

The Statistics Newsletter

for the extended OECD Statistical Network

February 2006

Issue No. 30

Reforming the Indian Statistical System

By Dr. Govindan Raveendran, Former Additional Director General, Central Statistical Organization, N. Delhi, India

Historical Tradition

India has a long history of official statistical systems. Indeed, historical evidence indicates that past rulers relied extensively on statistical databases in decision making. For example, during the period of Maurya Kings, in the 3rd and 4th century B.C, an elaborate system of statistics on population, land, and agricultural production, to name but a few, were maintained. In the medieval era, 'Ain-i-Akbari', an administration report, contained a detailed description of the economic resources and population of Akbar's Empire. In more recent history, during the British period, the Gazetteer of India, first released in 1866, contained a wealth of economic statistics and a population census was also first conducted in 1872, with decennial censuses following.

The Statistical System in Independent India

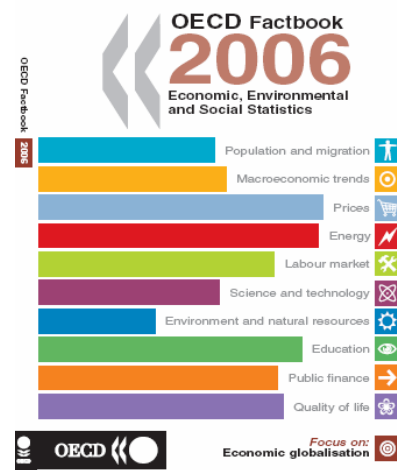
Independence in 1947 ushered in an era of economic planning, necessitating the development of a strong statistical database covering a variety of economic and social aspects. The National Income Committee, established in 1949, made several recommendations in this regard that led to the establishment of a Central Statistical Unit in 1949, which was converted into the Central Statistical Organisation (CSO) in 1951 and the Directorate of National Sample Surveys in 1950. The foundations of a modern statistical system, serving the needs of both Central and State Government, were thus laid in those early years of independence.

The Indian Statistical System is largely decentralised. Ministries/Departments in the Central and State Governments have their own statistical organisations, units or cells. These statistical offices are independent in the sense that their programmes and budgets are controlled by their own Ministry/Department. However, the CSO, in the Ministry of Statistics and Programme Implementation, is responsible for statistical co-ordination, standard setting, training and development of the statistical system. The National Sample Survey Organisation in the Ministry is responsible for large scale statistical surveys covering the entire country. The Directorates of Economics and Statistics (DES), of State Governments, co-ordinate statistical activities at the State level.

Periodical Reviews

Reviews of the statistical system occur periodically, in line with emerging data needs, advances in statistical and computing methodologies and priorities of the Government.

In this Issue	Page
Features:	
Reforming the Indian Statistical System	1
An Application of SDMX Standards	4
Putting Civil Society on the Economic Map of the World	5
Composite Leading Indicators for Major OECD Non-Member Economies	6
Enhancing International Guidelines for Business and Consumer Opinion Surveys	8
News in Brief	10
Recent Publications	12
Statistics Meetings	14



One of the most revolutionary steps in recent years was the “National Policy on Dissemination of Statistical Data” on 6th January 1999. The policy makes it mandatory for all data source agencies to release unit level data sets without identification particulars to all data users; as long as the data are neither sensitive in nature nor prejudicial to the interest, integrity and security of the nation. The announcement of this landmark policy reflected the view that statistical databases needed to be regarded as “public goods” available for use by all interested agencies, including individual researchers. A data warehouse is presently being established to provide value added services in statistical data dissemination.

Rangarajan Commission

Economic liberalisation, coupled with other factors, brought pressure on the statistical system in the 1990s. The transition from a closed economy dominated by the public sector to a market oriented economy and the relaxation of various licensing and control mechanisms led to the disappearance of various statistical reporting systems, whilst, at the same time, increasing the need for reliable data on the private sector (particularly in the expanding service sector where data was sparse) and the social and economic impact of liberalisation. Moreover the decentralisation of government initiated in the 73rd and 74th amendments to the Indian Constitution brought increasing demands to meet the data needs of local bodies. It, thus, became necessary to revamp the statistical system.

A Commission under the Chairmanship of Dr. C. Rangarajan, appointed by the Government in January 2000, was set up to do exactly this. The Commission’s report in September 2001 identified several data gaps and deficiencies in the statistical system. Two basic reasons were identified, both of which driven by the difficulties in

managing a large decentralised system with a multitude of separate statistical organisations: (i) the absence of an effective co-ordination mechanism for determining statistical priorities, and the standardisation of concepts and definitions; and (ii) the absence of a mechanism to ensure the credibility of statistics.

National Statistical Commission

In light of the above, the Rangarajan Commission recommended the establishment of a permanent and statutory apex body, the National Commission on Statistics, for policy making, co-ordination and ensuring quality of core statistics, which led to the creation of a temporary body as a pre-cursor to an official Statistical Commission. On 1st June 2005, a Government resolution announced that the Statutory Commission would be set up within one year.

The plans for the National Statistical Commission are for an eminent statistician or social scientist to be elected as its Chair with four other part-time Members, each an expert in one of the following fields: the national accounts and state statistical system; economic statistics; social and environment statistics; and statistical operations. The Secretary of the Planning Commission will be an ex-officio member and the Chief Statistician of India. The head of the National Statistical Organisation will be the Secretary of the Statutory Commission. Until a Chief Statistician is recruited the Secretary in the Ministry of Statistics and Programme Implementation will assume the responsibilities of Secretary to the Statutory Commission.

The specific functions of the Commission are to:

- identify the core statistics, which are of national importance and are critical to the development of the economy;

- evolve national policies and priorities relating to the statistical system;
- evolve standard statistical concepts, definitions, classifications and methodologies in different areas of statistics and lay down national quality standards on core statistics;
- evolve national strategies for the collection, tabulation and dissemination of core statistics, including the release calendar for various data sets;
- evolve national strategies for human resource development on official statistics including information technology and communication needs of the statistical system;
- evolve measures for improving public trust in official statistics;
- evolve measures for effective co-ordination with State Governments and Union Territory Administrations on statistical activities including the strengthening of existing institutional mechanisms;
- exercise statistical co-ordination between Ministries, Departments and other agencies of the Central Government;
- exercise statistical audit over the statistical activities to ensure quality and integrity of statistical products;
- recommend to the Central Government, and any State Government, measures to effectively implement the standards, strategies and other measures evolved;
- advise the Government on the requirement of legislative measures on statistical matters including the statute for the National Statistical Commission;
- monitor and review the functioning of the statistical system in the light of the laid down policies, standards and methodologies and recommend measures for enhanced performance.

