



STATISTICS DIRECTORATE

STD/STESEG(2003)13
For Official Use

OECD Short-Term Economic Statistics Expert Group

**OECD SUMMARY OF NATIONAL PRACTICES TO REDUCE COST AND BURDEN TO
RESPONDENTS AND NATIONAL STATISTICAL ORGANISATIONS**

Paris, 26 - 27 June 2003

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JT00146221

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A. BACKGROUND AND INTRODUCTION

This paper summarises contributions submitted by national agencies in 16 countries, outlining their work to reduce the cost and reporting burden both to themselves and their respondents, to be discussed at the June 2003 meeting of the OECD Short-term Economic Statistics Expert Group (STESEG).

Many national statistical agencies in OECD Member countries and elsewhere are faced with the imperative of reducing the cost of collecting data, both to meet declining budgets, and to reduce enterprise reporting burden. To do this, agencies now make greater use of a variety of techniques and practices to bring about the required reductions and efficiencies. Whilst the development and implementation of improvements in this area is primarily a matter of action by national agencies, delegates at the June 2002 STESEG meeting nevertheless believed that the Expert Group would provide a useful forum for sharing and discussing experiences across countries in this area. These practices, which are summarised in Part B of this paper, include:

1. more efficient sample design leading to possible reductions in sample sizes;
2. greater use of administrative data. Whilst differing institutional environments between countries probably preclude any significant benefits from any comparative studies on the types of administrative data being used by different countries, there may be benefit in sharing experiences (successes?) that some countries have had in influencing the quality (e.g. timeliness) of administrative data provided by other agencies;
3. use of new data collection/data capture techniques, including the internet, for collecting information from respondents. STESEG could provide a forum for the exchange of information on recent innovations in this area;
4. the adoption of more efficient processing procedures;
5. processes for improved communication with respondents to gain their co-operation.

To this end, all participating countries at the June 2003 STESEG meeting were asked to provide a brief paper outlining practical specific examples of initiatives that worked (and did not work) in reducing the costs and reporting burden to respondents and statistical agencies. These will be discussed as an agenda item at the meeting and placed on the OECD website. The following summary incorporates practices, etc, submitted by: Austria (Statistik Austria); Belgium (Banque Nationale de Belgique); Denmark (Statistics Denmark); Finland (Statistics Finland); Germany (Federal Statistical Office); Hungary (Hungarian Central Statistics Office); Luxembourg (STATEC); Mexico (INEGI); New Zealand (Statistics New Zealand); Norway (Statistics Norway); Poland (Central Statistical Office); Russian Federation (Goskomstat); Slovak Republic (Statistical Office of the Slovak Republic); Switzerland (Federal Statistical Office); United Kingdom (ONS); United States (US Census Bureau).

Individual country papers used in the preparation of this summary are available on the 2003 STESEG website at www.oecd.org/std/meeting-papers.

All of the countries that submitted background papers highlighted the importance of developments in this area. In some instances the requirement or need for such reduction is embodied in their national statistical legislation. NSOs in many OECD countries are charged with the responsibility of reducing not only the burden caused by their own statistical collections, but also with a key co-ordinating responsibility with respect to statistical collection activity undertaken by other government agencies as well, with the aim of reducing the overall statistical burden of government in general.

B. AREAS OF SPECIFIC ACTIVITY

All of the countries reported use of a variety of tools in their armoury to reduce reporting burden and to achieve reductions in costs. Different tools were designed to target specific groups of respondents. For example, the use of collection cut-offs based on enterprise size were aimed at minimising the impact on small (or smaller) business. However, for reasons of statistical accuracy large businesses were often included in all collections with little prospect of being rotated out, other solutions were used to minimise the burden on those businesses, e.g. more efficient data capture techniques, use of tailored questionnaires, linking data collection with accounting records, etc.

Practices to reduce reporting burden (reduction of sample sizes through use of cut-offs) almost always reduced the cost to the NSO as well, although other practices required considerable lead time and setup costs to implement, e.g. use of administrative data and the implementation of new data capture/collection processes.

Rather than their introduction on an ad hoc basis for individual collections/surveys, some agencies see the need to develop an overall strategy or a series of specifically engineered complementary strategies, together with some process for measuring the impact in terms of efficiency gains, or more importantly the reduction of reporting load on the business community. Some countries have an obligation to report such savings in annual reports or other reports to government. Examples of such measurement outlined in the country papers are provided below in Part C.

1. Survey design

Direct data collection is used by all OECD Member countries, particularly for short-term indicators where administrative source data are either not available or timely. A number of NSOs (e.g. Germany, Russian Federation) have examined the potential of making greater use of sample surveys and more efficient survey designs to reduce respondent burden. Such processes also provide opportunities for the dissemination of more timely data through the compilation of first (flash) releases for key short-term indicators.

Use of cut-offs in Most countries reported the traditional use of cut-offs of various sizes (based on collections employment or turnover) to reduce the reporting burden on small businesses, particularly for infra-annual collections where such burden is regarded as being particularly acute and where reductions are a high priority for government. The aim is to ensure that a high proportion of production activity (e.g. 90% or more) is incorporated in these collections.

