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and  
ECONOMIC COMMISSION FOR EUROPE

CONFERENCE OF EUROPEAN STATISTICIANS

**Report**  
**of the forty-ninth plenary session**

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Information Guide for the Economic Commission for Europe (ECE)

**IMPLEMENTATION OF COMMISSION DECISION I(48)**

To be considered during the sessions of the Principal Subsidiary Bodies (PSBs) and included in their report to the Commission

**Information Guide for the Commission**

	<u>Paragraphs</u>
(i) Draft decisions and/or recommendations for possible adoption by the Commission at its next session.	Not applicable
(ii) Implementation of decisions previously adopted by the Commission, including application of resolutions adopted by ECOSOC and the General Assembly (inputs made to global programmes and interregional cooperation)	8-14 14, 16, 20-22
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- Resource information, and	Annex I of CES/2001/34
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- Programme of work and calendar of meetings for the coming years	67, 70, 76, 81, 86, 88 and Annex II
(v) Cooperation	
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- Cooperation with other relevant organizations and institutions; and suggestions for the improvement of such cooperation	9, 34, 49, 60, 65 & CES/2001/34, Adda 1-6 --

## **I. INTRODUCTION**

### **Attendance**

1. The Conference of European Statisticians held its forty-ninth plenary session in Geneva. It was attended by representatives of Albania, Armenia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, San Marino, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, The former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom, United States and Yugoslavia.
2. The session was attended by representatives of the European Commission (Eurostat). Japan, Mongolia and Republic of the Korea participated under Article 11 of the terms of reference of the ECE.
3. Representatives of the United Nations Department for Economic and Social Affairs and Policy Analysis (UN Statistics Division); United Nations Economic Commission for Latin America and the Caribbean (ECLAC), United Nations Development Fund (UNDP), United Nations Population Fund (UNFPA) and the following specialised agencies and intergovernmental organisations attended: International Labour Office (ILO); International Monetary Fund (IMF); World Trade Organisation (WTO); World Bank, Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT); the Organisation for Economic Cooperation and Development (OECD) and the European Free Trade Organisation (EFTA).
4. The following non-governmental organisation in consultative status with the Economic and Social Council (ECOSOC) was represented: International Statistical Institute (ISI).
5. Svein Longva (Norway) chaired the session. Messrs. Len Cook (United Kingdom), Hallgrímur Snorrason (Iceland), Tadeusz Toczynski (Poland) and Rein Veetousme (Estonia) served as Vice-Chairpersons.

### **Agenda and procedure**

6. The provisional agenda (ECE/CES/59/Rev.1) was adopted. The Conference recalled the procedure for improving the efficiency of plenary sessions (CES/821) that the Conference adopted at its 1994 plenary session.

### **Opening statements**

7. The opening statement was delivered by Ms. Huebner, the Executive Secretary of the UN Economic Commission for Europe UNECE.

## **II. IMPLICATION OF MEETINGS OF THE CONFERENCE'S PARENT BODIES**

### **A. May 2001 session of the Economic Commission for Europe**

Documentation: CES/2000/1

8. The Conference considered that its method of work and its operating procedures are already largely aligned with the ones that were called for in the discussion that took place at the Commission session.
9. The Conference thanked Eurostat for facilitating the participation of representatives of central and east European countries and of CIS countries in the annual plenary sessions of the Conference of

European Statisticians and in selected other high priority meetings in the Conference's work programme, by permitting representatives of the statistical offices of these countries to use the European Commission's PHARE and TACIS funds to finance their participation in these meetings (see CES/2001/1, para. 17).

10. The Conference agreed that the ECE Statistical Division is closely involved in operational activities addressing the issue of economies in transition through the Regional Adviser Programme and the involvement in the UNDP financed project aiming at statistical capacity building for social reporting (see CES/2001/1, paras. 3, 17 and 19).

11. The Conference agreed that the ECE Statistical Division is already involved in consolidation of existing ECE databases in a multisectoral framework, and asked the Bureau to consider in which ways the Conference can support such consolidation, drawing on close coordination and co-operation with other international agencies. The ECE Statistical Division was asked to prepare a progress report for the CES Bureau and for the next plenary session of the Conference (see CES/2001/1, para. 8).

12. The Conference asked the Bureau of the Conference, on the basis of proposals by the Secretariat, to examine in which areas the Conference can further contribute to cross-sectoral activities, and what are the most efficient, flexible and cost effective modalities to address intersectoral issues (e.g. joint meetings of the PSBs or their bureaux; creation of a joint group of experts or task force under their auspices; delegation of one member of a PSB to a meeting of another PSB; specific projects jointly implemented and monitored; and the establishment of a web page to facilitate the sharing of information on developments in intersectoral cooperation) (see CES/2001/1, paras. 9 – 12).

13. The Conference asked the Bureau to review annually intersectoral cooperation underway in the ECE and to report on the outcome of its review to the annual plenary sessions of the Conference (see CES/2001/1, paras. 10 and 12).

14. The Conference asked the Bureau to consider what contributions the CES could make to the implementation process of the Millennium Declaration, including through the Integrated Presentation, and how aspects of it could be integrated into the CES programme of work (see CES/2001/1 para. 15), particularly by comparing national experiences in monitoring its implementation for which work is currently underway in the framework of the UNDP-financed project on social reporting that the ECE Statistical Division is executing. (See (17) below).

## **B. March 2001 session of the UN Statistical Commission**

### **Documentation: CES/2001/2**

15. The Conference noted the report of the thirty-second session of the UN Statistical Commission and considered its implications for the programme of work of the CES. The Conference asked the Bureau to analyse more in-depth possible follow-up with particular reference to the resources involved and the "programme trade-offs", i.e. what activities should be phased down and what new ones should be taken up in the future.