In order to enable the Commission to discharge the above functions, it has been given powers to:

- require production of any document which, in the opinion of the Commission, may serve statistical purposes;
- require statistical agencies and institutions to provide details of statistical activities including concepts and definitions used, methodologies followed, quality standards adopted, sampling and non-sampling errors etc. in respect of core statistics;
- require the attendance of any person, including any public servant, on matters connected with core statistics;
- issue notices for the examination of witnesses and documents or any other matter connected with core statistics.

The terms and conditions of appointment of the Chairman and members of the Commission and the mechanism for their selection are now being finalised.

Restructuring

The Ministry of Statistics and Programme Implementation presently consists of a Statistics Wing and a Programme Implementation Wing. The two wings have distinct functions and separate functionaries, though the administrative and management functions are combined. It has been therefore decided to merge these bodies to form an independent National Statistical Organisation (NSO) with functional autonomy and integrity. The NSO will be headed by an experienced statistician as the Chief Statistician of India.

Statistical Strengthening

A major initiative taken up by the Government to reform the statistical system is the "India Statistical Strengthening Project". It is aimed at strengthening the information base for policy formulation and planning by improving the reliability, credibility, timeliness and coverage of the statistical system. The project is being implemented in two tiers with the

Measuring the Progress of Societies: A Key Policy Challenge

*Bellagio, Italy:
21-23 March, 2006*

In March 2006 a select group of eminent people from government, academia, civil society, international organisations, the media and the private sector, will gather at the Rockefeller Foundation's Study and Conference Centre in Bellagio, Italy, to discuss one of the most important issues of our time: how best to measure the progress of our societies. This conference is being jointly hosted by the National Academies and Key National Indicator Initiative from the USA, and the OECD.

The meeting will design the next stage of the OECD's Statistics, Knowledge, Policy World Forum Project – an effort to create a global event and community that builds our collective capacity to answer the question: How are our societies, in fact, really doing? The product will be a set of guiding strategies, principles and commitments to build this community as well as a specific plan for a world event in 2007.

This opportunity is to create the place – the World Forum – and gather the leaders who will help build the practical means by which societies define and determine their progress. Should it succeed, it could fundamentally enhance the nature of societal discourse.

The Conference will represent a fundamental step forward. It will bring together stakeholders, world class policy makers, statisticians and academic experts, providing the project with the creative insights, global perspectives and diverse leadership required for success.

More information at <http://www.oecd.org/oecdworldforum>

assistance of the World Bank. The first tier, which is under implementation, has the following components:

- identifying ways in which to strengthen the Directorates of Economics and Statistics (DES) of State Governments;
- a Study investigating the establishment of an all India Statistical Network;
- a study for the creation and maintenance of a business register;
- surveys for the improvement of service sector statistics; and
- a study to assess survey possibilities in the private sector.

The completion of this first tier in early 2006 is expected to raise staff skills; improve the capacity, reliability and relevance of the Indian Statistical System and provide methodological reports and advisory services to plan and support the second tier of the project.

Being a decentralized statistical system, a large part of administrative and development statistics are compiled at the state level. However, the state statistical agencies are beset with a multitude of problems, limiting their role in the process of development planning. A number of DESs collect large amounts of data that are not tabulated due to a lack of appropriate computing resources. The statistical set-up at the sub-district level is also too weak to generate organised data at these lower administrative levels, although there is a requirement for such data for local governance. There is also lack of connectivity between one level

and another and between various sub-systems. Further, the statistical manpower at the state level suffers from a lack of training. These deficiencies should be remedied by the recommendations of the first tier on the strengthening of the state statistical system.

India does not presently have a business register. As a result, it has not been possible to conduct periodical business surveys, particularly in the services sector, using list frames. In the non-manufacturing sector, enterprise surveys are conducted using a two stage design that captures real units at the first stage and establishments at the second. The approach is however beset with several inherent problems. This situation should improve once a business register has been created; the development of which is being investigated in the first tier, leading in turn to better services sector statistics and national income estimates.

Statistical activities in the country are mostly carried out by Government agencies. However, the manpower available is limited and cannot meet the increasing demand for reliable data on various sectors. It has, therefore, become necessary to tap the potential of the private sector in undertaking large scale statistical surveys. The ongoing study in this area will assess the existing capacity in the private sector and provide a framework for enabling the use of the private sector in statistical activities.

Human Resources

Human resource development is another major area of concern. The present educational curricula of universities in India are not oriented towards official statistical systems and the emphasis is primarily on theoretical statistics. It has, therefore, become necessary to create the necessary infrastructure and course material to fill this gap. A fully fledged national institute for training in official statistics is, therefore, currently under construction.

THE OECD PROGRAMME FOR INTERNATIONAL STUDENT ASSESSMENT (PISA)

PISA is a collaborative process among the 30 member countries of the OECD and nearly 30 partner countries. It brings together scientific expertise from participating countries and is steered by their governments on the basis of shared, policy-driven interests. PISA is an unprecedented attempt to measure student achievement, as is evident from some of its features:

- The literacy approach: PISA aims to define each assessment area (mathematics, science, reading and problem solving) not only in terms of mastery of the school curriculum, but in terms of the knowledge and skills needed for full participation in society.
- A long-term commitment: It will enable countries to monitor regularly and predictably their progress in meeting key learning objectives.
- The age-group covered: By assessing 15-year-olds, i.e. young people near the end of their compulsory education, PISA provides a significant indication of the overall performance of school systems.
- The relevance to lifelong learning: PISA does not limit itself to assessing students' knowledge and skills but also asks them to report on their own motivation to learn, their beliefs about themselves and their learning strategies.
- See <http://www.pisa.oecd.org/>

Legal Framework

It is also necessary that the statistical system is supported and regulated by the appropriate legislative framework. The existing Collection of Statistics Act is found to be lacking in several areas, including: coverage; procedural aspects; and powers. Steps have therefore been initiated by the Government to amend the Act in consultation with various Ministries and State Governments. It would, however, take its final shape only after the National Statistical Commission has come into existence.