The size of the cut-off varies between countries and between collections in individual countries. Typically, cut-offs are: 5 employees (Denmark), 20 employees (Austria); annual turnover of EUR 1 000 000 (wholesale trade) or EUR 250 000 (retail trade) – Germany. The implementation of such cut-offs for infra-annual collections can significantly reduce the reporting burden of smaller enterprises with little significant impact on the quality of the indicator.

Some countries substitute data from administrative sources (such as taxation data) or estimates in lieu of direct collection to top up data for small business.

The use of size cut-offs, in particular, for short-term statistics invariably means that the burden of direct collection falls heavily on larger enterprises. These enterprises are either completely enumerated and/or sampled. NSOs have adopted

a range of other means to minimise the load on these enterprises (such as those described below). Some NSOs also make use of shorter questionnaires for small and medium sized enterprises.

Rotation of reporting units Many countries rotate small to medium sized reporting units after a specified maximum period (UK, 15 months for small business and 15-27 months for medium sized enterprises) where this is practical. Some countries even mandate a survey “holiday” for specified minimum periods (UK, minimum of three years for small enterprises; US (BoC), 10 years after two years of reporting by small and medium sized enterprises in the Quarterly Financial Report).

Problems include the fact that such cut-offs may shift the reporting burden to a smaller number of large businesses which are included with certainty. In some ISIC/NACE activity classes there may only be a limited number of (even medium sized) units in each stratum. Some countries attempt to overcome reporting problems in these instances through use of special data collection processes involving the use of field interviewers.

Co-ordinated survey design across individual collections A number of NSOs undertake co-ordinated survey design across different collections to ensure that, as far as possible, (particularly small enterprises) are not asked to provide data for different monthly, quarterly and annual surveys.

Verification of sample design efficiency Some countries (Denmark, US) routinely check the efficiency of their sample designs. Analyses are undertaken to see if efficiency could be increased using information from related variables, e.g. administrative data, in the enumeration. Danish experience has shown that sample sizes can typically be reduced by 15-25% through such means. A similar process commenced in Mexico in 2001 increased coverage in some collections and allowed reductions in sample size of around 30%.

2. Use of administrative and other sources of data

Almost every country reported the greater use of administrative data in lieu of direct collection for at least some sectors or components of a statistical collection. Use of such data reduces on-going collection costs to the NSO and the reporting burden on respondents. The statistical law in some countries (Finland) states that the primary data source for statistics should be data collected in another context, e.g. by other government agencies. Similar laws ensure NSO access to such data for statistical purposes and also provide the NSO with the authority to submit proposals concerning how an administrative data processing system should be designed so that it may be used for statistical purposes (Norway). In Finland about 94% of all data collected by Statistics Finland comes from administrative registers. The other 6% is collected directly from respondents using a range of collection instruments. The use of administrative data is facilitated by the use of a common identifying code for enterprises in different administrative registers. However, in some countries (Slovak Republic) administrative sources are not yet accessible by NSOs for statistical purposes except for register maintenance, etc.

Despite the already extensive use of administrative data most NSOs still rely on direct collection for most or a substantial part of their data requirements either because administrative data are not available, of the required quality (in terms of concepts and classifications used, and activity coverage) or timeliness. The possible negative impact of using administrative data on timeliness is particularly important for short-term indicators. The ONS for example states that use of such data for their Index of Production would result in a

four week delay in the availability of the indicator (i.e. from 5.5 weeks after the reference period to around 9.5 weeks). Furthermore, administrative source data are also more vulnerable to change in terms of concepts used, coverage, etc, to meet changing political circumstance of the agency responsible. Another issue to be addressed in use of administrative data include correlation/matching of the units in NSO business registers with the units contained in administrative sources to avoid gaps and duplications. etc. To be undertaken efficiently, this ideally entails the use of enterprise numbers or tax numbers where available.

As shown below, some NSOs have worked with administrative source agencies to alleviate some of these problems in order to make use of such data. However, this requires an investment of resources on the part of the NSO, frequently over a number of years.

Country	Administrative source(s) used
Austria	<ul style="list-style-type: none"> • social security data for the monthly employment index in the service sector (currently used); • social security data as far as possible for the production and service sector (starting with sample surveys – January 2003 onwards); • monthly advance VAT returns to tax authorities. Statistics Austria is currently analysing their usability. Austria plans to use monthly VAT for the quarterly turnover index for Other Services (NACE H, I, 72, 74) starting in the 3rd quarter 2003 as reference period.
Belgium	<p>Several short-term indicators disseminated by the Central Bank and the NSO use a range of administrative sources. These include:</p> <ul style="list-style-type: none"> • indices of investment and sales turnover in agriculture, industry, construction, domestic trade and other services – based on tax statistics; • monthly licenses to build, and building commencements; • motor vehicle registration data.
Denmark	<p>Several short-term indicators disseminated by Statistics Denmark use a range of administrative source data:</p> <ul style="list-style-type: none"> • 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.
Finland	<ul style="list-style-type: none"> • VAT data and employer's payments return data are used extensively as a source of data on turnover, wages and salaries for industry, construction, trade and other services and for some volume indicators. VAT data is available approximately 2 months after the end of the reference month and the employer's payments return data are available one month after the end of reference month. The data is revised for a period of six months. The first data covers from about 70% to 90% of turnover and about 80% to 95% of wages and salaries. With the use of these administrative registers Statistics Finland publishes turnover

