

# The Statistics Newsletter

for the extended OECD Statistical Network

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## The Strategy for OECD Statistics in 2007-2008

By Enrico Giovannini, Chief Statistician of the OECD

Building on the results achieved by the Statistics Strategy over the last five years and following the mandate received from the OECD Council, the Committee on Statistics has prepared a plan for the biennium 2007-2008 that reflects the many challenges that will need to be faced in the years ahead by national and international statistical organisations. Measuring the impact of globalisation forms a central plank of this strategy. But measuring the impact of globalisation is not the only area where investment in statistics and the statistical infrastructure is necessary. Policy makers and analysts continue to stimulate the needs for new statistical work areas, one notable example being the measurement of the ‘well-being’ of societies.

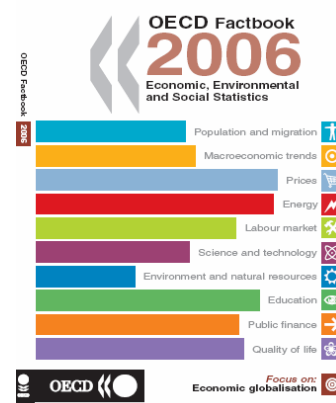
Coupled with these developments, the strategy also recognises and accommodates for the potential constraints to progress, such as the increasing concern for the protection of individuals’ privacy and the limited funding and statistical capacity in many developing economies.

Such institutional and political changes, as well as budget limitations, produce continuous changes in the division of labour both between and among national and international organisations (IOs). This may result in a mismatch between the demand and supply of international statistics, and in difficulties in formulating long-term plans for the development of new surveys or the ongoing improvement of statistical capacities, especially in international organisations and in developing countries.

These issues underline the fact that international organisations need to develop a more comprehensive strategy to help improve international and national statistics; a strategy that has to be built on strengthened partnerships between IOs and National Statistics Offices (NSOs). The Committee on Statistics has identified a number of core functions for OECD work over the next few years. While these will clearly, by themselves, not be sufficient to fully address the challenges faced by national and international statistical systems, they can make a major contribution, in the following areas:

- strengthening the “bridge function” between the EU and non-EU members of OECD;
- facilitating more pro-active interaction between the Committee on Statistics and other OECD policy committees;
- improving the quality of the statistical output of the OECD;
- continuing investment on OECD cross-cutting statistical infrastructures and policies; and
- strengthening the involvement of selected OECD non-Member countries in OECD statistical work.

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## The Bridge Function

Concerning the bridge function of the OECD, five areas merit special mention in the context of improving the international comparability of statistics:

**(1) Further improvement of co-operation with Eurostat.** Given the increasing use of legislation to define European Union (EU) statistical standards, it is important for the OECD and Eurostat to engage on issues pro-actively at early stages of the EU legislative process.

For significant issues the bridge function could also involve bringing together EU and non-EU countries.

**(2) A more precise evaluation of comparability issues** concerning key statistics across OECD countries. This would entail a further strengthening of surveillance of the implementation of international statistical standards.

The OECD bridging role is crucial in this respect and should be reinforced, in co-operation with other IOs. OECD statistical publications already provide a detailed description of departures from international standards, by country and by variable.

The OECD can make a significant contribution if it presented these results in a structured and easily understandable way both to policy committees and to the general public on the OECD Website.

**(3) Ex-post harmonisation of national data.** When there are long delays to countries meeting international standards the OECD should play (in co-operation with NSOs) a greater role in harmonising, ex post, the data collected from national sources for key statistical domains, by investing more in methodological work and by taking opportunities to modify the original data.

**(4) Improve the comparability and methodological transparency of statistics produced by emerging “global players”.** A special effort

is needed by the OECD in this area, in co-operation with other IOs, particularly for Brazil, China, India, Russia and South Africa. This would require a special investment to assess the quality of the key economic and social statistics in these countries and their involvement in the statistical work of the Organisation.

**(5) Developing more international surveys.** Given current trends, it is likely that, in forthcoming years, the national members of OECD policy committees will request the development of more international surveys such as the PISA project. It is important to ensure that such surveys benefit from the knowledge and expertise (both methodological and managerial) of NSOs.

Therefore, to ensure an on-going dialogue between policy committees (and their statistical working groups) and the Committee on Statistics it is necessary to maximise the exchange of information on new projects foreseen by the OECD at their very early stages. NSOs, who are normally in charge of co-ordinating the relationships between national statistical systems and international organisations, should be alerted by the Secretariat of its plans to design and launch new surveys.

### More Comparable and New Indicators

The OECD could also fruitfully address measurement issues from an international perspective in the following areas:

- Extend existing accounting frameworks to new domains; especially in the environmental and social fields.
- The measurement of stocks (physical, environmental and human capital, financial assets and liabilities, etc.) is becoming increasingly important. To evaluate the intergenerational effects of public policies, better and more comparable statistics on

stocks and wealth are necessary.

- The development of indicators to monitor policy outcomes and countries’ performance in specific domains is an important area of work for OECD policy committees. These activities should be further improved through better quality data and metadata provided by Member countries.
- The project on the follow-up to the *2004 OECD World Forum on “Statistics, Knowledge and Policy”* could also help in developing better indicators in specific areas, such as well-being, social capital, public governance, etc.

In addition to the domains covered by particular policy committees, the OECD is also well placed to develop **new horizontal products** covering multiple domains. Several OECD publications, (e.g. *Science and Technology Scoreboard*, *Health, Education and Society “at a Glance”*, etc.), present statistical information on relevant policy domains in a sound, integrated and attractive way. The recent *Factbook*, which avoids jargon and uses easily accessible presentations is a good example of this.

In this context, the OECD should identify **new ways to present statistics**, in order to reach both policy makers and national officials already involved in the OECD network, as well as a wider audience, both in Member and non-Member countries. In this way, statistics would become the leverage to ensure wider public interest in looking at the results of OECD analytical and policy work, favouring the transmission to a much larger audience of key messages coming from the Organisation. Especially important, in this respect, are the young, who represent future policy makers.

## Improving Data Transmission

The strategy also recognises the importance of improving data transmission between NSOs and IOs and advocates greater data sharing, in which the original data provider (be that an IO or NSO) disseminates data and metadata on its website, according to a specifically agreed format, that all IOs can access in real time. This approach avoids duplication of work, and reduces the potential for mistakes and inconsistencies. The OECD will extend this principle as far as possible over the next three years through the use of SDMX (Statistical Data and Metadata Exchange) standards currently being developed.