An Application of SDMX Standards

By Gérard Salou, ECB

An important task of the European Central Bank (ECB) is to compile and publish financial and monetary statistics for the euro area. It does so in close cooperation with the National Central Banks (NCBs) of the Euro area that provide national statistics.

Even though only statistical indicators for the Euro area as a whole are relevant for ECB monetary policy, many users have expressed an increasing interest in having easier access to the national contributions.

Up to now, users wishing to access national breakdowns have been obliged to search 13 different websites: those of the ECB and the 12 NCBs. Responding to this demand, the Eurosystem (composed of the ECB and the 12 NCBs) has developed a framework for improving access to Euro area statistics.

Meeting User Needs

The basic feature of the new framework is that Euro area aggregates and all national contributions are presented in a single set of tables that will be

published simultaneously on the ECB's website and on the websites of the participating NCBs, in English and in their national language(s).

A technical solution enables these data to be disseminated on all the websites simultaneously. This solution is based on internet technologies and uses the SDMX international statistical standards (see <http://www.sdmx.org>).

The ECB and the NCBs participating in this joint dissemination have integrated this system into their own websites in order to present the tables in their own layouts and languages, thus increasing the user-friendliness of the presentation of these statistics.

Consistency of the data throughout the Eurosystem is guaranteed by the existence of a single original database, located at the ECB, where the statistical information provided by the NCBs and the ECB itself are stored for the purpose of joint dissemination.

User support for these new tables is decentralised. To this end, all user support lines are announced on all participating websites.

This enhanced dissemination, and the innovative technologies used, allow the Eurosystem to communicate its statistics more effectively to the media and to the citizens of Europe. It also promotes the Eurosystem as a network of institutions that work closely together.

What is Included?

Statistics disseminated under this framework relate to those fields of statistics for which the ECB, supported by the NCBs, has either prime responsibility or a shared responsibility with Eurostat. These fields of statistics are:

- monetary, financial institution and market statistics;

- external statistics, including international reserves;
- financial accounts and related statistics.

The ECB has prioritised the joint dissemination of the corresponding national contributions to six sets of tables selected on the basis of their economic importance, the degree of harmonisation of the statistics and the conceptual validity of the national breakdowns. It is envisaged that over time this framework will incorporate more information, so as to further enhance the service of the Eurosystem to the users of its statistics.

Where can Data be Accessed?

The data can be accessed either via the ECB's website or via the websites of the nine NCBs participating in the joint system. The three other Eurosystem NCBs have a link to the ECB statistics webpage on their website. On the ECB's website, these data are accessible in the "statistics" section and the tables are disseminated as a 'second layer' compared to Euro area aggregates figures.

In order to access these tables in the various Euro area languages, please visit the ECB website: <http://www.ecb.int/stats/services/escb/html/index.en.html>, then follow the links to the counter part in the country of your choice.

Putting Civil Society on the Economic Map of the World: Progress Report No. 2

By Lester M. Salamon, Johns Hopkins University

Background

In December 2003, the UN Statistics Division (UNSD) issued a new *Handbook on Non-profit Institutions in the System of National Accounts* designed to guide national accounts offices around the world in creating

"satellite accounts" that can provide a more comprehensive picture of the economic contribution of non-profit institutions (NPIs) and volunteering than that provided through 1993 SNA.

Implementation Progress

Since then, at the invitation of the UNSD, the Johns Hopkins Center for Civil Society Studies, which helped to develop this Handbook, has been spearheading an effort to promote its implementation, with results to date that are encouraging. In particular:

- With the assistance of UNSD, United Nations Volunteers, the European Commission, and the UN economic commissions for Latin America and the Caribbean, Africa, and Asia and the Pacific, regional workshops have been conducted to introduce national accountants to the *NPI Handbook* in Europe, Latin America, Africa, and Asia;
- A UN NPI Handbook Project Advisory Committee has been formed involving prominent international statistical and civil society leaders;
- An *NPI Handbook Implementation Guide* has been developed and an initial implementers workshop held in Buenos Aires;
- Support for the implementation effort has been secured from UN Volunteers, the Inter-American Development Bank, the Skoll Foundation, the Sasakawa Peace Foundation, the Ford Foundation, and the Kellogg Foundation;
- Nineteen countries have already committed to implement the *Handbook* in whole or in part (Argentina, Australia, Belgium, Brazil, Canada, the Czech Republic, France, Israel, Italy, Japan, Kenya, Kyrgyzstan, Morocco, New Zealand, Peru, Slovakia, South Africa, and the United States), and discussions are under way with others;
- Six countries have already produced some version the "NPI

satellite accounts” called for in this Handbook, with a seventh (France) due to report in early spring, and at least one (Canada) already on the street with its first update.

Findings

Findings from this work are already bringing the non-profit sector and volunteering into far better focus than has been possible under existing SNA usage. As a result of this work we now know that:

- The Belgian NPI sector is actually five and a half times larger than what is visible through S.15, the Non-profit Institutions Serving Households (NPISH) sector, once the numerous non-profit health, social work and related organizations allocated to the corporations sector are included;
- Canada’s NPIs, including volunteers, account for nearly 8% of the country’s GDP. Even without volunteers, the GDP contribution of Canadian NPIs exceeds that of agriculture; mining, oil and gas extraction; retail trade, accommodations and food service; and motor vehicle manufacturing. Indeed, the economic contribution of volunteers alone in Canada is on a par with that of the entire agriculture sector;
- Even excluding hospitals, the gross value added of the NPI sector in Australia exceeded that of electricity, gas, and water supply; accommodations and restaurants; and communications;
- In Israel as of 1997, the NPI sector accounted for 14.3% of GDP;
- Although NPIs are supposed to be included somewhere in national accounts work, work on the *NPI Handbook* has revealed that they are significantly undercounted. Thus, Statistics Canada found many more NPIs in existence than pre-existing business registries suggested.

