance policy administration database on wages and social contributions, the Dutch Municipal Population Register (BRP) and a register of Statistics Netherlands with data on persons who have a relationship with the Netherlands but who are not registered in the BRP. The insurance policy administration database on wages and social contributions is based on the payroll tax register of the Dutch Tax and Customs Administration. It contains all employee jobs at enterprises and institutions in the Netherlands. Jobs of persons living in the Netherlands and working abroad are not included. Jobs of persons living abroad and working in the Netherlands are included. In addition, all employee jobs are included regardless of the working hours of the job or the age of the employee.

The BRP is an electronic population register used by the Dutch municipalities. It contains background data of all persons in the municipal population registers.

An employed person may have more than one job at a time. Each employee job is counted once for the duration it exists in a month. With the personality characteristics, each person is counted once. The employee jobs are regionalized by the location of the job in December. To avoid disclosure of information about persons, figures have been rounded to the nearest thousand.

Notions

Business economy

The (non-financial) business economy, includes the economic activities:

- B Mining and quarrying
- C Manufacturing
- D Electricity and gas supply
- E Water supply and waste management
- F Construction
- G Wholesale and retail trade
- H Transportation and storage
- I Accommodation and food serving
- J Information and communication
- L Renting, buying, selling real estate
- M Other specialised business services
- N Renting and other business support
- 95 Repair of computers and personal and household goods

Dutch Standard industrial classification (SBI 2008)

The Dutch classification of economic activities used by Statistics Netherlands since 2008 to list enterprises by their main activity. Economic activity is the collection of work activities aimed at the production of goods and services. This not only involves business activities but also activities from non-profit organisations and government.

Employed persons

All persons working for the company (employees on the payroll and owners for example).

Employee

A person who has a labour contract with an economic unit to carry out work in return for financial remuneration.

Employee job

An agreement between a person and a company or institution, specifying that labour will be carried out in return for remuneration (financial or otherwise) as an employee.

Enterprise

The actual transactor in the production process characterised by independence in decisions about the process and by providing products to others. This definition differs from the definition of Eurostat.

Enterprise group

The most comprehensive collection of legal entities established in the Netherlands, of which control can be exercised, and which is homogeneous by institutional sector; the unit effectively acting as financial transactor.

Establishment

See location.

Family business

An enterprise in which one family, direct or indirect, is in the possession of the majority of decision-making rights (for listed companies 25 per cent). At least one representative of the family is formally involved in the governance of the enterprise group and the legal entity must be transferrable.

In this report, enterprises that meet this description and where the enterprise group has more than 1 person employed.

Family controlled business

Family business with multiple owners, where the family has a majority but less than 100 per cent of the control (for listed companies 25 per cent).

Family governed business

Family business with multiple owners, where the family has 100 per cent of the control.

Family-owned businesses

Family businesses and businesses of enterprise groups with 1 person employed.

Fast grower

An enterprise with an average annual growth of 10% per year or more, over a period of 3 consecutive years, measured in the number of employees. This means that a total growth of at least 33.1% must be achieved over a period of 3 years. In addition, the enterprises must have at least 10 employees at the beginning of the growth period and enterprises that were established in the starting year of the growth period are not counted. A fast-growing enterprise in reference year t has therefore achieved a growth of at least 33.1% in the period $t-3$ to t , has at least 10 employees in year $t-3$ and was established before year $t-3$.

Job: full-time

An employee's job when he or she has a contract and tasks for a full working day and full working week.

Job: part-time

An employee's job when he or she has a contract and tasks for which a fixed number of hours was agreed that is less than the number of hours in a full day's or working week.

Jobs of employees in December

Average number of employee jobs employed by businesses and institutions in December of that year.

Labour contract for a fixed period of time

An employment contract which specifies a fixed period of time, either as agreed between employer and employee, or determined by law or by custom. After the expiry of the agreed period the agreement terminates by law, without notice or any other act.

Labour contract: not applicable

For owner-managers (DGA) labour contract type does not apply.

Labour contract: open-ended

An employment contract which does not specify a fixed period of time or a final date of employment, except a retirement date. For terminating a contract a dismissal permit has to be applied for by UWV, unless the contract is terminated because of:

- decease of employee;
- important reason (dissolution by cantonal judge);
- important reason (fired immediately);
- by mutual consent

Large enterprise

Enterprises with 250 or more employed persons.

Local enterprise unit

See location.

Location

Each individual space, area or complex of buildings or areas used by an enterprise for its activities. Each enterprise has at least one location.

Medium-sized enterprise

Enterprises with 50 to 250 employed persons.

Micro business

Enterprises with 2 to 10 employed persons.

Non-businesses

Institutions that do not produce for the market and / or represent the individual interests of members or a small target group. Such as: sheltered workshops; public administration and services; primary, secondary and higher education; cooperative bodies of sports; supporters clubs (sports); membership organisations; non-profit institutions serving households, religious organizations, associations of owners.

Non-family-owned businesses

Non-family businesses and institutions that are non-businesses.

Origin

Characteristic showing with which country someone is closely related given their own country of birth and that of their parents. The following categories of origin are distinguished:

- Someone with a Dutch background;
- Someone with a western background. Someone originating from a country in Europe (excl. Turkey), North America or Oceania or Indonesia or Japan.
- Someone with a non-western background. Someone originating from a country in Africa, South America or Asia (excl. Indonesia and Japan) or Turkey.

Partnership registration

A marriage-like relationship between two persons recorded at the registry office. Registered partnership was introduced in the Netherlands on 1 January 1998.

Single owner

Business where one owner has full control.

Small business

Enterprises met 10 to 50 employed persons.

SME

Small and medium-sized enterprise, enterprises with less than 250 employed persons.

Turnover

Turnover is the value of sales of goods and services to third parties. Turnover includes main activity as well as secondary activities. Third parties are consumers and enterprises not belonging to (the Dutch part of) the enterprise group. Turnover is exclusive of VAT and tourist tax (if applicable).

Value added

Gross income from operating activities after adjustment for operating subsidies and indirect taxes.

Working hours

The number of hours that a person works in a normal or average working week.

Abbreviations

ABR	General business register
BDK	Business demographic frame
BE	Enterprise
BRP	Dutch municipal population register
BV	Private limited liability company
CBS	Statistics Netherlands
CV	Commandite partnership
DGA	Owner-manager
EC	European Commission
EU	European Union
EZK	Ministry of Economic Affairs and Climate
KVK	Dutch Chamber of Commerce
LBE	Local enterprise unit
NHR	New trade register
NV	Public limited liability company
OG	Enterprise group
RvC	Supervisory board
SBI	Dutch Standard industrial classification
SME	Small and medium-sized enterprise
SZO	Satellite self-employed entrepreneurs
UWV	Employee Insurance Agency
VOF	General partnership

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Explanation of symbols

Empty cell	Figure not applicable
.	Figure is unknown, insufficiently reliable or confidential
*	Provisional figure
**	Revised provisional figure
2017–2018	2017 to 2018 inclusive
2017/2018	Average for 2017 to 2018 inclusive
2017/'18	Crop year, financial year, school year, etc., beginning in 2017 and ending in 2018
2015/'16–2017/'18	Crop year, financial year, etc., 2015/'16 to 2017/'18 inclusive

Due to rounding, some totals may not correspond to the sum of the separate figures.

Colophon

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