## Continuing investment in the statistical infrastructure

The credibility of the Organisation significantly depends on the quality of its statistics and the professionalism of its statisticians and analysts. They must be allowed to perform their role with efficient and advanced tools, so benefiting from efficiency gains that come from technological innovation. Therefore:

- The continuous development and update of the Statistical Information System ought to be supported with adequate resources.
- The investment in training for OECD statisticians should be strengthened.
- The implementation of the Quality Framework must be sustained, with resources allocated.
- The coherence, interpretability and accessibility of OECD statistics ought to be improved through the full exploitation of the Organisation's Statistical Information System.

## Dissemination

The availability of the OECD data warehouse represents a key opportunity to design and develop

publications using an integrated supply of on-line (updated in real-time) and paper products (produced as snapshots of the related databases, but enriched with charts and summary analytical and methodological information). New products should also be developed to make OECD statistics more usable in co-operation with NSOs. Contacts could be established with experts (including those in the private sector) in the management and dissemination of information and knowledge. Foundations could be approached to finance projects, as well as public institutions involved in e-government policies.

Official statistics are considered a public good in several OECD countries. In this context they are disseminated free on the Internet, while users only have to pay for paper-based publications and customised statistics. In a few countries, the loss of revenues in NSO budgets, that comes from the free dissemination of data that were previously sold, has been compensated by governments, as part of their investment in e-government initiatives. For the OECD, which has very tight budget constraints and which collects from its statistical products one-third of its total revenues from publications, the movement towards free on-line dissemination of all statistics is not possible under the present Publishing Policy.

On the other hand, it is clear that as national data providers move towards free dissemination of their data there is a real risk that IOs that do not apply a similar approach will seem out of step with national policies and be criticised for persisting with charged services, and will see a negative impact on their revenues based on the dissemination of what is essentially national data without any further value added.

In 2006, the Secretariat will prepare a paper on how to address the demand for free dissemination for joint consideration by various OECD Committees.

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## *Methodological Guide for Developing Producer Price Indices for Services*

*By Seppo Varjonen, OECD*

### Background

In OECD countries, services account for the main part of GDP. Yet, statistical systems are still disproportionately centred around goods and goods production. This is particularly true for producer price indices (PPI) where price indices for goods far outnumber those available for services. To improve the situation, OECD and Eurostat established a joint Task Force to prepare a guide for the compilation of services PPIs.

The guide focuses on developing PPIs for 'business services', i.e., for those services that are mainly consumed by businesses, and where price indices are, in general, relatively poorly developed. Some OECD countries for example have no PPIs in this area. Services predominantly for household consumption have better coverage because of consumer price indices.

The guide is intended to be complementary to the PPI Manual released by the IMF in 2004 which discusses the compilation of PPIs in general but does not include an explicit discussion of services PPIs. Because of the heterogeneity of services the guide also tackles specific services separately.

### Contents of the Guide

The guide discusses first the general issues encountered in PPI compilation. This part of the guide is followed by descriptions of index compilation for 19 service industries; selected according to their importance in terms of size and speed of technological change.

The **general** part of the guide is sub-divided into three chapters:

**Chapter 1** discusses various aspects in the compilation of

services PPIs, such, as their scope, price concept, timing of prices used, and the collection of prices and weights.

In **Chapter 2** a classification of pricing methods is established and each method is discussed in turn. Establishing a harmonised conceptual framework was seen of particular importance to improve the present situation where methodological discussions are hampered by inconsistent use of terms.

**Chapter 3** addresses practical aspects to be taken into account in the index compilation. Various phases of index development are discussed starting from industry descriptions up to assessing and maintaining indices.

**Chapter 4** describes PPI compilation for individual service industries. The presentations summarise present experiences; drawing heavily on material produced by the Voorburg Group. They explain first the contents of services and classification issues and then discuss methodological and practical aspects in the compilation of PPIs for the services concerned.

Early drafts of the guide were sent to countries in the course of the TF work and, thus, countries had a chance to give their provisional comments. The guide was also discussed at the Voorburg Group meeting in Helsinki, September 2005.

The guide can be interpreted as a living document that will be gradually developed as more experiences are gained. This particularly concerns Chapter 4 where development work is on-going in several countries.

The guide is not planned to be published as a hardcopy but will be available electronically on OECD and Eurostat websites, e.g.: <http://www.oecd.org/dataoecd/44/40/36274111.pdf>.

## Further Work

The continued development of services PPIs in 2006 includes:

- An OECD/Eurostat workshop on 16-19 October 2006 in Luxembourg. The aim of the workshop is to discuss the guide and give countries guidance in its implementation. The workshop is open to all OECD and EU member and candidate countries. The annual Voorburg Group meeting will be held the previous week in Wiesbaden, increasing the possibilities for non-European OECD countries to attend the workshop.
- The OECD has kept an annually updated inventory on countries' situation in the development of services PPIs for several years, (see <http://www.oecd.org/dataoecd/0/37/27257808.pdf>), which will be revised in line with the concepts and classifications developed in the guide. Also the contents and user-friendliness of the inventory will be developed further.
- PPI data for services will start to be collected for selected service industries. The PPI inventory shows that there are now about 10 service industries for which PPIs are available for a majority of OECD countries and 15 service industries where a PPI exists in at least one third of OECD countries. Time series data accompanied with inventory data and other information on methods will provide a good starting point for improving the transparency of price and volume data of countries and, in the longer term, comparability.

Inquiries on this article or any other issues related to services PPIs should be referred to [seppo.varjonen@oecd.org](mailto:seppo.varjonen@oecd.org).

## *The Luxembourg Wealth Study*

*Andrea Brandolini, Italian Central Bank, Eva Sierminska, LIS; Timothy M. Smeeding, Syracuse University*

The Luxembourg Income Study (LIS) (<http://www.lisproject.org>) has greatly enhanced comparative research on income inequality, poverty and social policy by assembling a large and harmonised database of national sources on household incomes. In 2003, twenty years since the LIS foundation, the attention has moved to household wealth, as institutions from nine countries – Canada, Cyprus, Finland, Germany, Italy, Norway, Sweden, the United Kingdom, and the United States – and the LIS itself, launched the Luxembourg Wealth Study (LWS).

The primary goal of the project is to assemble and to organise existing micro-data on household wealth into a coherent database, in order to provide a sounder basis for comparative research on household net worth, portfolio composition, and wealth distributions. After a test phase in 2006, the database will eventually be released to researchers world-wide through a remote access system and with the same rules as LIS income data. Maintenance and updating will be part of the regular LIS operation. Participation in the LWS project is open to any country that has the relevant information.

The ex post harmonisation of existing data is seen as the first stage of the project. The establishment of a network of producers and experts of data on household net worth aims at promoting a process of ex ante standardisation of definitions and methodologies. The elaboration of guidelines for the collection of household wealth statistics, as done for income by the Expert Group on Household Income Statistics and the Canberra Group in its *Final report and recommendations*

(2001) – is an important task for the foreseeable future.