- In the United States from 1992 through 2004, NPIs accounted on average for 9.5% of personal consumption expenditures. Over the same period, NPI value added averaged 4.8% of GDP, a share exceeding those of agriculture, forestry, fishing and hunting; mining; utilities; construction; transportation and warehousing; information; and other services, except government, among others.

These and other findings are making it possible for policy-makers to take much more explicit account of NPIs in their policy deliberations and to bring these important institutions into far better focus for the media, researchers, and the general public.

For further information on the UN NPI Handbook and the steps required to implement it, contact UNHandbook@jhu.edu

The OECD Forum 2006 Paris, 22-23 May Balancing Globalisation

A "multi-stakeholder summit" which brings together business and labour leaders, civil society personalities, government ministers and leaders of international organisations to discuss the key issues of the 21st century.

Topics on the agenda include:

Solving global economic imbalances;

Optimising the contribution of financial markets to economic growth;

Reaping the full benefits of technology and innovation;

Managing the successful integration of China and India into the world economy;

Creating jobs in the 21st century;

Ensuring that trade and investment are effective and ethical motors for development

More details at:

<http://www.oecdforum.org>

Composite Leading Indicators for Major OECD Non-Member Economies *By Ronny Nilsson, OECD*

The OECD began to develop a System of Composite Leading Indicators (CLIs) for its Member countries in the early 1980’s based on the “growth cycle” approach, and, today, 23 of its 30 Member countries are covered.

It is envisaged to expand country coverage to include all Member countries and the major six OECD non-Member economies (NMEs), Brazil, China, India, Indonesia, Russia and South Africa.

To assist the development of CLIs in the six major NMEs a workshop with participants from each country was held at the OECD in Paris in April 2005 to discuss an initial OECD selection of potential leading indicators for the six major NMEs and national suggestions for alternative and/or additional potential leading indicators.

A paper describing information on the outcomes of this meeting and follow-up activities undertaken by the OECD in co-operation with the participating national agencies can be found at <http://www.oecd.org/std/workingpapers>

This paper explores the possibility of constructing CLIs for assessing and forecasting cyclical fluctuations in economic activity in 6 major NMEs. From the set of about 20-30 analysed cyclical indicators for each country, the best leading indicators were selected in each country on the basis of empirical results. A set of about 10 to 15 indicators was used to construct alternative CLIs for each country which were evaluated against industrial production as a reference indicator for the growth cycle.

The pre-selected cyclical indicators were evaluated for their cyclical performance against industrial

production as the reference series in each country with a set of statistical methods including both classical descriptive and univariate methods based on the US National Bureau of Economic Research (NBER) approach and cross spectral analysis and multivariate methods such as dynamic factor models.

A screening procedure based on the practical criteria (frequency) and seven cyclical criteria, according to the above methods, were used to select a reduced set of cyclical indicators with the best cyclical characteristics. Indicators were included in the final set of analysed indicators if they were accepted on more than 4 of the 8 criteria used.

The results of this evaluation showed that very few indicators scored well on all 7 cyclical criteria. In particular, few indicators showed coherence and were not classified as leading indicators according to the cross spectral analysis.

The two measures of cyclical classification used from dynamic factor analysis, i.e. cross-correlation between common components and cyclical timing classification showed, in general, consistent results and classified more series as leading indicators than the cross spectral analysis.

On the other hand, classical measures such as cross-correlation and turning point behaviour (median lag) showed the most consistent results, and more indicators were classified as leading indicators in comparison with both the cross spectral and dynamic factor results.

A starting point for the selection of potential leading indicators in any country is to investigate the national economic structure and international linkages. This provides information on key sectors and factors to take into account when searching for potential leading indicators in a country.

The component series included in the individual country CLIs, for the six OECD non-member countries considered here, support this approach by showing a relatively high proportion of components related to international linkages such as exports/imports, terms of trade, exchange rates and world price of crude oil.

In addition to the above criteria, potential indicators were selected from as many different statistical/economic subject areas as possible to obtain a good representation of overall economic activity. However, as noted above, the proportions of the component series from the foreign trade domain is much higher than the share observed across OECD Member countries.

Business tendency and consumer surveys and monetary and financial series are the two other subject areas with high representation of component series, as in OECD countries. However, in Russia the share of components from business tendency and consumer survey indicators is much higher than in OECD countries.

In the case of India and Indonesia the share of components related to monetary and financial areas is extremely high; with 50 to 60% of the component series respectively compared to about 26% across OECD countries.

The selection of potential indicators in the six NMEs is, of course, very much related to data availability, which partly explains the high representation of indicators from the foreign trade and financial areas after the 1997 financial crises in Asia. For these countries there is a lack of suitable real indicators, with the exception of derived indicators from recently implemented business tendency surveys in most of the countries.

The characteristics of the constructed CLIs with the best cyclical properties in each country

are presented in the paper referred to earlier. Comparisons with the historical performance of the CLIs for the United States, Japan and Germany over the last 40 years show acceptable cyclical properties for all the six OECD non-Member economies.

However, because the results for India, Indonesia and Russia are based on data for very short time periods, 9 to 14 years, which include only 2 to 3 cycles, the results can not be seen as statistically significant for these three countries.

Main Characteristics of CLIs

The above results are encouraging, but, as stressed earlier, these results are based on evaluations over a very short time period with only two or three growth cycles registered in India, Indonesia and Russia.

Future research and development is needed to monitor the quality of the constructed CLIs and to look for improvements in the areas outlined below.

Most OECD countries use indicators from several subject areas to compile CLIs. However, as noted above, in the six OECD non-Member economies considered here, most of the leading indicators selected come from few subject areas. In the case of India and Indonesia the share of components related to monetary and financial areas is over 50% of the selected indicators and, in Russia, the share of components from business and consumer surveys is also over 50%.

In order to have more broadly based and, possibly, more reliable CLIs it would be necessary to investigate alternative indicators from other subject areas as well.

A subject area of special interest to all of the countries considered, in particular in Indonesia and Russia, would be the production, stocks and orders production areas. Real indicators from this domain would

be suitable candidates for potential leading indicators.