- Germany
- A draft law currently in parliament in Germany will provide a source of monthly turnover data from tax authorities and local unit based data on employees by the Federal Institute for Employment. The FSO will evaluate the possibility of using such data as timely sources of information for selected short-term service activity indicators. The use of such information has the potential for removing the need for existing quarterly surveys which will reduce both respondent load NSO costs.

The FSO is also examining the possibility of using such information to accelerate the inclusion of business start-ups and to provide more up-to-date frames. If such improvements turn out to be feasible, a further study will be made to find out whether, and to what extent, such improvement of quality could permit a reduction of sample sizes.

The draft law is expected to be passed in the second half of 2003 with the possibility of FSO analyses of administrative data commencing in 2004 for possible implementation by 2006 and 2007.

- The FSO has also examined the feasibility of replacing survey data with estimates to both enhance timeliness and reduce respondent burden. Such techniques are currently used in:
 - German results for the Harmonised Index of Consumer Prices (HICP);
 - quarterly GDP;
 - retail trade turnover and employee data

- Luxembourg
- Several short-term indicators disseminated by STATEC use a range of administrative sources such as VAT and social security data for the compilation of sales turnover indices and the number of people employed in retail trade and the services sector. There are a number of obstacles still to be overcome by STATEC to the use of tax data, such as prohibitions on accessing individual information, divergent definitions and delays in the availability of data.

- New Zealand
- Use of tax data in the Annual Enterprise Survey to significantly reduce the number of smaller businesses requested to provide data.
 - Sub-annual redesigns for the quarterly Economic Survey of Manufacturing (QMS), quarterly Wholesale Trade Survey (WTS) and monthly Retail Trade Survey (RTS) have focused primarily on the use of goods and services tax (GST) data, although use is also made of employer monthly PAYE returns (EMS) data from New Zealand Inland Revenue (IRD).

Use of tax data in sub-annual survey redesigns has included the use of:

- GST data (together with employment counts) in bi-variate stratification to optimise sample selection. This has enabled sample design and selection to be significantly more efficient in terms of required sample size for a specified level of sample variance; and
- GST and EMS data to model variables for small to medium-sized units that would otherwise have been eligible to receive a postal questionnaire.

The use of administrative data in sub-annual economic survey designs has allowed Statistics New Zealand to significantly reduce compliance costs, particularly for small and medium-sized enterprises. Over 80% of the units in the QMS and WTSZ populations are no longer potentially eligible to receive a questionnaire. These units are predominantly small and medium-sized enterprises for whom the burden of completing such questionnaires is disproportionately high. Consequently, although the aggregate reduction in respondent load for these collections has been between 25% and 30%, the effective reduction on the small units in the population has been effectively 100%.

While the reduction in sample size which has resulted from the use of administrative data in the design and operation of these surveys has meant that there has been a reduction in certain operational costs (e.g. postage and printing), it should be noted that the added complexity in methodology has meant increased costs in terms of monitoring and evaluating the performance of the tax modelling processes.

- Following the implementation of the redesign of the Retail Trade survey, the intention is for Statistics New Zealand to extend the scope of the quarterly sub-annual collections to include selected services industries. This will involve investigations into the nature of the information to be collected, as well as into the feasibility of using administrative data to supplement the direct collection (as with QMS and WTS).
- There are also plans to further investigate the use of Electronic Funds Transfer Point of Sale data (EFT-POS) as a possible alternative to (or supplement for) the existing monthly Retail Trade collection. Preliminary investigations have determined that there is considerable potential for using the EFTPOS data in this way. Further work is however required in relation to privacy and confidentiality issues associated with the use of this data.
- Statistics New Zealand also recognises that it will need to increase its efforts with the agencies such as IRD to obtain, where practical, changes in timing, access and quality of administrative data so that it can better exploit the opportunities for its use in statistical applications.

Norway

- In 2000 Statistics Norway received funds for the Information and Data Exchange with Business project (IDUN). These funds cover Statistics Norway's part of the cooperation project with Tax Authorities and the Brønnøysund Register Centre, the Norwegian official register of legal units. The funds are also intended to cover internal projects on electronics data reporting. The aims of the project are to:
 - reduce the response burden for businesses;
 - offer good electronic communication solutions as quickly as possible;
 - prepare for two-way communication; and
 - co-ordinate with other public authorities.

