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**REDUCING RESPONSE BURDEN IN BUSINESS SURVEYS THROUGH IMPROVED
DATA REPORTING – RECENT SWEDISH EXPERIENCE**

Supporting paper submitted by Statistics Sweden

INTRODUCTION

1. Reducing the response burden on enterprises is a high political priority in Sweden. Statistics Sweden has been given the task of reducing the response burden resulting from statistical surveys.
2. Reducing the response burden can be done in several different ways. The most effective way of reducing the burden is of course not to collect the information at all. This is normally not an option, due to the needs of users of statistics, but sometimes it might be possible to obtain the information from other sources rather than to collect it directly from enterprises. This kind of data sharing, using administrative sources, can be called primary burden reduction.
3. In many cases, however, data is not available from any source other than the enterprises themselves. Therefore, many efforts are undertaken to minimize the burden caused by direct reporting. These efforts range from better relations with the data providers to better data collection methods - better tools for reporting, increased number of options regarding provision of data, new technical solutions and better information regarding the data provision process. These kinds of efforts can be called secondary burden reduction.

4. While Statistics Sweden has had some experience in the field of primary burden reduction, additional efforts have recently been made in the field of secondary burden reduction. A new organizational unit has been created with burden reduction as one of its main priorities. Specific efforts will be made to improve the relations with the largest enterprises. Since the unit and its activities are still partly under construction, this paper focuses on giving an overview of ongoing efforts and plans for future work to reduce the burden in Sweden.

SECONDARY BURDEN REDUCTION

5. Since using administrative sources instead of direct data collection is not always an option, it is very important for a statistical office striving to reduce the burden to make the data provision process as simple as possible for the data providers, i.e. the enterprises. At Statistics Sweden, the responsibility for the data collection process has been decentralized since the early 1990s, and each unit has had the responsibility for its own data collection. While many good efforts have been made, the drawback of a decentralized responsibility is that there is a risk of lack of coordination, and that the work is not carried out in a systematic manner. In order to achieve better coordination of the burden reduction activities, Statistics Sweden has created a specific unit for Business Data Collection. This unit has been given the responsibility of coordinating the work.

6. The activities of the Business Data Collection unit can be classified into the following four areas: the largest enterprises (specific care will be given to these main providers), improved data collection methods, information to enterprises and efforts to lower the burden.

7. In several countries, specific resources have been divided to treat the largest enterprises, and a common name for the persons working in this area is often Key Provider Managers (KPMs). In Sweden, a KPM program was started on 1 April 2004. The KPM program will cover the 50 largest enterprises and their enterprise groups, and the persons working in the KPM program will be active in a very broad area of work, from contacts with the enterprises through Business Register work and profiling to data collection and editing in all surveys. Since the program is under construction, the managers are not yet fully active in all areas.

8. To date, there are six KPMs at Statistics Sweden, and the group is expected to expand to 10-12 persons before the end of 2006. Each manager will be responsible for 4-5 enterprises and their enterprise groups. The objectives will differ between the group level and the enterprise level. At the group level, the managers will work on company profiling, building relevant statistical units, tracking reorganization and other relevant changes regarding the Business Register and related work regarding sampling frames. The group level will also be of interest if and when an enterprise group requests common data provision solutions for the entire group. Otherwise, the tasks regarding data collection, editing and coherence analysis will be at the level of individual enterprises. The KPM will be responsible for the coherence of data provided by the enterprises he or she handles, in order to raise the quality of different statistical products and, in the end, national accounts.