However, such indicators are covered by qualitative indicators derived from business tendency surveys. The problem here is that the surveys are conducted on a quarterly frequency in all of the countries and both timeliness and associated revisions pose problems for the calculation of monthly CLIs. Implementation of monthly business tendency surveys would be a cost efficient way to obtain timely leading indicators reflecting the production cycle.

The results also indicate that industrial production may not be the best reference series for the aggregate economic cycle in certain countries and alternative reference series should be investigated. In addition, other series related to monetary and financial conditions, labour market conditions, foreign trade, and activity in foreign countries etc. should be analysed and new potential leading indicators may be found.

Finally, problems relating to changing cyclical behaviour, statistical problems and data availability will mean that the selected potential leading indicators used in this study will have to be monitored regularly to see if the cyclical characteristics remain stable in the future.

Enhancing International Guidelines for Business and Consumer Opinion Surveys

By Denis Ward, OECD

The second joint European Commission – OECD Workshop on opinion surveys held in Brussels on 14-15 November 2005 saw the culmination of work, spread over two years, on the enhancement of international guidelines and recommendations for the development and conduct of business and consumer opinion surveys (BTS/COS).

The focus of discussion by the 90 delegates at the two day workshop was recommendations prepared by two task forces on: improvement of response rates and minimisation of respondent load; and harmonisation of survey operations and technical design.

This article summarises the main recommendations prepared by the task forces, a more detailed overview is available at <http://www.oecd.org/dataoecd/36/8/35966635.pdf>. Following their final endorsement by Workshop participants, both the OECD and the European Commission will embody them in revised versions of opinion survey guidelines/handbooks to be prepared in future by both organisations.

The OECD will also incorporate the task force recommendations and examples of recommended national practice into future enhancements of the OECD BTS/COS portal (Available at <http://www.oecd.org/std/bt-coi/coordination>).

In addition to existing international guidelines and recommendations for BTS/COS, this portal provides ready access to: questionnaires used by national institutes; summary metadata describing key elements of national statistical institute surveys; links to examples of recommended national practice; data presented in a common format for countries and regional aggregates; and links to papers from relevant opinion survey meetings organised by the OECD, European Commission and CIRET.

Although many of the recommendations are self-evident, benefits for their future inclusion in international standards are the ability to benchmark recommended practice and comparisons of data quality between countries. They also serve to align practices used in opinion surveys with those advocated for quantitative statistics that are included in international statistical standards developed over

the last few decades by international organisations.

Task Force on Improvement of Response Rates and Minimisation of Respondent Load

The main outcomes of the task force were embodied in seven key recommendations, which entail the need for national institutes to:

- clearly specify in metadata the nature of the response rate;
- formulate and implement specific strategies to establish initial contacts with respondents to gain their co-operation;
- adopt a respondent perspective with regards to the data collection method;
- periodically include questions to assess respondent preferences for data collection;
- develop efficient follow-up strategies which are tailored to the various modes of data collection e.g. by providing promotional material, use of toll-free help lines to provide assistance to respondents, etc;
- ensure that business weights used in estimation are representative of the population;
- analyse the results from previous surveys to determine whether there is any evidence of different response behaviour.

Harmonisation of Survey Operations and Technical Design

There are at present no international guidelines and recommendations outlining best practice for the development of business tendency surveys. In 2003 the OECD published a Handbook available at <http://www.oecd.org/dataoecd/29/6/1/31837055.pdf> aimed at assisting non-members in this area. The survey procedures presented and recommended served as a starting point for more detailed consideration by the task force on key aspects in the development of standards for survey operation and technical design.

The task force sought to identify key issues in the areas of sample design and weighting methodologies in order to draft an initial set of recommended minimum requirements and preferences aimed at improving the reliability and hence, the overall quality, of survey data.

The extensive list of recommendations for efficient sample design is too detailed to outline fully in this article, though they covered:

- identification of the relevant universe/reference population;
- identification of the sample frame;
- methods used for sample selection; and
- the treatment of missing data.

During subsequent discussion at the Workshop, particular interest was drawn to the problem of efficient sample creation for telephone questionnaires in a situation where more households (especially young households) have only mobile phones and no land line connection. There was also interest in further elaboration of issues surrounding sample rotation and the choice of the most appropriate sample units.

Over recent years there has been an explosion in the use of the internet for data collection. While there is broad experience and knowledge on personal interviews and mail questionnaires there is not yet a consensus among researchers involved in BTS/COS on how best to conduct internet surveys.

However, most researchers agree that the internet environment has characteristics that make it distinct from other survey collection methods.

The aim of the task force, in this regard, was to contribute to higher research standards in the realm of business surveys and to develop research-based design principles for internet questionnaires in business tendency surveys.

The OECD Statistical Programme of Work gives an overview of all main statistical activities planned for 2006 by the Statistics Directorate and all other Directorates active in the field of statistics. The Programme is divided into two parts:

The **first part** presents recent developments in the implementation of the OECD Statistics Strategy and provides a summary of the 100 activities envisaged for 2006.

The **second part** offers a more detailed description of the individual statistical activities, highlighting their purpose, objectives, outputs, publications and databases produced by each activity, and main developments expected in 2006. See:

www.oecd.org/statistics/workprogramme

Papers presented at the Workshop included an overview of the characteristics, strengths and issues of concern for internet surveys.

Based on current knowledge and experience the recommended practices discussed at the Workshop covered:

- initial development work on an internet survey;
- the preparation and despatch of e-mail invitations;
- designing internet questionnaires;
- analysing the results of internet surveys; and
- security.

Subsequent discussion at the Workshop, though supporting the idea of growing acceptance among the respondents of this means of collection, revealed significant constraints arising from technical considerations (concerning the availability of internet access) and inertia from the use of the customary postal mode that might lead to a comparatively lower response rate.

Further comments were made on technical issues (e.g. dial-up versus line access, security issues and best practice for internet survey design).

Future Work

The Workshop report also presented a number of options for future work over the next two years.