Poland

- Investigations are currently underway to use Ministry of Finance tax-system data:
 - for updating the statistical register;
 - as a tool for the quality control of data from statistical surveys;
 - to provide information for supplementing missing data;
 - as the source of additional variables used in indirect estimation for small business;

- for ongoing studies being conducted in a number of areas such as the reduction in the number of questions;
- as the direct source of data for new surveys.

Current investigations involve checks on the consistency, etc, of administrative and statistical data. Such checks entail the use of a number of identification numbers PESEL¹, REGON² and NIP³.

- United States
- Use of Internal Revenue Service (IRS) data has resulted in considerable reduction of reporting burden for small businesses including:
 - over 2 million small employer firms and 11 million businesses with no paid employees in the Economic Census. The use of IRS data has eliminated millions of hours of reporting burden, reduced processing costs, and increased processing efficiency while extending coverage of all US businesses.
 - replacing a door-to-door area sample survey conducted for current business programs with administrative record information, relieving approximately 39 000 new or non-employer businesses of all reporting burden.

3. New data collection techniques

Rather than the adoption of a single “magic bullet”, most NSOs are looking at or have implemented a variety of tools that can be used across a number of collections and surveys. This has resulted in a new more heterogeneous data capture environment where respondents may be in a position to select the approach that best fits their requirements. High capital and development costs for some technologies and processes mean that implementation may only be worthwhile if adopted for a number of collections and surveys. This has resulted in some NSOs rethinking their current organisational and geographic setup.

Whilst the implementation of new collection techniques has the potential to reduce costs over the longer term, several NSOs pointed out the need to be realistic in terms of development effort and resources required. Statistics Norway mentioned that the integration of new routines into statistical subject matter collection processes required higher costs than initially calculated. Furthermore, data are now collected using a greater variety of tools (traditional questionnaires, telephone or CATI-solutions, diskettes, e-mail and the web). They cautioned that one should not underestimate the work required to organise good data collection routines and develop new production routines for the different statistics. The integration of data and management information from EDR with other collecting methods is very important. They have also experienced that one respondent can for one month use the web solution and the next month send the traditional paper form. Co-ordination between the different collecting methods is essential.

¹ PESEL - the National Register of Population;

² REGON – the National Public Register of National Economy’s Entities;

³ NIP – the Number of Tax Identification;

Country	“New” data collection tools
Austria	<ul style="list-style-type: none"> • Electronic Questionnaire (e-Quest) – developed by Statistics Austria in co-operation with a specialised company. Designed for complex surveys. More detailed information is available at: http://www.statistik.at/equest/equest.shtml or by the United Nations Economic Commission for Europe (http://www.unece.org/stats/documents/2002/02/edr/15.e.pdf). • Web Interface (Webformular) – Used to transmit data where only a limited number of variables are collected. In 2002 retail trade, repair and wholesale trade companies were invited to use the internet to report data. After about one year about 50% of reporting units respond in this way. Another 25% use fax. Refer (http://www2.statistik.gv.at/kjhweb/kjh.jsp). <p>On-line questionnaires will also be used for the production sector in 2004, though due to complexity in that sector, implementation will be limited to smaller enterprises with less than 20 employees.</p> <ul style="list-style-type: none"> • Emails – greater use of emails is made where ever possible to reduce dispatch times (e.g. reminders).
Belgium	<ul style="list-style-type: none"> • Rationalisation of surveys collected by different institutions and greater collaboration between data collection agencies. Specific work here entailed the rationalisation of different surveys at the national and regional levels to collect consumer confidence data.
Denmark	<ul style="list-style-type: none"> • E-portal and electronic questionnaires - Statistics Denmark has set up a special internet portal for enterprises in private-public co-operation with VIRK AS. Data still has to be keyed in by respondents. From 1 October 2003 all forms used in co-operation with the enterprises will be placed on this common internet portal for public authorities, the idea being that enterprises only need to address one place to find all forms for public authorities. The common key for the enterprises is their unique 8-digit enterprise number (CVR number). Statistics Denmark has around 75 forms aimed at businesses. A number of issues are still being resolved, e.g. security. • EDI - The notion behind EDI is that data are derived directly from the respondents' own administrative system. In the <i>Letløn</i> (Easy Wage) project all data on wages from enterprises could be supplied directly by 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.
Finland	<ul style="list-style-type: none"> • Internet based data collection – Statistics Finland's use of internet-based questionnaires has already started to reduce the costs of data collection even in its early stages. Development of internet-based collection of data has started for some monthly and quarterly inquiries (e.g. building costs, turnover, volume of industrial output, inventory etc).

In the monthly turnover inquiry (about 2 000 enterprises) the number of respondents using internet-based questionnaires grew very rapidly during the first months of implementation – to around 70% of respondents. Electronic data collection enables individual feedback to respondents, for example comparison of turnover growth in the

enterprise and its activity class. The e-mail reminder with a link to the questionnaire makes it easier for a respondent to fill the inquiry in time. Feedback from respondents has been very positive as they feel that response burden has been significantly reduced.