LWS sponsoring institutions include statistical offices (Statistics Canada, Statistics Norway), central banks (Central Bank of Cyprus, Banca d'Italia), research institutes (German DIW, U.K. ISER through a Nuffield Foundation grant), universities (Abo Akademi University), and research foundations (Finnish Palkansaajasaatio and Yrjö Jahnsson Foundation, Swedish Council for Working Life and Social Research, U.S. National Science Foundation). Researchers from many universities and several other public institutions (Statistics Sweden, Banco de España, Oesterreichische Nationalbank, De Nederlandsche Bank, U.S. Federal Reserve Board, U.K. Department for Work and Pensions, U.S. Internal Revenue Service, OECD, World Bank) have taken part in different stages of the project.

The data sources included in the LWS database are listed in Table 1. All countries rely on sample surveys among households, sometimes supplemented with information from administrative records. Surveys differ by purpose and sampling frame. Some are specifically designed to collect wealth data, whereas others regard wealth as a supplemental variable. Over-sampling of the rich is implemented in few surveys. Definitions (e.g. unit of analysis, accounting period) and methods (e.g. imputation of missing values) are also not uniform across surveys.

The number of recorded wealth variables varies from a minimum of 7 in the UK-BHPS to 30 or more in the IT-SHIW, the NW-IDS and the US-SCF. Full documentation of each survey's features is an important constituent of the LWS archive.

The great variation in the amount of information recorded in each survey makes the construction of

comparable wealth aggregates a daunting task. After adjusting an ideal set of variables on the basis of the information actually available, the following wealth categories have been identified:

- *Financial Assets:* Transaction and savings accounts, CDs; Total bonds; Stocks; Mutual and investment funds; Life insurance; Pension assets; Other financial assets.
- *Non-Financial Assets:* Principal residence; Investment real estate; Business equity; Vehicles; Durables and collectibles; Other non-financial assets.
- *Liabilities:* Total home secured debt; Principal residence mortgage; Other property mortgage; Other liabilities (including lines of credit); Vehicle loans; Instalment debt (including credit cards); Educational loans; Other loans from financial institutions; Informal debt.
- *Net Worth:* Financial Assets plus Non-Financial Assets less Liabilities.

Totals and subtotals are obtained by aggregation.

A few preliminary results for Canada, Finland, Italy, Sweden, and the United States (Survey of Consumer Finances) illustrate the potential of the LWS. Table 2 shows large the variance in portfolio composition. The United States exhibit the highest preference for financial assets, followed by Sweden and Canada. Financial instruments are less important in Finland and Italy. The principal residence represents 60% or more of the value of total assets in all countries except the United States, where it accounts for only 43%. The ratio of debt to total assets ranges from a very low 3% in Italy

to 35% in Sweden. This evidence can be compared with that derived from aggregate balance sheets, a natural benchmark to assess the quality of the LWS micro-data. The comparison of micro and macro sources is an important topic for future research.

Micro-data are indispensable, however, in the detection of different patterns among households. Considering the age profiles plotted in Figure 1, Italy stands out as an outlier: the much flatter hump of debt-holding and home-ownership suggests that intergenerational differences may be different than in the other countries. In Sweden the share of home-owners tends to be lower than in other countries, and it is markedly so among the elderly.

Comparative analysis of wealth holding in advanced economies will greatly benefit from the availability of the LWS database. By virtue of the detailed work on the single items recorded in each survey, the LWS wealth aggregates are broadly comparable across countries. Yet, there remain important methodological differences in the underlying data that cannot be eliminated. Much can be done to improve the ex ante standardisation of methods and definitions, though it must be realised that perfect comparability cannot be achieved.

(The authors are very grateful to all sponsoring institutions and participants in the LWS projects. The views expressed here, however, are solely theirs, and do not necessarily reflect those of any of the sponsoring institutions.

For further information on the LWS project see <http://www.lisproject.org/lws.htm> or contact [sierminska@lisproject.org](mailto:sierminska@lisproject.org)

**Table 1. LWS Surveys**

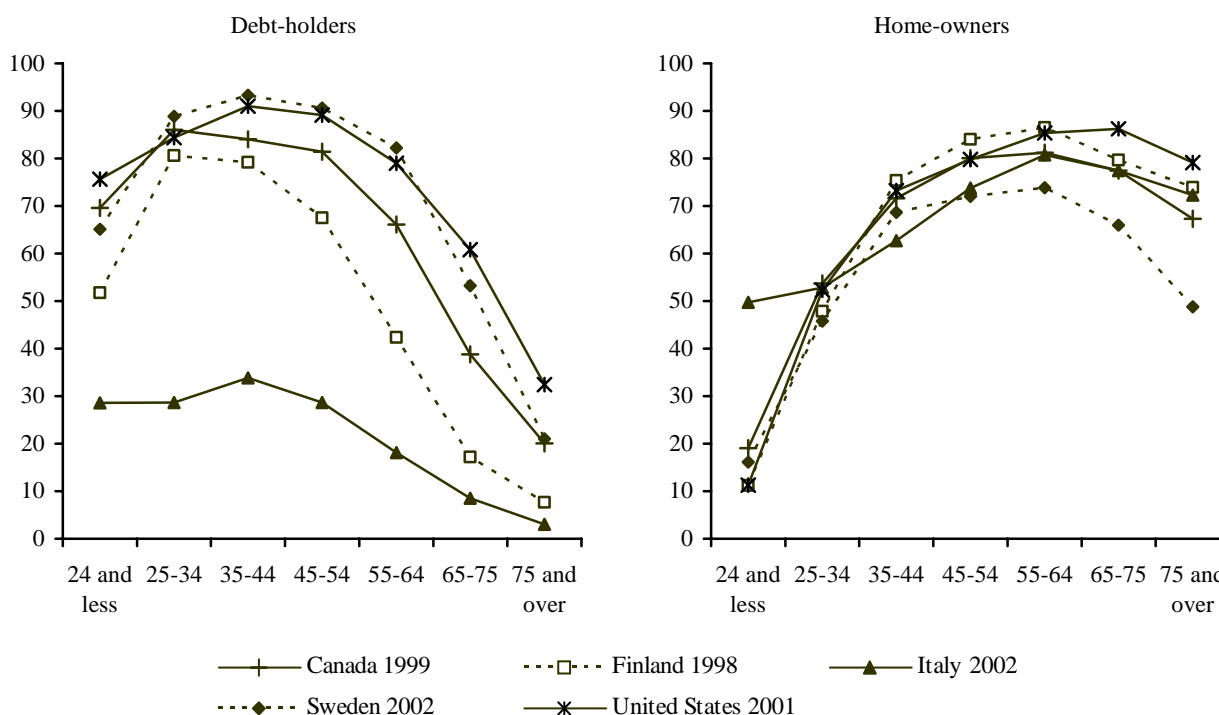
Country	LWS years	Name	Agency	Type
Canada	1999	Survey of Financial Security	Statistics Canada	Survey (over-sampling of wealthy)
Cyprus	1999, 2002	Cyprus Survey of Consumer Finances	Central Bank of Cyprus and University of Cyprus	Survey (over-sampling of wealthy)
Finland	1994, 1998	Household Wealth Survey	Statistics Finland	Survey & administrative records
Germany	2002	Socio-Economic Panel (GSOEP)	Deutsches Institut Für Wirtschaftsforschung (DIW) Berlin	Survey (over-sampling of wealthy)
Italy	1998, 1995, 2002	Survey of Household Income and Wealth	Bank of Italy	Survey
Norway	1997, 1999, 2002	Income Distribution Survey	Statistics Norway	Survey & administrative records
Sweden	1997, 1999, 2002	HINK	Statistics Sweden	Survey & administrative records
United Kingdom	2000	British Household Panel Survey	ESRC	Survey
United States	1998, 2001	Survey of Consumer Finances	Federal Reserve Board and U.S. Department of Treasury	Survey (over-sampling of wealthy)
	1999, 2001	Panel Study of Income Dynamics	Survey Research Center of the University of Michigan	Survey

