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Theme 3

**THE CHANGING USE OF STATISTICS IN TRANSITION ECONOMIES –
POLISH EXPERIENCES**

Paper submitted by the Central Statistical Office of Poland 1/

1. We have ahead over ten years of intensive, multidirectional work in the area of statistics. The necessity of these changes resulted from both the changes of the internal information needs of the country in the deep economic and social changes and evolution in the direction of the democratic society, as well as the need of harmonisation of all important elements of statistical information system with the international information standards, especially EU.
2. The changes, which were initiated in Polish statistics in 1989 and which still continue now, concern almost all aspects of the statistical information system and all statistical areas. It is worthwhile to stress especially:
 - the role of statistics in the country with market economy, in which the principle of democratic society are observed,
 - establishing the necessary organisational and legal conditions which guarantee the independence of statistical services in the field of decision making on methods used in statistical surveys,

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- ensuring confidentiality of the personal and individual data, collected in statistical surveys and used exclusively for statistical purposes,

- creating conditions for obtaining objective and reliable information and building confidence in statistics, elaboration and implementation of classifications and nomenclatures harmonised with international standards, and the domestic needs,
- changing the rules of the co-operation between statisticians, respondents, statistical information users and intensification of the co-operation with mass-media,
- modification of the current and implementation of new statistical surveys, satisfying new demands for information in the country, taking into account the best practices applied in the countries with market economies.

3. The long-term objective of the transformation of Polish statistics is its full harmonisation with the statistics of the EU countries, active participation in the European Statistical System and fully satisfaction for the information needs of domestic users.

4. Within harmonisation of the scope of statistical surveys with the new requirements resulting from the social and structural transformation of the country, very big changes in the survey programme have been introduced, especially since the beginning of 1992. The new programmes have been created based on critical assessment of the usefulness of collected information and demand submitted by the data users. The experiences of the statistical services in the market economy countries were also used. The main changes in the scope of statistical surveys concern the functioning of the economy and living conditions.

5. In the sphere of economic statistics, the following activities which reflect the new phenomena and processes taking place in the country, are worth mentioning here:

- Survey development in the field of national accounts according to the SNA/ESA, covering the accounts of goods and services (total value, intermediate consumption and gross domestic product), input-output tables, consumption of goods and services, as well as nominal and real incomes of households. For the first time the non-financial accounts by institutional sectors for Poland for 1991 and 1992 have been estimated. In following years this accounts were increased by the division by institutional sub-sectors and on the accounts of selected sub-sectors. Methods on estimation of the hidden economy were elaborated and surveys were introduced. Quarterly accounts on the GDP and regional GDP have been introduced.
- Implementation of new methods of economic activity, on the basis of more flexible system of the execution of reporting obligation from the enterprises (according to its size). Apart from the full-scale surveys, covering activity of large and medium enterprises, the system of sampling surveys was introduced for small entities. On the special emphasis deserts introducing of the new form of surveys, so called business structure survey.
- Implementation of surveys on privatisation process of state enterprises, characterising the way and scale of the ownership changes as well as effects of privatisation and revenues to the state budget from selling both: the shares of State Treasury or the property of the state enterprises under liquidation. With the process of privatisation the

extension of the meaning of the bank and insurance functioning system capital market is strictly connected, as well as data received from the National Bank, Ministry of Finance, the stock exchange and surveys conducted by statistical services.

- Business cycle surveys, which allow the evaluation of changes of the current and forecasted situation of enterprises in the field of production, demand, stocks, financial obligations, liabilities, prices, employment, investment and barriers encountered in the economic activity. These surveys are conducted by the “business cycle test” in selected large and medium enterprises, using methodology elaborated jointly by the CSO, research units, the OECD and Eurostat practices in this area.
- Increasing and improvement of price surveys, including producer and retail prices of goods and services, agricultural and foreign trade prices, prices of construction and montage works.
- The survey on foreign trade of goods, covering import and export in terms of the quantity and value, including imports and exports at constant prices, index numbers of the transaction prices in imports and exports as well as the current turnover in the balance of payments according to the IMF principles in transactional and convertible currencies. Since 1992 those surveys are conducted on the basis of single document SAD in the CN.
- Changes in internal trade statistics, research and development statistics, in material and energy and fuel statistics.

6. A lot of important changes have been implemented and still are being introduced in particular areas of social statistics.