From the statistical agency's point of view, electronic data collection has reduced manual data processing and made the process of data collection more effective. Mass e-mailer is used to send initial data requests, reminders and feedback to respondents, when previously all communication was done by mail or telephone. The quality of data has improved through data validation, which means that additional information is asked automatically if data is not comparable. The data transfers directly to collection database and from there it is transferred to production database, whereas before the data were manually entered onto the database.

Germany

- Germany has been active in the area of internet-supported data collection for the past few years, with data collection via the internet commencing in 2000 when the FSO introduced the w3stat declaration system in its intra-Community trade statistics (<http://w3stat.destatis.de>). That system was followed by the "Online-Verfahren für die Verdiensterhebung im Bayerischen Landesamt für Statistik und Datenverarbeitung" (online survey of earnings of the Bavarian Land Office for Statistics and Data Processing), which was introduced in 2000 (<http://www.statistik.bayern.de>). In addition, the Land Office for Data Processing and Statistics of North Rhine-Westphalia has provided the "Statistik-Online"(statistics online) procedure since January 2002, which facilitates data supplies for several statistics via the internet (<http://www.statistik-online.nrw.de>).

At present, the majority of the Land statistical offices offer tools for online reporting via the internet for one or several of their statistics. Those Land offices which, for organisational reasons, do not yet offer any online tools for statistical reporting, will do so no later than during 2003.

Having been considerably extended, the w3stat system of the FSO, now also offers 'internet declaration channels' for other central statistics such as domestic trade, cost structure, air transport, and extra-Community trade statistics. Other statistics will be included in the future.

The w3stat system not only facilitates the submission of declarations to the FSO it also offers additional services which are of great value to respondents comprising:

- declaring data by means of an internet form
- plausibility checks of data submitted
- uploading files into different systems
- printing / storing temporarily / saving declarations
- providing explanatory notes online
- correcting auxiliary information such as addresses online
- providing automatic information on when and for what kind of statistics declarations have been submitted
- ensuring high security standards

- Luxembourg
- STATEC has experimented with the use of electronic questionnaires for a limited number of their collections. Access to the questionnaires is undertaken by connection to a protected site which allows for the completion of a PDF file which may then be sent electronically to STATEC. Data providers are given the opportunity to select the method that suits them most (mail, email (EXCEL files), fax or telephone. Utilizing this experience, STATEC plans to develop electronic questionnaires for other collections.

- Mexico
- INEGI commenced using the internet to apply questionnaires to firms and other economic units in 2002. To date, this approach to data collection has only been moderately accepted by respondents mostly due to their reluctance to invest time in learning how to answer via the internet (which some see as an unnecessary complication), and technical problems (such as interruption of communications) and distrust of sending relevant information through the internet (even though the site is “secure”).

Nevertheless, INEGI expect to convince many respondents through an intense promotional effort intended to show the advantages of the use of the new technology, which may allow it to jump from the current 10% to around 40% of economic units answering the questionnaire via the internet. The successful implementation of this collection vehicle will result in resource savings to INEGI and help provide more timely data.

- Norway
- Three agencies, Statistics Norway, the Tax Authorities and the Brønnøysund Register Centre started a common project called the System for electronic tax return account for businesses (SLN). This entailed the development of a system where the respondent can extract data from existing sources within their accounting system or register information into a pre-defined form that has the same layout as the paper form. This entails the use of software that has to be installed into the respondent’s computer system. After installation there is a possibility to extract the information directly from the respondent’s accounting system or register information into an electronic questionnaire. Before the information is sent by e-mail or diskette there is format-control, signature routines, encryption, sending routines and receiving routines at Statistics Norway or the Tax Authorities.

The data sources used so far comprise account data, administrative register data (employment/wages) and production data. For the moment companies can submit annual tax data with the balance sheet from internal accounts data and send E-forms manually filled in at the respondent’s desktop.

- Statistics Norway is also developing an electronic reporting channel via the internet. The project commenced with the assumption that there should not be any need for the respondent to undertake any investment in extra equipment, software or licences. The system has been implemented for several surveys, namely the:
 - monthly retail trade index
 - quarterly investment statistics for manufacturing
 - monthly production index for manufacturing
 - monthly turnover statistics for manufacturing
 - quarterly order statistics for manufacturing

An important feature of the system is two-way communication between the respondent and Statistics Norway. For some of the surveys each respondent receives a report containing their own reported data. There are also plans to develop some analyses where the respondent's data can be compared with aggregated data for their activity group. There are also links to relevant statistics.

Statistics Norway has implemented Secure Socket Layer to their server so that the information is encrypted on the respondents' workstation and then sent to Statistics Norway or the other way for control or reports.

- Norway has also implemented the collection of monthly retail turnover data from the head offices of retail chains in lieu of direct collection from individual stores within chains. This approach has reduced the burden on local shops and improved the quality of the statistics obtained.