**Table 2. Household portfolio composition in five LWS surveys (percentage share of total assets)**

Wealth component	Canada 1999	Finland 1998	Italy 2002	Sweden 2002	United States 2001
Financial assets	22	16	16	28	41
Deposit accounts	9	10	9	11	10
Stocks	7	6	1	6	14
Mutual funds	5	1	3	9	14
Bonds	1	0	3	2	3
Non-financial assets	78	84	84	72	59
of which: Principal residence	64	64	67	61	43
Real estates	13	20	17	11	16
Total assets	100	100	100	100	100
Total debt	26	16	3	35	20
of which: Home secured debt	22	11	2	n.a.	17
Total net worth	74	84	97	65	80

Source: LWS database, preliminary version. Household weights are used. Shares are computed as ratios of means.

**Figure 1. Fraction of debt-holders and home-owners, by age of household's heads in five LWS surveys (per cent)**



Source: LWS database, preliminary version. Household weights are used.

## ***Analysis of Revisions for the Index of Industrial Production***

*By Richard McKenzie, OECD*

The index of industrial production (IIP) is generally regarded as the best short-term quantitative indicator of expansions and contractions in production activity for an economy. However it is also renowned for its volatility in the short-term which can reflect both the nature of industrial activity and the degree of error associated with compiling this statistic. An aspect of this error concerns the frequent, sometimes significant, revisions that are made to first published estimates. This issue and many others associated with three important dimensions of statistical data quality – accuracy, timeliness and coherence – have been explored in a recent study by the OECD on revisions analysis of the index of industrial production for OECD Member countries, Brazil, India, South Africa and the Russian Federation. This article presents the main findings from this study.

### **Comparing Revisions across Countries**

In almost all countries the size of mean absolute revisions to first estimates of year-on-year growth rates for the IIP are non-ignorable and increase the longer the interval from the first estimate, with revisions being much larger after an interval of 1 and 2 years compared to a shorter interval of 3 months. The graphs at the end of this article display this data for all countries included in the study.

It is relatively difficult to distinctively group countries into those with say high, medium or low mean absolute revisions as there appears to be a degree of similarity across a large number of countries.

Taking into account the size of mean absolute revisions to first estimates of year-on-year growth rates for 3 different intervals (after 3 months, one year, 2 years), one

could say that Belgium appears to have the highest revisions and Poland the lowest. The ranking of other countries varies slightly depending on which revision interval is considered and the degree of difference between countries is not substantial.

### **30th CEIES Seminar "Consumer Protection Statistics"**

CEIES, the European Advisory Committee on Statistical Information in the Economic and Social Spheres and Eurostat, the Statistical Office of the European Communities is organising the above-mentioned seminar on 1 and 2 June 2006 in Ljubljana, Slovenia. All information on the Conference can be found on the Circa website. Documents for the conference will also be progressively uploaded onto the site, address as follows:

<http://forum.europa.eu.int/Public/irc/dsis/ceies/library>

Please choose the folder "Seminars 21-30" and then "30<sup>th</sup> CEIES Seminar".

### **Statistical Significance of Revisions to the IIP**

Mean revisions to the IIP between first estimates of month-on-previous-month and year-on-year growth rates and those published 1 year later were assessed for statistical significance for all countries. Mean revisions to month-on-previous-month growth rates were found to be statistically significantly different from zero for Greece, Belgium and India. Mean revisions to year-on-year growth rates were found to be statistically significantly different from zero for

Belgium, India, Russian Federation, Turkey, Germany, Euro area, France, Great Britain and Korea. The existence of mean revisions to IIP growth rates that are statistically significantly different from zero represents a quality concern for these countries IIP.

### **Reliability of First Estimates**

First estimates of month-on-previous-month growth rates for the IIP should not be considered a reliable indicator of the magnitude of short-term changes in the volume of industrial output. On average across all countries, first estimates of month-on-previous-month growth rates are revised by two thirds of their initial value within one year.

However, first estimates of the month-on-previous-month growth rate in the IIP can be assumed to give a reasonably reliable signal of the direction (i.e. expansion or contraction) of recent changes in industrial activity, with the sign of first estimates being the same as that one year later more than 70% of the time in over 90% of countries.

On the other hand, first estimates of year-on-year growth rates are shown to provide a more robust measure in terms of magnitude, being revised on average across all countries by only 24% of their initial value with one year.

### **Is There a Trade-off Between Timeliness and Accuracy?**

There is no systematic empirical evidence to support the hypothesis that a trade-off exists between timeliness and accuracy. In fact, this study finds some weak evidence to support the contrary conclusion that those countries with more timely estimates for the IIP have a greater tendency to have lower mean absolute revisions. Furthermore, four countries were investigated that had improved the timeliness of their IIP within the analysis period.

Of these, three had lower mean absolute revisions to first estimates after the improvement in timeliness compared to the period before.

### Coherence between the IIP and GDP in Industry and Benchmarking

A reasonably high degree of coherence between growth rates of the IIP and valued added volume in industry from the national accounts is apparent for most countries.