For survey response these include further work to: examine response rates by business size and the relationship with data collection methods; examination of potential bias caused by the use of the missing at random assumption, and by compiling estimates for different groups of respondents depending on their regularity of response; experimentation by other institutes with the French constant sample methodology using a variant of the method which does not lead to revisions.

On survey operations and technical design, possible future work includes: undertaking comparisons of current practices used at the national level on efficient sample design and weighting methods against the recommended practices outlined by the task force; and in the case of internet surveys further work to identify recommended practice on key problem areas such as: ways to ensure the security of data; questionnaire design and presentation on the internet.

Some of the proposed topics for future work are envisaged for discussion at the next one day OECD Workshop on BTS/COS planned for 19 September 2006, back to back with the next CIRET meeting in Rome and/or in the context of a possible future joint European Commission/OECD meeting, perhaps in 2007. Enquiries on any of the issues described in this article should be referred to ronny.nilsson@oecd.org or richard.mckenzie@oecd.org.

NEWS IN BRIEF

Improving Timeliness of Economic Statistics

Ever wondered where you could find comprehensive documentation on good practices used by national statistics offices to improve the timeliness of their short-term economic statistics? The answer is the *STES Timeliness Framework*, a structured collection of documentation on a range of *good practices* currently used by NSOs for improving timeliness, reducing costs and improving accuracy for short-term economic statistics. This resource is freely available in the form of an intuitive, user friendly website at: <http://www.oecd.org/std/research/timeliness>. An OECD Statistics Working Paper outlining the principles behind the development of this framework is also now available at <http://www.oecd.org/std/workingpapers>

Insurance Statistics and Indicators

For more than a decade now, the OECD insurance statistics database has offered the most comprehensive source of comparable statistics on the number of insurance companies and employees, insurance premiums and investments by insurance companies among developed countries. This exercise was expanded to include data on claims. Over the years, the historical series and indicators provided in the Insurance Statistics Yearbook have been widely used, not only by national supervisors but also amongst analysts and researchers.

Since May 2004, the main achievement of OECD insurance statistics has been the migration of the insurance datasets to an online version of the database. This migration resulted in a considerable increase in the usefulness and visibility of this unique database. Now all insurance statistics and indicators are accessible through the OECD Data Warehouse 'OECD.Stat'. The online 'window' to the Data Warehouse is provided by the OECD.Stat Web Browser. This browser has been designed to allow both experienced and new users to rapidly locate and retrieve statistical data and related metadata.

With respect to work on insurance statistics in 2006, the Secretariat would like to promote more analytical work that would describe the role that insurance plays in the economies of OECD Member countries, as well as recent trends. To do so, the gathering of up-to-date statistics is critical and the Secretariat would like to examine the possibility of using estimates and provisional data to deliver 2005 data in 2006. In addition to these activities, OECD insurance statistics will undergo a quality review during the summer and autumn of 2006, to assess the different dimensions of statistical activities outlined in the OECD Quality Framework.

The main indicators are also accessible on the Internet at: <http://stats.oecd.org/WBOS/default.aspx>. The indicators can be retrieved under the category 'Finance'. For further information contact: Jean-marc.salou@oecd.org

Pension Markets in Focus, December 2005 – Issue 2

The second edition of Pension Markets in Focus provides an overview of recent trends in long-term and retirement savings. In particular, it examines trends in funded pensions in OECD countries with a focus on asset allocation. Thanks to the efforts made by all of the Delegations to the OECD Working Party on Private Pensions (WPPP) and to the Task Force on Pension Statistics, this edition builds on the 2005 results of the on-going Global Pension Statistics' project and introduces new indicators on revenues and expenditure.

The Global Pension Statistics project intends to provide a valuable device for measuring and monitoring the pension industry, and permit inter-country comparisons of current statistics and indicators on key aspects of retirement systems across OECD and non-OECD countries. Data are collected on an ongoing basis so that trends can be readily identified and analysed.

The statistics cover an extensive range of indicators and relate to a wide definition of private pension plans, themselves subdivided into detailed categories (For more detail see 'Revised taxonomy of pension plans, pension funds and pension entities', <http://www.oecd.org/dataoecd/34/23/2488707.pdf>), using coherent statistical concepts, definitions and methodologies.

The Working Party on Private Pensions and its Task Force on Pension Statistics launched the GPS project in 2002. One of the first tasks of the WPPP was the creation of a classification and glossary of private pension systems which was published in 2004. Very early, the gathering of detailed descriptions of the various pension categories at a national level (metadata) has been identified as critical to significantly improve the reliability and comparability of core pension data worldwide.

In 2006, we would like to disseminate a first set of selected indicators together with a detailed description of funded pension systems by country. For analytical purposes, and with a view to compiling longer time series, the Secretariat has also started collecting data for past years. The Secretariat would also like to continue its efforts to improve the completeness of the datasets and further promote the collection of micro-data to complement the current datasets in a useful way.

A full copy of Pension in Focus newsletters can be found at: <http://www.oecd.org/daf/pensions/>
For further information contact: Jean-marc.salou@oecd.org

Workshop on National Accounts for Western Balkan Countries (Non-Observed Economy)

This short note provides an overview of the OECD-Eurostat Workshop on the National Accounts for Western Balkan Countries held in Paris, 23-25 January 2006. The Workshop's focus was the non-observed economy, or, more specifically, 'achieving GDP exhaustiveness'. Representatives from the statistical agencies of Albania, Bosnia and Herzegovina, Croatia, Kosovo, the Former Yugoslav Republic of Macedonia, and Serbia and Montenegro, presented the results of their work over the last 18 months, co-ordinated with the OECD's Statistics Directorate, in using the Eurostat Tabular method for GDP exhaustiveness.

Representatives presented a variety of approaches used by their agency to improve estimates of GDP including: 'expert' methods; ad-hoc surveys, tax audit data and labour-input approaches. Many were also able to provide experimental estimates of illegal activities, for example trade in illegal drugs, prostitution and people-smuggling.

One area where the statistical agencies invested considerable effort was in the estimation of imputed rent. In countries where there is an active and large rental market it is possible to impute observable rental prices for owner-occupied dwellings. However this is not possible for the Western Balkans as, throughout the region, the proportion of rented dwellings is significantly below 25% of the total population of dwellings, and these dwellings are generally atypical. As such, each statistical office was encouraged to use a user-cost approach to estimation. Most were able to provide estimates at the workshop, typically, and reassuringly, these amounted to about 8-12% of GDP.