Russian Federation

- Over the last couple of years Goskomstat has experimented with the use of minicomputers in the collection and initial processing of CPI data throughout the 89 regional statistical committees in the Russian Federation. The implementation of such technologies, which is now underway for the monthly collection of information on prices and the weekly recording of consumer prices, will reduce collection costs and improve the quality of data through reducing the amount of manual input. Goskomstat is now considering the use of this technology for other collections such as household budget surveys.

Slovak Republic

- In order to simplify the process of completing the monthly survey on industrial products, commencing in 2001, a special diskette is sent to respondents together with the paper questionnaire. The diskette contains an updated version of the PRODCOM list including the last changes to PRODCOM codes and all questionnaires required in the surveyed year. The enterprise may provide data electronically and send it to the regional office responsible for data collection and processing. The diskette also contains feedback with the results of last publication. The questionnaires are generated twice per year with the enterprise receiving a personalized questionnaire with prescribed product codes.
- The Slovak Republic has also commenced use of electronic forms for their business tendency surveys. By the end of 2003 it is expected that around one third of respondents will use these questionnaires to provide data.

Switzerland

- The FSO has conducted encouraging experiments with eSurveys to collect data. Around 10%-20% of respondents accept the use of such collection instruments.

United Kingdom

- A number of business surveys now provide the option of returning data using Telephone Data Entry (TDE) to supply data to the ONS. TDE allows the contributor to key the required information using their telephone keypad and is best suited to simple inquiries collecting up to eight or so data items. The benefits to the business are that the data is validated to some extent at the point of entry and they are given the opportunity to explain suspect data.

United States

- The US Bureau of Census has aggressively expanded electronic reporting capabilities in a number of programmes. Their experience has demonstrated that implementation of new processes, technologies, etc, requires substantial Census Bureau resources and significant changes to existing processing systems. Specific applications implemented to date include:
 - Electronic reporting in the annual Company Organization Survey (COS). This has been embraced by respondents. In 1999, 400 000 establishments reported electronically, 450 000 in 2000, and 500 000 in 2001. In all three years the response rate for electronic reporters exceeded the overall response rate by 2-4%. More importantly, electronic reporters report earlier than the paper form filers. Since electronic reporting offers the most benefits to large companies that are requested to fill out multiple requests, the acceleration in reporting is important in permitting the Bureau to release their annual economic statistics in a more timely manner. Feedback from respondents using electronic reporting has indicated that they also experience costs savings, for some of the larger respondents by 25%.
 - The Bureau introduced an internet off-the-shelf filing option in 1999 permitting on-line interactive or batch filing of export information. Around 4 700 companies use this facility.
 - Electronic reporting capability been expanded to include the Annual Survey of Manufacturers, the Quarterly Summary of State and Local Tax Revenues, the Quarterly Survey of the Finances of Public Employee Retirement Systems, and the Annual Survey of Government Employment. Electronic reporting is also now being offered to three of the Bureau's principal economic indicator surveys, foreign trade statistics program, the Quarterly Financial Report (QFR) program, and the Manufacturers Shipments, Inventories, and Orders Survey (M3).
 - The Bureau has implemented computerized self interviewing systems that permit businesses to enter information using Touchtone Data Entry (TDE) systems for selected surveys. These systems provide reporting flexibility by allowing companies to report any time of day or night. For example, currently more than 1 200 companies use TDE monthly to report in the Manufacturers Shipments, Inventories, and Orders Survey (M3). This technology is also offered in the monthly Building Permits program and the Monthly Advance Retail Trade Survey (MARTS).

Future plans include:

- a 2004 initiative that would permit businesses to file electronically in any one of almost 100 current economic surveys. If funded, the expansion will take place over four years; and
- the use of Extensible Markup Language (XML) and Extensible Business Reporting Language (XBRL) in Census work. XBRL provides a XML-based framework through which the business information supply chain can use to exchange and analyse financial data.

4. New processing procedures

Development of harmonised electronic processes and procedures This entails the more systematic use of harmonised corporate tools for different phases of the collection, processing and dissemination cycle, e.g. data verification. Many of these complex changes are in the process of development, in lieu of “fixes” to individual collections.

Standardisation of procedures, etc Some NSOs (Statistics Denmark, Goskomstat – Russian Federation) have systematically introduced common (best practice) procedures across many of their collections. Such practices encompass the formulation and corporate wide use of common guidelines for elements such as questionnaire design (including instructions), survey design (including rotation and co-ordination of collections involving small enterprises), reminder policy, handling of questions from respondents, feedback to respondents.

An elaboration of this approach entails the use of a single integrated questionnaire (Hungary, Switzerland, United Kingdom) or set of questionnaires to collect a range of data for different sectors (industry, construction, services) using common variable definitions, etc. Such methods reduce the number of collections and approaches to enterprises for information.

Some countries have programmes of formal reviews for their business surveys (UK every three years) to ensure that they continue to meet user needs and that survey processes (including data capture and questionnaire design) are appropriate and efficient.