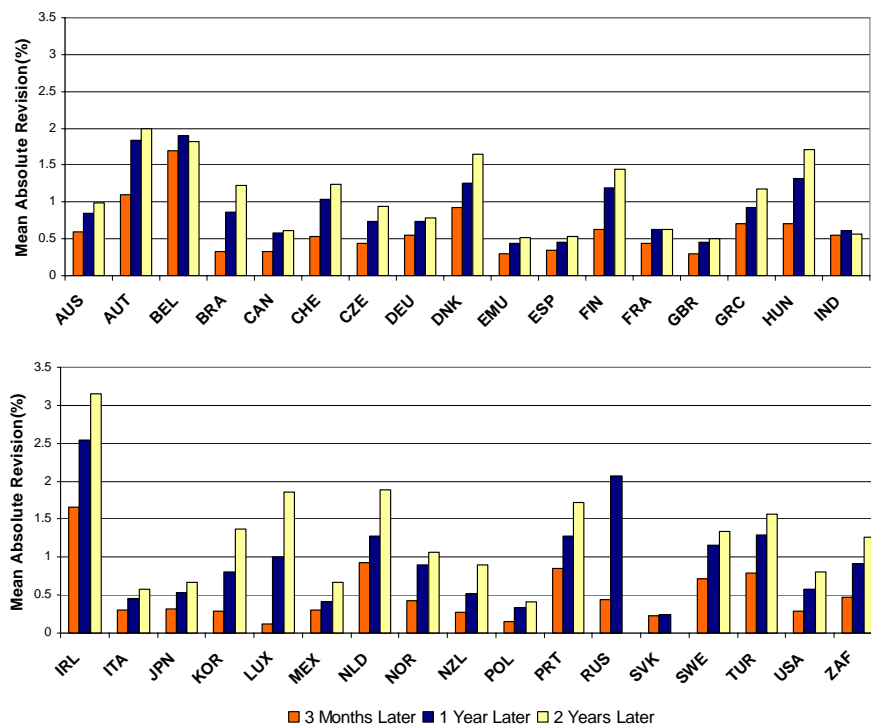
However, exceptions to this rule exist for Denmark, Slovak Republic, Czech Republic, Luxembourg, Greece and Switzerland which casts quality concerns over these countries' IIP.

There does not appear to be systematic empirical evidence that those countries that benchmark the index of industrial production to annual value added volume in industry from the national accounts have higher long-term revisions (i.e. measured 2 years after the initial estimate of IIP) relative to other countries which do not benchmark.

### Mean Absolute Revision to First Estimates of Year-On-Year Growth Rates for the IIP

The data used for this study was extracted from the OECD *Main Economic Indicators Original release data and revisions database* – a unique facility permitting users to undertake revisions analysis of 21 key economic variables published at monthly frequency since February 1999 in the OECD *Main Economic Indicators* publication. This facility, which will soon be made freely available on the OECD website, will also enable economists to assess the real time performance of their econometric models – by testing them on original (first) published data which will be available in this database. Detailed data on revisions and associated summary statistics for all countries relating to this study can be found in the OECD Revisions analysis database for the index of industrial production at [http://www.oecd.org/document/0/0,2340,en\\_2649\\_34237\\_36508672\\_1\\_1\\_1\\_00.html](http://www.oecd.org/document/0/0,2340,en_2649_34237_36508672_1_1_1_00.html)

For further information contact [Richard.mckenzie@oecd.org](mailto:Richard.mckenzie@oecd.org).



### Usage Skills of Statistics via the Internet

Statistics Finland's eCourse in Statistics offers, free of charge, a total of five study modules on different statistical topics via the Internet.

ECourse in Statistics contains versatile information on statistics: it makes the basic concepts of statistics familiar and explains the backgrounds of statistical research as well as how statistical data can be used. On eCourse in Statistics you can learn about the basics of statistical thinking and how to read and use statistics. Other subjects that can be studied include demographics, national accounts and indices. eCourse in Statistics also offers instructions and hints for searching for statistical information.

The target group of eCourse in Statistics is users of Statistics Finland's Internet pages. The study material is suitable for educational institutes as support for mathematical and social subjects. The study material requires no prior statistical knowledge, so it is also appropriate for adult students in search of general information. The material intended for self-study includes exercises and examples of actual statistical data.

The eCourse in Statistics web pages can be found at [http://tilastokeskus.fi/tup/verkkokoulu/index\\_en.html](http://tilastokeskus.fi/tup/verkkokoulu/index_en.html)

Inquiries: Ms Reija Helenius  
+358 9 1734 3677

## **Women and Men in OECD Countries**

By *Valentina Kostyleva*,  
OECD

In autumn 2006 the OECD will be releasing a new publication that paints a statistical picture of key differences between women and men around the member countries.

Gender issues have been a part of the OECD's work for a long time and a wide range of statistics is currently collected and disseminated. To highlight the gender related work throughout the Organization and provide some key facts for a wide audience the OECD has decided to release a publication focussing on gender statistics. It will present data in a systematic and coherent fashion to paint a picture of the socio-economic status of women and men across OECD member states.

The working title for the publication is "Women and men in OECD countries". The publication will include a selection of key socio-economic indicators and will provide a window into the more detailed work of the OECD (a one stop shop for those wanting a fast introduction to the wealth of gender-related data held by the Organisation). The publication will be built around some key themes, each reflecting an important area of socio-economic wellbeing. The list of subjects includes demography, migration, health, education, work, lifestyle and wages. Differences between sexes will be shown using various key indicators. Examples include "employment rates", "percentage of women and men in parliament", "self-employed women and men", "obesity by gender", "causes of death by gender", "graduates by field of study and by gender", "tobacco consumption by gender", etc.

Aimed at a wide audience, the publication will be compact and will use the most recent available data, presented in straightforward tables and charts with brief

commentary. It is envisaged that each main topic will be presented in just two pages of data and commentary. The publication will be free and available on both the web and in hard copy. The online version will contain longer time series and more metadata than the paper version.

The publication aims to compare gender statistics across OECD Member States, but some non-members country examples will occasionally be used to expand the geographical scope of the comparisons and to help present OECD figures in a global context: a "Did you know?" section for example will highlight interesting facts and figures and go beyond the OECD member states.

Special attention will be given to the male/female population split at the regional level. This is important because national aggregates can sometimes mask a more varied sub-national picture (e.g. the movement of migrant workers within a country might lead to regional imbalances in the gender ratio).

The work on the gender project is a coordinated OECD effort from various directorates. The Directorate for Employment, Labour and Social Affairs, the Statistics Directorate, the Directorate for Education and other directorates are collaborating to provide data and commentary. In this regard, the publication will follow a similar approach to that used for the successful OECD *Factbook 2006* to ensure the overall coherence of the volume. Some of the excellent national and international gender statistics' publications that others have released are also influencing the publication's design.

