STATISTICAL COMMISSION and
ECONOMIC COMMISSION FOR EUROPE

ECE/CES/BUR/2009/OCT/9
15 September 2009

CONFERENCE OF EUROPEAN STATISTICIANS

For decision

First meeting of the 2009/2010 Bureau
Washington, D.C., 15-16 October 2009

Item 3c of the Provisional Agenda

OUTCOMES AND PROPOSED WORK PLAN FROM THE CES SEMINAR ON STRATEGIC ISSUES IN BUSINESS STATISTICS
9 JUNE 2009

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(Co-chairs of the CES Task Force on Business Statistics)

I. INTRODUCTION

1. In June 2009, Eurostat and Statistics Canada organized a seminar on strategic issues in business statistics at the CES plenary session. The seminar was organized in two sessions around two main challenges that business statistics is and will continue to be faced with over the coming years. Firstly, the need to continue reducing the statistical burden on enterprises. Secondly, the demand to provide better statistics on economic and structural changes linked with the process of globalisation.

II. SESSION I: REDUCING RESPONSE BURDEN[1]

Documentation: ECE/CES/2009/13; ECE/CES/2009/14; ECE/CES/2009/15; ECE/CES/2009/29; ECE/CES/2009/30; ECE/CES/2009/31; ECE/CES/2009/35; ECE/CES/2009/36; ECE/CES/2009/37

2. The first session was organized by Slovenia. The discussion was based on invited papers by Eurostat, Portugal and Slovenia and six supporting papers (Canada, France, Germany, Lithuania, Sweden and Switzerland), The session also draw from previous discussions on the same theme held at the latest conference of the International Association of Official Statistics (IAOS) in Shanghai in October 2008 and at the conference of Director Generals of national statistical agencies (DGINS) in Vilnius in September 2008.

3. The session focused on current attempts by statistical agencies and international organizations to further reduce response burden, using business registers and administrative data more effectively. The session also discussed the need to differentiate between actual and perceived response burden; to recognize a trade-off between response burden and quality of statistics; and to evaluate costs and benefits of using administrative data as a substitute for surveys.

[1] The summary draws from the report of the fifty-seventh plenary session of the Conference of European Statisticians. For more detail, see the complete report ECE/ECE/76.

4. Main outcomes: In general, participants recognised that over the recent years, significant progress was made to reduce the response burden and although there is still a lot of pressure to reduce it further, the scope for tangible reduction is rather limited. Burden reduction should not be undertaken without evaluating its impact on required statistical resources and on quality. There is still a problem of perception of burden in the eyes of respondents and it was recommended to encourage communications with respondents, especially with the small and medium enterprises. The uses of electronic reporting and integrated data collection system proved to be helpful in reducing the actual and perceived burden. Finally the uses of administrative sources generally reduce response burden, but may also generate vulnerabilities when the source is not timely or disappear.

III. SESSION II: EMERGING AREAS, NEW DEVELOPMENTS AND USER NEEDS IN BUSINESS STATISTICS

Documentation: ECE/CES/2009/16; ECE/CES/2009/17; ECE/CES/2009/18; ECE/CES/2009/32; ECE/CES/2009/33; ECE/CES/2009/34; ECE/CES/2009/41

5. The session was organized by France. Mr. T. Mesenbourg (United States Census Bureau) delivered a keynote speech. The session was based on invited papers by Norway, Spain, United States Bureau of Economic Analysis (U.S. BEA), and four supporting papers (Albania, Brazil, Netherlands and OECD).

6. The keynote address “Issues and Challenges in Business Statistics” stressed that the financial crisis has created new demands and provided opportunities for economic statistics. The rest of the session dealt with the strategic challenges of collecting information from businesses on the structure and activities of multinational enterprises, and research and development (R& D) and innovation strategies. The session also explored the attempts to measure domestic outsourcing and imported intermediate inputs based on the Capital, Labour, Energy, Materials, Services and Output (KLEMS) methodology.

7. Main points of discussion and outcomes: There is a need to be more responsive to user needs. In this context, the new demands for statistics should be evaluated carefully, taking into consideration the need to improve the detail and the quality of data already being produced, while at the same time establish frameworks and methods for prioritizing statistical programs and managing the response burden. Norway’s experience in establishing statistics on the structure and activities of foreign-controlled multinational enterprises (MNE) proved to be a useful example for other NSOs. The U.S. BEA experience in using KLEMS presents an acceptable compromise to measure domestic outsourcing and imported intermediate inputs while avoiding additional surveys. It was also noted that there is a growing demand for the statistical offices to provide business micro-data for analysis and research purposes, which statistical offices can do without compromising confidentiality. Finally, when meeting user demands of new business statistics, statistical offices are faced with a trade-off between quality, timeliness and relevance

IV. PROPOSAL

8. Below is a proposed future work plan for review by the Bureau:

Topic 1: Efficient uses of administrative data:

9. The session on response burden covered a lot of ground. What is missing is a summary of best practices and issues related to the uses of administrative data and to the streamlining of collection activities between the tax office and national statistical office (NSO). Such a document could be useful for countries that are lagging behind in the uses of administrative data and those that could explore the potential of streamlining collection activities between national agencies (e.g. tax agencies and NSO).

Activity: A paper on best practices (5-10 p.) could be prepared by one (or more) of the leading countries on the subject.

Timeframe: Could be June 2010 or June 2011.

Topic 2: The reduction of the perceived burden

10. It appeared that much of the burden is of a perception rather than of a real nature, and several ways have been mentioned in which to address the perceived respondent burden.

Activity: A paper could be written summarizing the various possible ways in which this issue can been addressed in order to identify best practices. Eurostat could take the lead on this issue.

Timeframe: June 2010 or June 2011.

Topic 3: User demands for business micro data

11. One of the conclusions of the seminar was that NSOs must be more responsive to policymakers needs. In order to do so, they must promote active and critical research programme that utilize both NSO and external researchers.

12. In fact, many papers presented in this session alluded to the need to get greater access to micro data for better analysis on firm's strategy, globalization and chain values. For instance, data presented by Spain on R&D and innovation seemed to diverge at the aggregate level. Given that the characteristics of a firm will often determine if they will engage in R&D and innovation, it is important to perform the data analysis at the micro level. The data exist, but the question is how NSO can make them available to researchers while protecting confidentiality.

13. All NSOs are confronted with these issues. Getting insights on how other countries are approaching the problems would be helpful and may pave the way for others to start thinking about the trade-off between confidentiality and accessibility.

Activity: Prepare a paper for discussion at the next CES conference in June 2010 or June 2011 in the context of a larger session on user demands for new business statistics data and data quality. Canada could lead with other countries.

Timeframe: June 2010 or June 2011.

Topic 4: User demands for new business statistics

14. With the recent financial crisis, there has been a regain of interest for more current short term indicators, as well as new demands for statistics. This raises, on the one hand, the issue of trade-off between relevance, timeliness, data quality and, on the other hand, how NSOs evaluate and establish priorities for new demands in a context of limited and competing resources, while taking into account the response burden. NSOs know how to measure quality of its data through objective criteria such as sample size and variances, but when faced with the trade-off on relevance, timeliness and quality of data they may need to consider other criteria such as the impact of revision on estimates, the tolerance of users for revisions, etc.

Activity: A discussion paper on the issues and problems involved with the intention of developing a better understanding of the principles and criteria involved in the trade-off. The US Bureau of Census has done some work and could potentially lead with other countries.

Timeframe: June 2010.

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