The ONS, in their contribution state that validation and editing is one of the most time consuming processes in the production of official statistics, accounting for up to 40% of survey costs. Yet follow-up to many validation failures result in no change and many editing changes have negligible effect on survey estimates. Some are even thought to introduce further errors.

In view of this, recent research in the ONS on data editing processes for business surveys has focused on developing new methods that would improve efficiency, without impacting adversely on data quality. A major element in this has been the development of suitable methodologies for selective (or significance) editing, an approach which selects for follow-up of validation failures only those contributors where the likely size of the correction is expected to make a material difference to the results.

Selective editing was first applied to the Monthly Inquiry for the Distribution and Services Sector (MIDSS), where it was found to reduce the number of cases followed up by around 35%, without any adverse effect on the quality of survey outputs. It has since been successfully implemented on a further four major business surveys, including the Monthly Production Inquiry (MPI).

Inter-agency co-operation The United States has taken this process further through formalised interagency arrangements. The 1993 Statistics 2000 Task Force, chaired by the Census Bureau with representatives from the Bureau of Economic Analysis (BEA) and the Bureau of Labor Statistics (BLS), identified 34 specific opportunities to reduce the reporting burden on businesses; eliminate or reduce duplicate data requests; facilitate and

simplify business reporting; and improve the efficiency of Federal statistics programs.

The single most important recommendation called for legislation to permit broader sharing of data among Federal statistical agencies for exclusively statistical purposes. This became a reality with the enactment of the Confidential Information Protection and Statistical Efficiency Act of 2002, part of the E-Government Act of 2002. The new law will protect the confidentiality of proprietary information companies supply to the federal government on surveys, will reduce companies' reporting burden by eliminating duplicate surveys, and will improve national economic information.

A further example is co-operation between the United States and Canada in the compilation of cross-border export trade whereby Canadian imports from the US are used to measure US exports to Canada and US imports from Canada measure Canadian exports to the US. The US Bureau of Census has estimated that this has relieved US exporters of 3.8 million hours or reporting burden each year since 1990.

Business register design The US Census Bureau has created sub-company organisational links on their business register which allows the Bureau to match requests for financial and similar information to current company organizational structures and record keeping methods, making it easier for organizations to respond to census and survey requests. Aggregated reporting units are widely used in retail, wholesale, and service current surveys and for 'networked' industries in the 2002 Economic Census.

Organisational restructure A small number of statistical agencies are considering significant organisational restructure to obtain full advantage of efficiencies to be gained from the introduction of new technologies which are frequently expensive to acquire and implement. Such changes may entail the creation of processing centres responsible for "despatch", collection and input editing of a range of different surveys/collections. Such approaches involve the move away from subject matter based processes commonly used by most statistical agencies.

Scanning of paper questionnaires Statistics Austria plan to scan all incoming non-electronic questionnaires as a base condition for full electronic further processing.

Statistics Denmark is currently conducting trials with optical reading of paper forms for two statistics. The idea is to have optical reading integrated in the statistical production process to avoid the need to key in data. It is also easy to find questionnaires again as pictures on the screen. The forms, which have been read optically, have to be validated as usual, but staff do not need to look at forms which fulfil automatic validation rules. The goal is to outline a system covering all statistics by the end of 2003. The main efficiency beneficiary will be Statistics Denmark as forms will be stored electronically, including those received on paper. A decision still has to be made as to whether optical reading is going to be performed internally or externally.

5. Improving respondent co-operation

All NSOs recognise that the key to obtaining timely and reliable statistics is to gain the willing co-operation of both individual reporting enterprises and key associations. A variety of processes are used

Expanded provision of free information via the internet.

Most NSOs (Austria, Denmark) provide an expanding amount of data free of charge on their internet sites. The situation has changed in recent years with greater recognition by statistical agencies of their public good role in extending the availability of key statistics to the community at large.

The significant expansion of data (and metadata) available on the internet also provides a useful vehicle for national agencies to disseminate information to a number of international organisations through adoption of a data sharing model.

Other NSOs (Norway, Banque Nationale de Belgique) have taken specific action to increase respondent use of aggregated data as an offset to their cost in providing data. This is done through the provision of detailed aggregated analyses for their sector.

Co-operation with respondent associations and large business

NSOs are more active in their co-operation with key respondent associations. These include chambers of commerce. Some agencies (Statistics Austria) confirm such co-operation in the form of “co-operation contracts”.