However much remains to be done here. Indeed, a number of statistical agencies will continue to work on improving estimates of their dwelling stock. One area where potential improvements were identified concerned the intermediate consumption (IC) of owner-occupied dwellings. Agencies tended to source this information from household surveys but the variance of IC to output ratios, which were in the 2-30% range, suggested that there was also considerable heterogeneity in responses to these surveys. This is an area that the Workshop agreed to investigate in the work-plan for the coming year.

Another area that provoked considerable discussion concerned payments made to government employees, such as doctors and teachers, by households. Although

not of considerable importance in most OECD countries, this is a common occurrence in the Western Balkans.

The Workshop came to the view that, for the most part, these payments were for a productive service and not bribes or extortion. However the Workshop could not agree on whether the payments should also be recorded under the output of government, as an institutional sector, or the household sector. An analogy was made with tips, which the 1993 System of National Accounts (SNA) recommends as being part of the output of the employing enterprise, but the analogy is, of course, not perfect. Moreover there was some concern that by treating payments in this way government output, value-added and revenue would rise, and on the revenue side, at least, there was no obvious category of revenue, described in the IMF's Government Finance Statistics Manual, where the revenue fell. The Workshop agreed that the matter should be passed for deliberation to the SNA review team and, in particular, to the Task Force on the Harmonisation of Public Sector Accounting.

In summary, the Workshop demonstrated that considerable progress had been made over the last 18 months but, at the same time, that much remains to be done. Key issues agreed upon for the coming year include: continuing to develop the tabular approach and estimates of imputed rent using the user cost approach; investigating general government consumption of fixed capital, including the coverage of assets, their valuation, depreciation profiles and expected economic working lives; and applying the tabular approach to expenditure based estimates of GDP.

Papers and presentations provided at the Workshop will be available in the near future at the following site: http://www.oecd.org/document/33/0,2340,en_2649_3371_5_3609859=3_1_1_1_1,00.html. For more information on any of the issues raised at the Workshop or on the non-observed economy more generally contact nadim.ahmad@oecd.org and david.roberts@oecd.org.

Working Party on Statistics of the Committee for Industry and Business Environment

The Working Party on Statistics of the Committee for Industry and Business Environment held its annual meeting from 17-18 November 2005. The agenda for the meeting was wide-ranging, covering analytical and statistical work on globalisation and productivity, as well as proposals by the OECD to engage in more work with micro data. The following items were of particular interest:

Work on globalisation: The Secretariat presented work that explored the contribution of foreign affiliates to productivity growth, using the OECD's STAN, AFA and FATS databases. The paper was released as a Science Technology and Industry Working Paper in September

2005. Despite its limitations, this combined database provides longitudinal industry level information on both the presence and the productivity of foreign affiliates in OECD countries. A second OECD paper presented an analytical approach that is being developed by the OECD that will examine global economic interactions by using input-output tables for OECD and key non-member economies in combination with bilateral trade data. This work is currently underway; first results are due by mid-2006.

Work with micro data: The working party had a wide-ranging discussion on micro data, on the basis of several papers. A first paper was presented by Prof. Eric Bartelsman of the Free University in Amsterdam. It explored several applications of micro data and set out a method and options for work with micro data to become part of regular OECD work. Much of the proposed work concerns the construction of indicators from micro data at a relatively high level of aggregation that would certainly not affect confidentiality of the data. The discussion of this paper showed that the role of NSOs is very important, both in enabling feedback of the research in quality improvements of the basic data and in acting as a gatekeeper for the data, both in protecting confidentiality and in enabling appropriate interpretation of the findings of research.

Two papers by the OECD Secretariat led to further discussion. One set out a feasibility study that the OECD will undertake to explore modes of co-operation between the OECD and its member countries on micro data; the other proposed an international conference on micro data in 2006. In the discussion on these papers, most countries argued that legal restrictions would not allow them to transmit data to the OECD, but that other approaches might be feasible. Delegates also noted that transmission of micro data might not be necessary, since much work is needed to provide the metadata and clean the data before it can be used for analysis.

As regards a possible conference in 2006, delegates noted that it would be important to examine i) access mechanisms and share best practices; ii) the uses of micro data, including their use for policy evaluation, as well as more speculative uses of the data; iii) legal issues and confidentiality restrictions; iv) international options. Delegates also noted that it would be important for an OECD conference to consider the audience; downstream users, including policy users, would need to be involved.

OECD Statistics Working Papers

To see the latest papers and the full catalogue, visit:

<http://www.oecd.org/std/workingpapers>

RECENT PUBLICATIONS

All OECD publications can be ordered on line at:
<http://www.oecdbookshop.org>

The *OECD Factbook: Economic, Environmental and Social Statistics*, launched in 2005, brings together statistics covering 10 key areas: population and migration, macroeconomic trends, economic globalisation, prices, labour market, science and technology, environment, education, public policies and quality of life. The second edition of the *Factbook 2006* will include several new indicators, especially in the social statistics area, and a special chapter on globalisation. The online version will contain longer time series and more detailed metadata. The 2006 edition is expected in March 2006

www.oecd.org/publications/factbook

▲ PISA (*Programme for International Student Assessment*)

Are Students Ready for a Technology-Rich World? What PISA Studies Tell Us

Information and communication technology (ICT) is associated with unprecedented global flows of information, products, people, capital and ideas, connecting vast networks of individuals across geographic boundaries at negligible marginal cost. ICT is an important part of the policy agendas of OECD countries, with profound implications for education, both because ICT can facilitate new forms of learning and because it has become important for young people to master ICT in preparation for adult life. But how extensive is access to ICT in schools and informal settings and how is it used by students?

Drawing on data from the OECD's Programme for International Student Assessment (PISA), *Are Students Ready for a Technology-Rich World? What PISA Studies Tell Us*, examines:

- Whether access to computers for students is equitable across countries and student groups;
- How students use ICT and what their attitudes are towards ICT;
- The relationship between students' access to and use of ICT and their performance in PISA 2003;
- The implications for educational policy.

