



STATISTICS DIRECTORATE

STD/STESEG(2003)16
For Official Use

OECD Short-Term Economic Statistics Expert Group

STESEG TASK FORCE ON TIMELINESS AND BENCHMARKING

HOW TO REDUCE COSTS AND REPORTING BURDEN FOR DATA PROVIDERS AND STATISTICAL AGENCIES IN THE COLLECTION OF SHORT-TERM ECONOMIC INDICATORS?

SUMMARY OF PRACTICES AT STATISTICS DENMARK

Paris, 26-27 June 2003

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Submitted to the Expert Group under item 5 of the draft agenda.

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JT00145795

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1. Use of administrative data

Statistics Denmark has a long tradition of using administrative registers for the statistical production whenever possible. Using administrative data has at least two advantages: the costs of producing statistics are relatively low and no further burden is put on the data suppliers.

Regarding short-term indicators several of these are based on administrative sources, for example:

Monthly Turnover for most sectors (based on VAT)

Quarterly Employment (based on The Labour Market Supplementary Pension Scheme)

Construction production and construction building permits (based on The Register of Building and Dwelling Statistics)

Most short-term indicators, however, are based on questionnaire surveys. The reason is either that no administrative data covers these indicators or the administrative data is not timely enough.

For areas in which it is necessary to collect data directly from the enterprises, Statistics Denmark makes an effort to diminish the burden as much as possible.

2. Reporting burden

As a result of political interests, Statistics Denmark has since 1996, as one of the few statistical institutions in the world, estimated and published the size of the reporting burden.

Since 1996 the burden has developed in the following way:

| | |
|------|-----------------|
| 1996 | 310,0 man-years |
| 1997 | 247,5 man-years |
| 1998 | 239,1 man-years |
| 1999 | 252,3 man-years |
| 2000 | 240,0 man-years |
| 2001 | 232,6 man-years |
| 2002 | 236,8 man-years |

However, the burden varies, but compared to 1996, it is almost 25 % lower in 2002. It should be noted that 2/3 of the burden is due to the statistics on external trade, implying that the total burden is very vulnerable to developments in particularly these statistics.

It should also be noted that 93 % of the total burden is connected to statistics delivered to the EU to fulfil EU-regulations.

3. Sample design

A widely used method to reduce the reporting burden is to draw a sample, instead of collecting data for the whole population. The size of the sample is limited as much as possible, as long as the results are reliable.

When drawing a sample, it is a general rule not to select small enterprises of fewer than 5 employees. Also larger enterprises have a relatively greater probability of being selected.

In these years all sample designs are checked as to efficiency. It is analysed if the design could be even more efficient in using more information from related variables from, for example, administrative data in the enumeration. The experiences up to now have shown that the sample sizes could be reduced substantially, typically by 15-25 %.

4. Methods to gain cooperation of respondents

A lot of different actions have been taken in the field of improving the cooperation with the respondents.

In 2001 enterprises were for the first time informed in advance, if the enterprises had to provide data for 5 or more statistics. At the beginning of the year the enterprises received a list with a description of the statistics for which they had to provide data.

Other initiatives have concerned the reduction and improvement of the questionnaires as well as the improvement of the instructions. These initiatives have been part of a general policy for Statistics Denmark for all questionnaire based surveys. These policies also cover common guidelines for information of the respondents, reminder policy, handling of questions from respondents, feedback to respondents and so forth, cf. the paper *Timeliness, response burden and cooperation with respondents at Statistics Denmark*

Another aspect which is valid for all users, including respondents, is that all detailed data can be extracted free of charge from StatBank Denmark www.statistikbanken.dk.

5. New data collection/capture techniques

For Statistics Denmark it is important to improve the way of cooperating with our respondents.

Statistics Denmark will, to an increasing degree, offer respondents new ways of providing us with data. Here, the 2 most important methods will be mentioned a) electronic questionnaires b) EDI

a) E-portal and electronic questionnaires

As part of the Danish government policy to improve the digital possibilities in society, a special internet portal for enterprises is to be set up. The portal is called virk.dk (it is not open yet). VIRK AS is a company developed as a private-public partnership.

This implies for Statistics Denmark that on 1 October 2003, it is planned that all forms used in the cooperation with the enterprises are placed on this common internet portal for public authorities. The overall idea is that enterprises only need to address one place to find all forms for public authorities, and consequently reduce their time consumption for administrative tasks. The common key for the enterprises is their unique 8-digit enterprise number (CVR number). All in all, Statistics Denmark has around 75 forms aimed at businesses.

The initiative of this project was taken across the public sector with participation of several Ministries, among these the Ministry of Economic Affairs to which Statistics Denmark is accountable. The project is financed by the government, and several private contractors are involved. The total costs of the project is expected to reach about 11 million Euros.

The forms from Statistics Denmark are among the first to be placed on the portal. It is seen as a great opportunity to all that an electronic solution for all forms is established at once. For Statistics Denmark alone it would have been a major and enormously costly challenge.

It is free for Statistics Denmark to participate in the project. But a lot of internal resources are used in the project. When the portal opens Statistics Denmark pays a minor charge for each electronic form we receive. The amount is less than the postage for a form.

The portal is, among others, financed by means of advertisements, which are placed on the top of the portal.

So far we have only seen test versions of some of the forms. A lot of problems have to be solved, for example, filled-in fields in advance are essential for most of the forms. Another central problem is to find the balance of how much validation should be related to each form.

The problem of security has not completely been solved. The idea is that each enterprise is going to have a digital signature.

The most interesting question is how many of the enterprises will use this possibility, both in the short run and in the long run. Lots of efforts will be made to ensure that the portal is widely used. At the moment, it is voluntary for the enterprise to use the portal or a normal paper form.

b) EDI

In opposition to electronic questionnaires, which still have to be keyed in by the respondent, the idea of Electronic Data Interchange (EDI) is to directly draw data from the enterprises' own administrative system.

One large project, *Letløn* (Easy Wage), has been established. In this project all data about wages from the enterprises could be supplied directly from the enterprises to one common data base for several public authorities. Statistics Denmark has access to this information, but the project is still in its initial phase. When the system is working, it will be a very valuable source for Statistics Denmark.

Another area where pilot studies are presently being conducted is in the area of account systems.

6. Optical Reading

It is too early to judge how quickly the respondents will get used to report data electronically. For a long period, both the paper based and the electronic collection system, are needed.

Statistics Denmark is at the moment conducting trials with optical reading of paper forms for two statistics. The idea is to get the optical reading integrated in the statistical production process, so we no longer have to key in data. Also, it is easy to find questionnaires again as pictures on the screen.

The forms, which have been read optically, have to be validated as usual, but you don't need to look at forms which fulfil the automatic validation rules.

The goal is to outline a system covering all statistics by the end of 2003. Although the optical reading system does not influence the respondent it is of great importance for the institution. As an institution you will first make gains, if all forms are stored electronically, also the forms received on paper.

One question for which a decision will have to be made, both from a cost view as well as a practical view, is whether the optical reading is going to be performed internally or externally.