The specific objective of the publication is to present and to promote the work in production and dissemination of gender related data. The publication will help the OECD to present and promote its work on gender-related data, to

make this work more visible, to address emerging issues and will offer a wide audience some readily digestible information on gender statistics in OECD countries.

Depending on the success of the publication, the plan is to release annual updates, with one-off thematic pieces that explore certain aspects in more detail.

For further information contact:  
[valentina.kostyleva@oecd.org](mailto:valentina.kostyleva@oecd.org)

### **OECD Forum 2006, Centre de Conférences Internationales, Paris, 22-23 May 2006**

#### Agenda of OECD Forum 2006

- Solving global economic imbalances
- Optimising the contribution of financial markets to economic growth
- Reaping the full benefits of technology and innovation
- Managing global challenges like pandemics and natural disasters
- 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

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## NEWS IN BRIEF

### Estimates of the Unrecorded Economy and National Accounts

*Declaration of the ISWGNA, January 2006*

The degree to which official national accounts estimates cover the economy differs among countries. Statistical authorities of some countries make explicit and comprehensive estimates of activities not recorded from the usual data sources—be it because these are illegal, underground, or simply outside scope (See the UN-ECE survey of some national practices of estimating the non-observed economy:

<http://www.uncece.org/stats/publications/non.observed.economy.pdf>). In other countries, statistical authorities do not provide such estimates, a situation that sometimes prompts unofficial estimates. These unofficial estimates may have a sound statistical underpinning, but many are based on bold assumptions and few actual data. The Inter-secretariat Working Group on National Accounts (The ISWGNA gathers representatives of the five international organizations (UN, IMF, WB, OECD, European Commission) who have co-signed the international manual SNA 93 (System of National Accounts, 1993).

(ISWGNA) feels it is necessary to alert users to the limited value of these unofficial estimates in terms of reliability and accuracy.

Unofficial estimates are often based on macro economic models. For instance, they may assume a fixed relation between the size of the economy and money in circulation. Such methods may yield grossly exaggerated results, attracting the attention of politicians and newspapers and thereby gaining wide publicity. The OECD-ILO-IMF-CIS manual on measuring the non-observed economy

([http://www.oecd.org/document/49/0,2340,en\\_2649\\_34253\\_2463473\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/49/0,2340,en_2649_34253_2463473_1_1_1_1,00.html)) rejects such “macro-model” methods because these methods suffer from serious problems that cast doubt on their utility for any purpose in which accuracy is important. In particular, they are completely unsuitable for use in compiling the national accounts.

### Special session of the Task Force on Insurance Statistics and avenues for revisiting the current insurance statistics framework

In 1992, the OECD Secretariat designed a questionnaire to collect data on insurance statistics based on a common framework and definitions. Since then, the OECD Secretariat has collected statistics from Member countries and Singapore, which has an observer status at the OECD Insurance Committee, on an annual basis. The Secretariat disseminates the results to the public in the ‘Insurance Statistics Yearbook’, which is available in both paper and electronic versions. 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 by analysts and researchers.

The Financial Affairs Division of the Directorate for Financial and Enterprise Affairs has identified some areas where improvements can be made to the exercise in order to embrace recent internal and external developments. The process of refining the exercise has been launched and insurance experts from OECD countries gathered in a Special Session of the Task Force dedicated to insurance statistics on 31 March 2006.

During this meeting the availability of more detailed data on the liability/investment sides and the life/non life sides was discussed. The OECD Secretariat made proposals to improve the timeliness of the data collection and to develop additional indicators for analytical purposes (see table below).

#### Additional Indicators

- *Claims ratio = (Gross claims paid + Variation of Gross Outstanding Claims Provision) / Gross Earned Premiums*
- *Operating ratio = Operating Expenses / Gross Written Premiums*
- *Combined ratio = “Claims ratio” + “Operating ratio”*
- *Solvency ratio = Required Solvency Margin / Available Solvency Margin*
- *Reserve ratio = Liabilities / Gross Written Premiums*
- *Patrimonial Structure and Capitalization*
  - *Investments / Technical Provisions*
  - *Capital and Reserves / Technical Provisions*
- *Profitability*
  - *Profit or loss for the financial year / Gross Written Premiums*
  - *Profit or loss for the financial year / Capital and reserves (2 years mean)*

Concerning the timeliness, it was agreed that the OECD would collect the information earlier to come up with a data set with a one year lag (currently we collect the information with a two years lag). The OECD would collect the information in September 2006, asking for preliminary or estimated data accounting for 2005. Then, countries would be requested, if necessary, to revise the data very early in 2007.

Building on the preliminary data, selected indicators would be presented in a newsletter to be disseminated in December 2006 while the data collected later in 2007 would be published in the ‘Insurance Statistics Yearbook’.

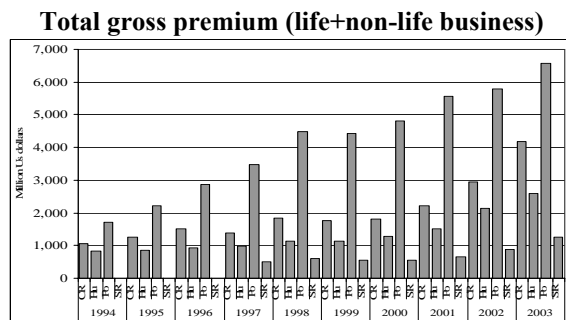
To complement the Global Pension Statistics exercise, the group also agreed on a new breakdown for life

insurance contracts to be included in two of the insurance statistics questionnaire tables.

It was also decided that for the sake of coherence between the OECD pension and insurance statistics exercises, the group would seek further harmonization between the investment products categories used under these two unique exercises. For further information contact: [jean-marc.salou@oecd.org](mailto:jean-marc.salou@oecd.org)

## The Insurance Sector in Central Eastern Europe

This note presents some key characteristics of the insurance markets in Central Eastern European countries based on the OECD Insurance statistics yearbook (1994-2003). The trend emerging during this period indicates that the insurance market in CEE countries is growing. The figure below shows that Poland recorded the highest total gross premium in the region.



The Czech Republic has the highest ratio of direct gross premium to GDP, which represents a relatively large percentage of the insurance industry in the domestic economy. However, it is still considerably lower than the OECD average. In 2003, it achieved an insurance penetration rate of 4.1%, while the OECD average was 10.1%. Despite these developments, the region covered only nearly 0.5% of the total gross premium of the total OECD countries' insurance market at the end of 2003.