Further reading

The first results from PISA 2003 were published in *Learning for Tomorrow's World – First Results from PISA 2003* (OECD, 2004) and *Problem Solving for Tomorrow's World – First Measures of Cross-Curricular Competencies from PISA 2003* (OECD, 2004).

▲ Geographical Distribution of Financial Flows to Aid Recipients 2000-2004 – 2006 Edition

This publication provides comprehensive data on the volume, origin and types of aid and other resource flows to over 180 recipient countries, including countries in transition in Eastern Europe for the period 2000-2004. The data show each country's intake of Official Development Assistance or Official Aid, as well as other official and private funds from Members of the Development Assistance Committee of the OECD, multilateral agencies and other donors. Key development indicators are given for reference.

▲ Glossary for Transport Statistics – Third Edition

This glossary aims at assisting member countries during the collection of data on transport made by the UNECE, European Conference of Ministers of Transport, and Eurostat through the Common Questionnaire. This third edition is the result of the valuable cooperation between the three organisations that – through the action of the Intersecretariat Working Group – put a constant effort into meeting the need to harmonize transport statistics at the international level. By following the guidance expressed in these definitions, a considerable contribution will be given to the improvement in quality of data and their comparability.

▲ OECD Tax Statistics: Volume I: Revenue Statistics 1965-2004 – 2005 Edition

Data on government sector receipts, and on taxes in particular, are basic inputs to most structural economic descriptions and economic analyses and are increasingly used in international comparisons. This annual publication gives a conceptual framework to define which government receipts should be regarded as taxes

and to classify different types of taxes. It presents a unique set of detailed and internationally comparable tax data in a common format for all OECD countries from 1965 onwards.

▲ Review of Fisheries in OECD Countries: Volume 1: Policies and Summary Statistics – 2005 Edition

This publication describes major developments affecting fisheries in OECD countries in 2002, 2003 and some recent events of 2004, including changes in national and international policies, trade, and fisheries and aquaculture production. This edition contains a special chapter on policy coherence for development in fisheries. Analytical work by the OECD on fisheries is carried out by the Committee for Fisheries and covers a wide range of issues related to management, resource conservation, trade and sustainable development.

▲ Bank Profitability: Financial Statements of Banks, 1994-2003 – 2004 Edition

Trends in bank profitability and factors affecting it are major indicators of changes in the state of health of national banking systems. These OECD statistics, based on financial statements of banks, provide a unique tool for analysing developments in bank profitability.

For sources and methods, please refer to *Bank Profitability: Methodological Country Notes – 2004 Edition*.

Bank Profitability is also available on CD-ROM, in Beyond 20/20™ for Windows™, user-friendly software that allows the user to extract data and customise graphs and tables. The database is also available online at www.SourceOECD.org.

The **Statistics Newsletter** is published by the **Statistics Directorate of the OECD**

Editor in chief: Enrico Giovannini

Editor: Nadim Ahmad

Editorial assistant: Marie-Line Noonan

Technical advice and assistance: Sonia Primot

Distribution: Anne Hamilton

For further information contact: *The Editor, The Statistics Newsletter, email:* STD.STATNEWS@oecd.org

Readers are invited to send their articles or comments to the above email address

Deadline for articles for the next issue: 20 March 2006

Contributors in this issue:

Nadim Ahmad, Jon Hall, Ingrid Herrbach, Richard McKenzie, Ronny Nilsson, Denis Ward (All OECD/STD); Dirk Pilat, OECD/STI; Govindan Raveendran, formerly at Central Statistical Organization, New Delhi, India; Gérard Salou, European Central Bank; Jean-Marc Salou, OECD/DAFFE; Lester M. Salamon, Johns Hopkins University.

Forthcoming OECD Statistics Meetings

N.B. Unless otherwise indicated attendance at OECD meetings and Working Parties is by invitation only

2006	
10 February	Entrepreneurship Indicators Project and Family Business Network, <i>Statistics Directorate (STD)</i> , Paris
20-22 February	DAC Working Party on Statistics, <i>Development Co-operation Directorate (DCD)</i> , Paris
20-23 March	Measuring the Progress of Societies: A Key Policy Challenge, <i>Statistics Directorate (STD)</i> , Bellagio Italy
3-5 April	Joint UNECE/Eurostat/OECD Work Session on Statistical Metadata (METIS), Geneva
5-6 April	3 rd Meeting of the Expert Group on Statistical Data and Metadata Exchange, <i>Statistics Directorate (STD)</i> , Geneva
24 April	Working Party on Territorial Indicators, <i>Public Governance and Territorial Development (GOV)</i> , Paris
24-26 April	Workshop on International Investment Statistics, <i>Directorate for Financial and Enterprise Affairs (DAFFE)</i> , Paris
3-4 May	Working Party on Indicators for the Information Society (WPIIS), <i>Directorate for Science, Technology and Industry (STI)</i> , Paris
16-18 May	Meeting of Working Party No2 on Tax Policy Analysis and Tax Statistics, <i>Centre for Tax Policy and Administration (CTP)</i> , Paris
29-31 May	Working Party of National Experts on Science and Technology Indicators (NESTI), <i>Directorate for Science, Technology and Industry (STI)</i> , Paris
12-16 June	Committee on Statistics, <i>Statistics Directorate (STD)</i> , Paris
26-29 June	OECD Short Term Economic Statistics Expert Group (STESEG), <i>Statistics Directorate (STD)</i> , Paris
21-23 June	Joint UNECE/Eurostat/OECD Meeting on the Management of Statistical Information Systems (MSIS), Sofia, Bulgaria

Other Statistics Meetings

2006	
20-21 February	Bureau of the Conference of European Statisticians, Geneva
April	Expert Group on Informal Sector Statistics – “Delhi Group”, New Delhi, India http://www.mospi.nic.in/mospi_informal_sector.htm
24-26 April	European Conference on Quality in Survey Statistics, Cardiff, Wales www.statistics.gov.uk/q2006
11-14 June	International Symposium on Forecasting, 2006, Santander, Spain, further information: isf2006@pacifico-meetings.com