9. One of the most important tasks of the KPMs will be to become a single contact point at Statistics Sweden for his or her enterprises. The enterprise will know that it can always contact its contact person, the KPM, and discuss all matters regarding data reporting to Statistics Sweden. The manager will be responsible for making the necessary contacts within the office in

order to provide the enterprise with the information it needs. The manager will also be responsible for informing his or her enterprises about new surveys and major changes in existing surveys, so that the enterprises know in advance what Statistics Sweden expect from them. At the same time, the manager will have a responsibility of learning about the enterprises he or she is handling, becoming an expert on the specific characteristics of each enterprise and the possibilities to provide data. If and when it is necessary, the manager will have the opportunity to consult with the enterprise and agree on specific solutions to problems with data provision. It is possible that such agreements will regard data being transmitted through files instead of questionnaires, data belonging to several surveys sent in the same file with the manager distributing the data to users within the statistical office.

10. Another important task of the KPM is to work together with the enterprise group on Business Register issues and company profiling. One of the most important aspects of having coherent data from the largest enterprises is to have statistical units that are up to date and uniform among different surveys. Since large enterprise groups are more or less constantly re-organizing, keeping track of these changes and keeping the Business Register up to date can be quite a large task. On the other hand, putting the KPMs on this task means that the work will only have to be done once. The other alternative is to update the systems of each survey, and the Business Register might get different signals from different surveys.

11. While it is important to keep track of changes, it is also important to have stable statistical units over time. This is a task for company profiling. The aim is to have statistical units that are of economic relevance, and that are stable over a period of time. Practical rules and methods for company profiling in Sweden are currently being decided between the Business Data Collection unit and the Business Register. When rules are agreed, the KPMs will have the responsibility of profiling their enterprise groups.

12. The KPM will be responsible for the coherence of data for the enterprises he or she handles. In order to achieve this, the manager will be directly involved in the data collection and editing processes. The manager will oversee all data collected and make the most of the collection and editing, even if this involves a small team of experts in different fields helping out, especially with monthly surveys. An IT tool for coherence analysis on a regular basis will be constructed to help the managers in this work. Over time, it is expected that the need for coherence analysis will decrease, since working closely together with the enterprise with good data collection tools and specific solutions for each enterprise will probably mean that the enterprises will provide high quality data, and the need for editing will decrease.

13. Statistics Sweden is convinced that the KPM program in Sweden will result in better relations with the largest and most important data providers, and that this improvement will in turn lead to better quality in the economic statistics.

14. Even if specific efforts are directed at improving relations with the largest enterprises, it is also an important task for Statistics Sweden to improve relations with enterprises in general. Over the last few years, it has become apparent that many enterprises feel that they are overloaded by administrative tasks, including data provision for statistical surveys. Several surveys experience higher non-response rates and find it more and more difficult to convince enterprises to provide data. At the government level, it is often stated that deregulations and decreasing the administrative burden for enterprises, especially the smallest enterprises, is of

utmost importance. In order to maintain the quality of statistics it is necessary to work to minimize the burden of data provision. These efforts can be categorized in three groups; better data collection tools, better information and direct efforts to lower the burden.

15. Recent efforts to produce better data collection tools can in turn be divided into three parts; better forms and instructions, electronic alternatives and other new technical solutions. Since responsibility for questionnaire design including instructions, cover letters, etc. has been decentralized in Sweden for a long time, the questionnaires do not have a uniform look. Therefore, an overview of all questionnaires over a period of time (about five years) is planned, with the aim of obtaining a more uniform appearance, making it easy for respondents to recognize the features of a Statistics Sweden questionnaire. In this overview, all questionnaires and their instructions will also be reviewed from a measurement point of view. This perspective has been neglected over time, and much can be done to improve the wording of questions and the overall design. The overview of questionnaires will be a joint operation between the Business Data Collection unit and the measurement laboratory at Statistics Sweden. A number of studies will also be carried out in order to discover the best possible practices, and to find out more about which questions and questionnaires are perceived as most complicated by the enterprises.