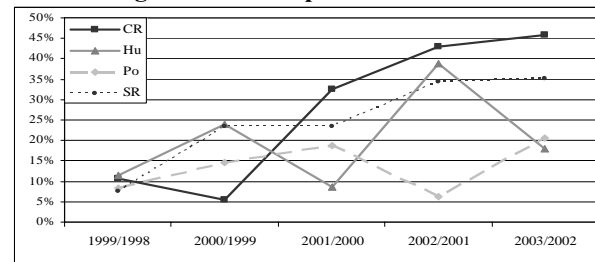
The data provide empirical evidence the large majority of the insurance sector in CEE countries is made up non-life business.

During 1998-2003, the Slovak and Czech insurance markets saw a tendency for insurance companies to consolidate, while in Hungary and Poland many new players appeared on the market. Accession to the EU (2004) introduced the freedom to provide cross-border services and there is a keen interest on the part of insurance companies from the original EU countries in obtaining operating licences.

Looking at the growth rate of premium in life business, the most intensive development can be found in the Czech Republic. Within the life insurance business unit-linked policies deserve special attention, because of the special character of the policy and the dynamic development of this line of business. For instance, in

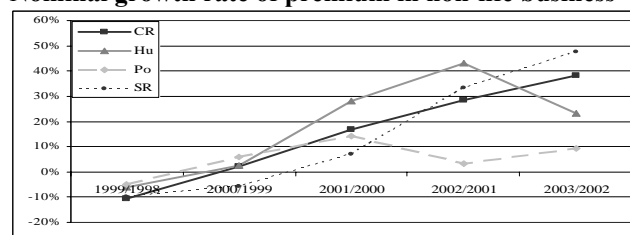
2003, the unit-linked insurance represented 37.5% of the total life premium in Hungary and 32% in Poland.

### Nominal growth rate of premium in life business



Non-life business expanded significantly in all four countries. The figure below shows a steady growth in the Slovak Republic during the past few years.

### Nominal growth rate of premium in non-life business



The growth of the non-life insurance sector can mainly be attributed to motor vehicle insurance. It covers more than 50% of the non-life gross premium in each country. Although the motor vehicle gross premium is relatively low in the Slovak Republic, the share within the total non-life gross premium is the highest in the region. Due to the liberalisation of the Motor Third Party Liability business, more competition has developed in the market.

While the reinsurance business in CEE countries is not well developed, figures show that the proportion of retained premium (in both life and non-life business) seems to be very high. Not only is the amount of premium received for reinsurance purposes (active reinsurance) very low, the passive reinsurance activity is also insignificant. Active reinsurance activity is highest in Poland. Compared with the OECD average (12.3% in 2003), the ratio of reinsurance accepted in non-life business in the region is extremely low. Even in Poland, it was only 1.5%.

Finally, statistics show that in Hungary, the capital adequacy ratio was 198.8%. However, due to modifications in the calculation of the minimum security and regulatory capital following EU accession, this percentage started to decrease. The Czech Republic also recorded a very high solvency margin ratio. The level of solvency was 389% for the life insurance sector and 275% for the non-life sector in 2003.

For further information, contact: [Rozinka.Edina@pszaf.hu](mailto:Rozinka.Edina@pszaf.hu)

## RECENT PUBLICATIONS

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

### ▲ Education Policies for Students at Risk and those with Disabilities in South Eastern Europe: Bosnia-Herzegovina, Bulgaria, Croatia, Kosovo, FYR of Macedonia, Moldova, Montenegro, Romania and Serbia

This publication is part of the project on Education Development for Students at Risk and those with Disabilities in South Eastern Europe. This project was carried out by the OECD within the framework of the Stability Pact for South Eastern Europe. It contributes to the countries' efforts to adjust their education reforms to the EC principles as outlined in the EU "Detailed Work Programme on the Follow-up of the Objectives of Education and Training Systems in Europe". More specifically, the countries' efforts focus on the objective of widening access to quality education and ensuring equal opportunities for all. The respective country reports are supplemented by a general overview on the situation of special needs education in South Eastern Europe.

These reports are part of the OECD's ongoing co-operation with non-member economies around the world.

### ▲ Fishing for Coherence: Fisheries and Development Policies

For millions of people in developing countries, fisheries represent a means of livelihood, a source of food and nutrition, and a source of wealth for economic growth. Fish often constitutes the sole source of protein for many people, especially the poor. Yet the risks to sustainable fisheries are high. Three quarters of global marine fisheries are overexploited or fully exploited, and the pressure on fish stocks is increasing. Demand for fish in the developed countries, which currently absorb 80% of traded fish, is increasing while the demand for fish in developing countries is likely to augment as income levels rise.

For OECD and non-OECD countries alike, the global fisheries situation poses topical questions of coherence between development and fisheries in a number of policy areas. This publication examines these questions and proposes a framework for in-depth analysis of coherence issues in five main policy areas where fisheries and development policies interact, namely environmental, technology, economic, social, and governance policies. The framework is illustrated with ten concrete country and regional case studies, analysing issues that range from international fishing agreements and the relationship between industrial and artisanal

fishing fleets to fisheries trade and development policies, as well as fisheries development and poverty reduction.

For the researcher – as for the consumer and connoisseur – this book also offers a glossary to help the reader understand commonly-used, as well as more exotic, French and English terms for fish and seafood.

### ▲ Taxing Wages: 2004/2005 – 2005 Edition

Taxing Wages provides unique information on income tax paid by workers and social security contributions levied on employees and their employers in OECD countries. In addition, this annual publication specifies family benefits paid as cash transfers. Amounts of taxes and benefits are detailed program by program, for eight household types which differ by income level and household composition. Results reported include the marginal and effective tax burden for one- and two-earner families, and total labour costs of employers. This year's issue includes a special feature entitled "Part-time Work and Taxing Wages".

### ▲ Innovation in Pharmaceutical Biotechnology: Comparing National Innovation Systems at the Sectoral Level

What are the specific characteristics of innovation in pharmaceutical biotechnology? How do biopharmaceutical innovation systems in OECD countries perform and which policies are suitable to foster performance?

This publication examines the innovation system in pharmaceutical biotechnology in eight OECD countries - Belgium, Finland, France, Germany, Japan, the Netherlands, Norway and Spain. The report summarises the results of in-depth studies, providing a comparative analysis of participating countries' performance in science and innovation in biopharmaceuticals. It highlights specific characteristics of the national biopharmaceutical innovation systems in terms of their international openness and the specific role of demand-side factors in the innovation process. Major systemic failures affecting the functioning of the biopharmaceutical innovation systems are identified. Based on rich evidence, the report draws policy recommendations to foster innovation in biopharmaceuticals advocating an integrated policy approach.

This study forms part of a larger effort to compare innovation processes in different industry sectors and technological fields to provide policy guidance and to more fully elaborate the national innovation systems (NIS) approach to policy making.