Other NSOs systematically involve key associations and large respondents early in the survey development phase to give them the opportunity to influence the design and content of new collections. Specific examples of this are:

- The ONS Small Business Forum (SBF) that is currently being established. The role of the SBF will be to enable representatives of small businesses to work in tandem with ONS business survey managers, and the Department of Trade and Industry's Small Business Service, to provide input into business survey procedures and their likely impact on small businesses. One of the first tasks of the SBF will be to help assess prospects for setting a limit on the statistical survey load for businesses with fewer than 20 employees. It is envisaged that over time the SBF will assist the ONS in critically evaluating many of the compliance reducing initiatives in terms of reducing the load on small business.
- Cognitive testing by the US Bureau of Census in the development and testing of the questionnaire collecting data for the new economic indicator in the Services Sector, the Quarterly Services Survey. Testing plans include exploratory interviews with trade association representatives and business respondents to identify variables that indicate future economic activity in services industries, specify their measurement and determine business respondents' ability to provide requested data. Results will guide questionnaire design. Draft questionnaires will be subjected to two rounds of cognitive testing with business respondents to evaluate question wording, order and formatting, availability of requested data and likely estimation strategies when data may not be easily retrieved.
- The US Census Bureau established the 2002 Economic Census Account Manager program to support and provide resources for the 1 000 largest companies to complete their census forms. These businesses account for nearly 500 000 business locations and over a third of US employment. More than 140 Census Bureau statisticians and economists have been assigned as Account Managers to work with these companies.

New respondents Several NSOs pay particular attention to new survey respondents through the provision of detailed back ground information about the survey, the usefulness of the data not only to government and the business community as a whole but also to the individual reporting unit itself, emphasising data confidentiality. Some agencies offer other forms of inducements in addition to these to provide data such as a restricted number of lottery tickets to households (BNB).

In 2001 Statistics Denmark informed enterprises in advance if they had to provide data for five or more statistics. At the beginning of the year enterprises received a list providing a description of the statistics.

Obtaining respondent preferences with regards data collection The implementation of new collection strategies is often a slow process with respect to both development (to overcome technical difficulties and problems of ensuring data confidentiality) and implementation. Respondents are sometimes reluctant to adopt new processes. To overcome the latter problem and to identify potential barriers to implementation, some NSOs (Mexico in 2001 and more intensely in 2002) have conducted special surveys of on-going respondents in short-term economic indicator surveys to identify their preferences with respect to a number of options for providing data. The aim has been to gauge attitudes towards non-traditional instruments, etc.

C. MEASUREMENT OF REPORTING BURDEN

A number of the reporting NSOs cited activities to systematically measure the reporting burden on business. The varied approaches outlined in the background papers are provided below.

Austria	Use of telephone based interviews in co-operation with respondent associations.
Denmark	Statistics Denmark has estimated and published the size of the reporting burden since 1996 ⁴ .
Germany	<p>The FSO has decided to empirically measure respondent burden represented by the major primary surveys it conducts. The process involves gathering information at the time of direct collection on key issues such as:</p> <ul style="list-style-type: none"> • Who has needed how much time for answering the questions for certain kinds of statistics? • What are the sources of the data submitted? Have they been taken from business accounts or been specifically compiled for the purpose of official statistics? • What difficulties have been faced, and how could the collection of data be made easier?

The results will identify issues of particular concern to respondents, the intention being to use such information for targeted improvements initiated through visiting businesses, having talks with experts on variable definitions, etc.

⁴ 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. The burden varies but in 2002 was 25% lower than in 1996. Statistics Denmark in their background paper noted that two thirds of the burden is due to statistics on external trade, implying that the total burden is very vulnerable to developments particularly in these statistics.

United Kingdom The UK ONS estimates the costs to business of completing its forms by periodically asking how long the forms take to complete, and the level within the company of the staff filling in the forms. The total 'compliance' cost of all ONS surveys is monitored, and the ONS's Minister has to agree the compliance plan.

D. POSSIBLE FUTURE ACTION BY STESEEG OVER NEXT 12 MONTHS

STESEEG delegates are invited to provide suggestions on any possible future action on this topic. As mentioned above in the introduction to this paper, the reduction of reporting burden and costs are primarily issues for NSOs, etc, however, there may be a limited future role for STESEEG, for example, to continue to collect and disseminate information on national practices on the OECD website, especially for those countries that have not yet provided information. In particular, countries could be invited to provide further references to more detailed information on their initiatives.

Another option would be to request further information over the next 12 months in a small number of specific areas, such as:

- actions taken to improve the quality of administrative source data provided by other agencies;
- systematic and on-going measurement of respondent burden across all collections and surveys.

References for further information

Country	Agency	Reference	URL link
Austria	Statistik Austria	General Framework: Bundesstatistikgesetz 2000” (BGBl Nr 163/99) Concerning short-term statistics: Production sector (NACE – Sections D to F) Service statistics (NACE – Sections G to K)	http://www.statistik.at/institution/bundesgesetz.shtml http://www.bgbl.at/htmlausgabe.aspx?ID=10978 http://www.bgbl.at/htmlausgabe.aspx?ID=11021
Denmark	Statistics Denmark	Timeliness, response burden and co-operation with respondents at Statistics Denmark	
New Zealand	Statistics New Zealand	Paper outlining the redesign of the QMS (including the use of administrative data). Paper outlining the redesign of the WTS (including the use of administrative data). Paper outlining the proposed use of forecasted administrative data in the redesign of the RTS.	Quarterly Economic Survey of Manufacturing Quarterly Wholesale Trade Survey Monthly Retail Trade Survey (forecasting tax data)