16. While better paper questionnaires will lessen the burden for those enterprises that use them, offering alternatives for the data provision is possibly an even more effective way of lessening the burden. An electronic alternative will be given in all surveys directed towards enterprises. In order to achieve an integrated system for constructing and generating electronic questionnaires, including security measures, and by using previous answers and transferring new answers to the production system, Statistics Sweden is creating its own tool for electronic data collection. The first version of this tool has recently been finished. During the next few months, the system will be further developed in order to incorporate more complicated types of questions, while the first version will be used to create the first electronic questionnaires to be tested in actual data collection. While several surveys have their own solutions for electronic data collection already, this new tool will be an efficient way of introducing an electronic alternative in the large number of surveys that do not have the resources to develop specific solutions.

17. Especially for the largest enterprises, but also for other enterprises that are technologically advanced, the whole concept of questionnaires is unattractive and burdensome. What many enterprises want is to register the statistical information in their administrative systems, systems that can in turn produce data files including all the necessary information. Transferring this information into a questionnaire is seen as an unnecessary task. They want to transfer the files directly to the statistical office. When the number of enterprises desiring such solutions is small, it is possible to treat these separately. When the number becomes large, more standardized routines will be necessary. This is a challenge that statistical offices will face and must solve, in order to reduce the burden for many enterprises. The work will contain many parts. It will be necessary to negotiate with software producers to allow the registration of statistical information in their packages at the necessary detail level. The statistical requirements will also need to be fixed a long time before the actual data collection; if the enterprises are to keep the information in their systems, the systems need to be programmed up to 18 months before the data collection takes place. Finally, routines for secure file transmission need to be set up, and routines for transferring file information to databases within

the statistical office also need to be created. This will mean much work for the statistical office, but work that will result in more efficient processes in the end, and also in a reduced burden. At the moment, much is expected from the XBRL format. Hopefully, this XML-based format will make the work required easier for all parties involved.

18. Another way of lowering the perceived burden of providing data is to supply the data providers with good and accurate information when they need it. First, they need to be informed beforehand that they are required to provide data for a specific survey. Especially if file transfer is expected and data requirements are to be built into administrative systems, information is essential. When enterprises are in the act of providing data, e.g. filling in a questionnaire, information and help must be easily accessible. In electronic questionnaires, it is very important to provide instructions, help, definitions, etc. when the enterprise needs it. But it is also important to have the same information available for those who choose to fill in a paper questionnaire. It must also be easy for the enterprise to contact the statistical office when necessary, and that there is a staff member ready to answer questions. Enterprises that feel excessively burdened want to discuss their data provision with persons in the statistical office, and they must be treated with understanding and respect. These tasks of providing information and discussing data provision issues are very important in making the enterprises feel that the statistical office cares about their problems in providing data. At the same time, mistreating these tasks will impose a heavy perceived burden on the enterprises that cannot obtain the information they want.

19. Efforts to make the data provision process easier are not enough to significantly lower the burden imposed on enterprises by statistical surveys. More direct contributions to this task are better sample designs, split questionnaires where different parts of the sample answer different questions, and multi-annual data collection instead of annual, or quarterly instead of monthly. It is also necessary to have reliable methods for distributing the total burden between different enterprises. At Statistics Sweden, a plan for reducing the burden in different surveys was made for 2004-2005. At the moment, a follow-up is being undertaken to see that the efforts were actually made. Plans like this will in the future be made on an annual basis. So far, it has been up to those responsible for each survey to plan their own burden reduction activities. In the future, the Business Data Collection Unit will also make plans on a more aggregated level, initiating projects that will lead to reduced burden.

CONCLUSIONS

20. Burden reduction issues can be approached in two ways. The most effective way of lowering the burden is not to collect data. In order to obtain the necessary information, a statistical office can sometimes use administrative data already collected instead. This kind of data sharing is the most effective way to reduce the burden imposed on enterprises. In many areas, administrative data is not available. Therefore, it is necessary to work in a number of areas to make the data provision process as easy as possible for enterprises. These areas are better data collection tools, electronic alternatives, new technical solutions for file transfer from administrative systems at enterprises, more and better information to data providers, and direct efforts to reduce the burden in single surveys on a more collective level. Statistics Sweden will work in all these areas with the aim to reduce the response burden.

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