7. Changes in labour statistics should be especially stressed. The most important was the introduction of the economic activity of population surveys (usually called labour force statistics) Since May 1992 this survey has been carried out on the quarterly basis, thanks to the implementation of all requirements of the ILO and Eurostat, data received are comparable at the international level. In Polish concept of the economic activity of population, additional module surveys have been proposed (two times a year). This gives an opportunity for analysis of labour market, taking into account those problems, which are under special consideration of the internal needs. They are, among others hidden unemployment in agriculture, efficiency of the labour market policy, working in the hidden economy.

8. The important result of the international co-operation in the field of labour statistics was the preparation and implementation of labour costs surveys. The first survey covering production and construction entities, was conducted in 1994, and in following years similar surveys have been conducted in the business sector enterprises as well as in entities conducted activity in the field of social services.

9. In other areas of social statistics modernisation of earlier conducted surveys have been done. The new surveys have been also realised, mostly with the module character, within

household budget surveys. In these surveys it can be separated especially: social support in Poland, foodstuff needs, conditions, social and working situation of women, family health condition and expenditures on the health protection, education needs, furnishing of households with the permanent use equipment, participation in tourism and culture.

10. Big changes have been made in environment protection statistics. An important step for the transformation of Polish statistics played the elaboration and introduction of the international information standards, especially classifications and nomenclatures.

11. These changes were crowned with the implementation in June 1995 of the new Law on Official Statistics, which established the legal basis for statistics in the new conditions of democratic society.

12. The above-mentioned specification of the most important tasks realised by statistics in the new conditions of transformation of socio-economic system of the country were done to turn your attention on the complicated and multi-direction process of its realisation. I would not like to describe this tasks in wider extend, because it was already done on different occasions in the past and now, there is no room for it.

13. In the remaining part of this paper I would like to flag a few things strictly connected with the process of transformation of statistics, and which in my opinion are worthwhile to be mentioned in our discussion.

14. Looking with some criticism on our up-to-now experiences and for challenges that we still face, I would like to turn your attention on:

- Changes in rules of co-operation within statistics, respondents and information users,
- Tasks of the statistical services, resulting from new directions of the use of statistical information,
- The need of going deeper with the methodological analysis as well as economic and statistical analysis to realise educational function of statistics in the modern society.

Changes in principles of co-operation of statistical services, with respondents and information users

15. In the past in this context administrative obligations have played a big role. The legal basis allowing statistics to conduct statistical surveys on the economic activity of entities, laid down the obligation on respondents according to the actual situation and in specified time. For refusals or unconscientiously performed obligation, the punishment was executed from the managers and from persons responsible for statistical reports.

16. This situation changed at the beginning of 1990, according to the changes which were done in the consistency of surveyed enterprises. By the public sector entities, among respondents appeared a big number of private small and medium units. The old administrative methods of execution of obligation were not efficient and difficult for realisation. Statistical services had to

change dramatically the way of communication with respondents, where methods of obligation were replaced with the dialogue method, rebuilding reliability and attitude. To achieve this, statisticians have to convince respondents for the aim of conducted survey and guarantee, that results will be used exhaustively for the statistical elaboration and analysis, and, under any condition will be disseminate to anybody, who could use it with a harm for respondent.

17. The most important meaning from the point of view of creating the positive relation of respondents for statistical surveys has its wide popularisation of goals and tasks of statistics. The society opinion about statistics has an influence on the respondents behaviour in a high extend. In this connection the Central Statistical Office for a few years realise a wide information programme, aiming to contact the research and business environment as well as the whole society both with the statistical information and information increasing the statistical literacy, its tradition, achievements, and future tasks.

18. Within this activity it can be stressed:

- Creation of information centres in the Central Statistical Office and in statistical offices in voivodships, where especially trained staff provide information (face to face and telephone contacts) on the way of getting statistical information and how to understand the published results.
- Providing information via Internet: the higher interest of this form of www page was noticed last year c.a. 240 000 visits (approximately 660 visits per day) was registered.
- Active co-operation with mass media. In 1999 18 press conferences were organised with 50 -55 journalists participate in each. The main goal is to provide statistical information and in addition it is an occasion to exchange opinions between statisticians and journalists on the evaluation and proposals on the scope and the way of elaborated information. The CSO treats this meetings as an extremely important platform for dialogue between statistical services and society and as the education element for journalists.
- Active participation of statistical service staff in seminars and conferences concerning statistics organised by social and research organisations like The Polish Statistical Association, the Polish Demography Association, or the Committee of Statistics and Econometrics of the Polish Academy of Science and by some of the universities. This meeting are focused on development and getting in deep with many aspects of the theory and practice of statistical surveys as well as they are an excellent occasion to exchange information on the most important problems statisticians face in the process of conducting surveys and using the results.