## DATABASE OF THE MONTH

### The OECD System of Information on Resources and the Environment

The OECD has played a key role in the provision of harmonised international data on the environment and assisting countries in improving their environmental information systems for 25 years. Building on several OECD Council Recommendations, the related database aims at developing, through appropriate co-ordination, objective, reliable and comparable environmental information at the international level and at establishing effective mechanisms to inform decision-makers and the public. It provides essential information for the OECD's policy and analytical work concerning the environment and sustainable development, in particular for calculating **environmental indicators**, assessing countries' **environmental performance** and developing **environmental outlooks**.

#### Data collection, treatment and quality assurance

Most data result from a biennial data collection and treatment process. They have been collected from member countries since 1982, directly by means of a questionnaire and from other international sources, the OECD itself and other international organisations and multilateral convention secretariats. The data are treated, harmonised and their quality checked with countries before they are published. They are then used in analytical and evaluative work, and serve as a basis for calculating environmental indicators. This process provides regular feedback to the Secretariat and to countries on major data quality issues and gaps.

#### International co-operation and outreach

International co-operation is ensured both at world and regional level, and through the Inter-Secretariat Working Group on Environment Statistics (IWG-ENV). The data collection for European Union countries is done jointly with Eurostat. The subsequent data treatment is closely co-ordinated. The United Nations Statistical Division (UNSD) together with UNEP uses a simplified version of the questionnaire to collect data from other countries in the world. Co-operation also exists with the UNEP Mediterranean Action Plan MEDSTAT project and with other international organisations and agencies, including the European Environment Agency (EEA) and with non members, mainly China, Chile and Russia.

#### Scope and coverage of the data

Physical and economic data on the environment are organised within a conceptual framework building on the pressure-state-response model. The data cover environmental issues, including direct pressures, such as pollutant emissions, waste generation, use of natural resources, natural disasters, industrial accidents, and related environmental conditions. They also cover economic activities generating pressures on the environment: energy, transport, industry, agriculture, as well as instruments used to manage the environment, such as environmentally related expenditure and taxes, and international conventions.

#### Dissemination and publication

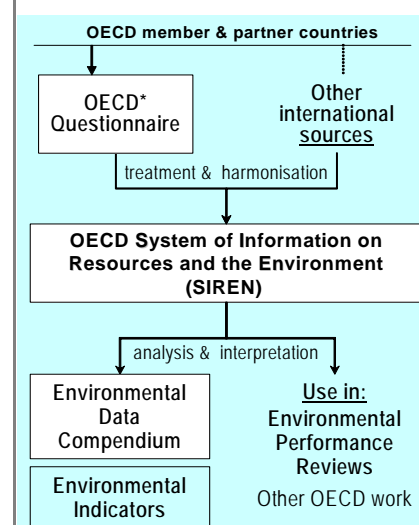
The data are maintained in the form of Excel spreadsheets available from OLISnet and via a dedicated password protected committee website. A transfer of key data series to the OECD statistical information system is foreseen. The data are published regularly since 1985 in a Compendium of OECD Environmental Data, as well as via publications on environmental indicators. Key environmental indicators are available on the OECD's public website.

#### The OECD initiative on environmental data quality

OECD countries elaborated in 2002 a common strategy and action plan on environmental data quality. In line with the quality framework for OECD statistics, it proposes measures to consolidate and progressively improve the quality of the collected data, fill gaps, improve data relevance for national and

international work, and increase the cost-effectiveness of the underlying data production processes.

The data are derived from various sources and fit into an overall scheme of data compilation on resources and the environment (SIREN - OECD System of Information on Resources and the Environment).



\* used jointly with Eurostat and co-ordinated with UNSD and UNEP.

The work is steered by the OECD Working Group on Environmental Information and Outlooks, composed of Delegates from Environment Ministries and Agencies and from National Statistical Offices. This double competence enables the WGEIO to link its data and indicators work closely to policy demands and analysis.

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**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](mailto: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: 16 June**

**Contributors in this issue:**

Andrea Brandolini, Italian Central Bank; Eva Sierminska, LIS; Timothy M. Smeeding, Syracuse University; Enrico Giovannini, OECD/STD; Valentina Kostyleva, OECD/STD; Myriam Linster, OECD/ENV; Richard McKenzie, OECD/STD; Edina Rozinka OECD/DAFFE, Jean-Marc Salou, OECD/DAFFE; Seppo Varjonen, OECD/STD.

## ***Forthcoming OECD Statistics Meetings***

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

<b>2006</b>	
<b>23-24 May</b>	OECD Ministerial Council Meeting (MCM), French Ministry of Foreign Affairs (Quai d'Orsay), Paris
<b>29-31 May</b>	Working Party of National Experts on Science and Technology Indicators (NESTI), <i>Directorate for Science, Technology and Industry</i> (STI), Berlin Germany
<b>6-7 June</b>	DAC Working Party on Statistics, <i>Development Co-operation Directorate</i> (DCD), Paris
<b>12-13 June</b>	Committee on Statistics, <i>Statistics Directorate</i> (STD), Paris
<b>13-15 June</b>	Conference of European Statisticians, <i>Statistics Directorate</i> (STD), Paris
<b>19-21 June</b>	CRELL/OECD Workshop on Measuring Well-being and Societal Progress, <i>Statistics Directorate</i> (STD), University Cattolica, Milan Italy (this workshop is one of several events the OECD is co-ordinating as part of the World Forum project "Statistics, Knowledge and Policy").
<b>21-23 June</b>	Joint UNECE/Eurostat/OECD Meeting on the Management of Statistical Information Systems (MSIS), Sofia, Bulgaria
<b>26-28 June</b>	OECD Short-Term Economic Statistics Working Party (STESWP), <i>Statistics Directorate</i> (STD), Paris
<b>11-14 September</b>	7 <sup>th</sup> International Trade Statistics Experts meeting & OECD/EUROSTAT meeting of Experts in Trade in Services Statistics, <i>Statistics Directorate</i> (STD), Paris
<b>14-15 September</b>	Meeting of Experts on Health Care Quality Indicators, <i>Directorate for Employment Labour and Social Affairs</i> (ELS), Paris
<b>17-18 October</b>	Workshop on International Investment Statistics, <i>Directorate for Financial and Enterprise Affairs</i> (DAF), Vienna Austria

## ***Other Statistics Meetings***

<b>2006</b>	
<b>11-14 June</b>	International Symposium on Forecasting, 2006, Santander, Spain, further information: <a href="mailto:isf2006@pacifico-meetings.com">isf2006@pacifico-meetings.com</a>
<b>20-23 September</b>	28 <sup>th</sup> CIRET Conference (Centre for International Research on Economic Tendency Surveys), Rome Italy <a href="http://www.ciret.org/conferences/rome2006">http://www.ciret.org/conferences/rome2006</a>