19. It should be expressed that the above-mentioned and other forms of popularization of statistics have had a big influence on the positive opinion on goals of statistics. We did not noticed critical remarks on the reliability and objectiveness of presented results.

20. Unfortunately it does not mean the same in relations between respondents and statistics. We still notice the uninterested, averse relation to statistics and for participation in statistical surveys. It refers both to surveys conducted in households (budgets, economic activity) and to surveys concerning economic activity in small entities. The non-response rate is 20-40%

depending on the survey (refusals in participation in the survey at all or refusals to give answer, without explanation).

21. It should be mentioned too, that the reverse of giving information has deeper reasons and does not refer to the statistical surveys only. Tendencies have increased lately in relation with the general discussion on privacy and reducing interference of administrative institutions in personal life of citizens. These tendencies have been increasing mainly in connection with the press discussion on the Law on personal data protection (passed on August 29, 1997). Information taken from this discussion proves that further undertakings to explain the social aims of statistical surveys is needed as much as informing on juridical and practical procedures on absolutely complying with the rules on individual and personal data protection collected during statistical surveys. There is also a need of more active use of alternative data sources, what was mentioned in the sub-point 2.

Statistical services tasks resulting from the new directions of the use of statistical information

22. Traditionally the main user of statistical information is the government, the self-government, researchers, education system, social and public institutions, and, last but not least, via the mass media the society as a whole. In the first years after the process of transformation have been started, not a very high interest for statistics was observed from the business circles. In the last time situation in this field has changed very fast. More and more frequently in statistical data are interested the work provider organisations, Polish Securities and Exchange Commission and Stock Exchange, banks, and other finance institutions.

23. Macroeconomic indices such as the price index of goods and services, index of investments goods, average salaries in the business sector, index of economic activity and unemployment are observed with a big interest of the business environment and have an impact on the behaviour of investors at the stock. There are two conclusions for statistics, coming out from the new situation:

- Statistical services should use the increased interest of statistics from business to convince the economic units for more active participation in statistical surveys,
- Rules of equal, indiscriminatory and simultaneous access to the statistical information, especially those indices to which an earlier access could bring harm or unadjusted benefits to particular persons or units.

The necessity of intensification of methodological, economic and statistical analyses

24. Statisticians use to concentrate their effort on collecting and elaborating of statistical information and not often appreciate the necessity of wide analysis of data and elaboration of results of conducted surveys. There are also opinions, that statisticians should collect and elaborate information and provide it to users, who, depending on their interest and research tasks, should analyse and make conclusions alone.

25. Taking into account the past experiences, we vote for the active participation of statisticians in the process on increasing analysis of collected and disseminated data. Within the practical activity of the Central Statistical Office of Poland we separate:

- A) methodological analysis including critical assessment of obtained survey results, as the goal and the scope of surveys, its organisation, method of receiving results from particular sources, the completeness and reliability evaluation for characters etc. The very important part of methodological analysis is discussion (elaboration) of definition and classification of characters in survey, different kind of prices used as a basis for pricing characters with value meaning. Conducting and publishing of this kind of analysis allow to avoid misunderstanding done by some data users in the interpretation of results (i.e. politicians, economists and journalists).
- B) statistical and economic analysis with the general evaluation of surveyed features, showing up the regularity observed within the population and reasons of the creation of phenomena as well as evaluation of the tendencies development. In statistical – economic analysis we try to comply absolutely with rules of impartiality and political disengagement. We try to avoid political assessment and the efficiency or inefficiency of activities undertaken by the government and by self-government.

26. With the impartiality and political disengagement while making analysis, the problem of possibilities of making forecasts by statisticians is strictly connected. There are no doubts with elaborating and publishing by the statistical services of demographic forecasts, if they are elaborated according to scientifically proved methods, which should be public and widely accessible. We also think that statisticians can elaborate long term economic forecasts for long term programmes of economic development. At the same time we try to avoid short-term forecasts, which could be used for political purposes.

27. Analytical works in the CSO are conducted in different organisational forms. For this analysis the branch divisions carried out respected surveys are responsible, as well as separated analytical units within the Analysis and Data Compilation Statistics Division and National Accounts and Finance Division as well as the Research Unit . The exact share of the tasks of those units are regulated by relevant documents issued by the President of the CSO.