16. With respect to work on indicators, the Conference asked the Bureau to consider in which way the CES should complement and support the work undertaken by the UN Statistical Commission in the field of conference indicators, and what initiatives should be taken by the Conference autonomously to respond the UNECE member countries' increasing demand for indicators and monitoring systems. ECOSOC had asked the UN Statistical Commission and the UN Statistics Division to serve as the intergovernmental focal point for the review of Conference Indicators, and that the Chairman of the Statistical Commission had created a "Friends of the Chair Advisory Group" to technically validate the conference indicators, to recommend a limited list of indicators and to

prepare a mechanism for the statistical review of future indicators. The Bureau of the Conference will be asked to review the draft report of the Friends of the Chair Advisory Group at its October 2001 meeting and to comment on it.

17. With respect to human settlements statistics, the Conference asked the Bureau to review the present state of collaboration between the Conference and the UNECE Committee on Human Settlements, the joint work done for data collection and the UNECE statistical publications produced in this area.

18. With respect to the International Comparison Programme (ICP) and the European Comparison Programme (ECP), the Conference considered whether the concerns raised at the UN Statistical Commission about ensuring an effective management structure and sufficient funding to ICP apply also to ECP. The Conference also noted UNECE member countries and the international organisations active in UNECE region are providing sufficient support as to guarantee the overall credibility of the ECP and the quality of its results.

19. With respect to the Integrated Presentation on the Web, the Conference asked the Bureau to consider to what extent the integrated presentations of the UN Statistics Division and of the Conference are mutually consistent, easy to access and sufficiently inter-related. It also asked the Bureau to review the relationships between the two integrated presentations to ensure coordination to the maximum extent possible.

20. With respect to statistical programmes and activities in relation to UN events and conference and in response to ECOSOC resolutions, the Conference asked the Bureau to consider the statistical implications and requirements of the UN policy agenda at the UNECE regional level, and discuss how to have these implications adequately reflected in the programme of work of the Conference. A document on these issues, containing specific proposals for the CES program of work, may be submitted to the next plenary meeting of the CES.

### **C. Regional preparations for the World Summit on Sustainable Development (Rio+10)**

Documentation: CES/2001/1/Add.1

21. The Conference noted the implications of the outcomes of world conferences in the field of sustainable development on the statistical sector. Particular attention was drawn to the document adopted by the World Conference in 1992 as Agenda 21 and the set of indicators on sustainable development called for in this document. Attention was also called to the regional preparation for the 2002 World Conference on Sustainable Development.

22. The Conference agreed to take these issues into account in considering the future planned activities of the Conference.

### **III. INTEGRATING DATA AND METADATA SYSTEMS OF INTERNATIONAL ORGANISATIONS**

Documentation: CES/2001/12

23. The Conference noted with interest the establishment of a Task Force on Statistical Data and Metadata Exchange (SDMX) aimed at developing a common standard for the exchange of statistical data and metadata. The Task Force was created as a follow-up to various proposals, including that of the UNECE work session on statistical metadata (Washington, November 2000) to launch work on standardisation of metadata formats on the international level. The Bank of International Settlements (BIS), the European Central Bank (ECB), the International Monetary Fund (IMF), the Organization of Economic Cooperation and Development (OECD), Eurostat and the United Nations (UNSD and ECE) are all participating in the Task Force. The goal is to develop a common standard by taking advantage

of the experiences gained thus far in the area of statistical data exchange and in the use of promising new technical developments like GESMES/CB, IMF DSBB dissemination format, and e-standards (Extensible Markup Language (XML)).

24. The Task Force is organising a workshop/meeting to be held at IMF headquarters in September 2001 to discuss the needs of different organisations concerning this standard. The Conference encouraged further participation in the standardisation of metadata systems of national and international statistical agencies active in the UNECE region.

#### **IV. OUTCOME OF THE MONTREUX CONFERENCE ON HUMAN RIGHTS**

Documentation: CES/2001/23

25. The Conference noted the fruitful outcome of the Montreux Conference on “Statistics, Development and Human Rights” (September, 2000) and was briefed by Mr. Malaguerra on the follow-up to the Conference, which included numerous national initiatives and a proposal for the creation of a Development and Human Rights Observatory. This project would bring together, through its multidisciplinary and policy-oriented approach, a network of statisticians, scientists and development and human rights experts which would reflect the Montreux Conference’s aims, constituency and dynamics. The objective of the project would be to facilitate and advise on interdisciplinary applied research and services in three core areas: use of statistical methods and indicators and quantitative analysis in human rights reporting; the pilot application of rights-based developments indicators; and design and evaluation of statistical tools for monitoring democracy and governance. The project would be serviced by a small secretariat that would act as facilitator for identifying experts and enhancing partnerships between institutions. The project is planned to run on a budget of 8 million Swiss francs for a period of three years, and aims at being operational before the end of the year. Mr. Malaguerra invited all members of the Conference to take an active part in the project and in the Montreux follow-up process.

26. The representative from the International Statistical Institute congratulated the Swiss Federal Statistical Office and its partners on the very innovating project and hoped many statistical institutions would participate in the planned follow-up work to the Montreux Conference. A detailed first outline of the project “Development and Human Rights Observatory” was distributed as a conference room paper by the Swiss Federal Statistical Office.

#### **V. INTEGRATED PRESENTATION OF INTERNATIONAL STATISTICAL WORK IN THE ECE REGION**

Documentation: CES/2001/3, 3/Add.1-7; 5, 6, 6/Add.1; 7; 8, 8/Add.1 and 9

##### **a) Introduction**

27. The Conference agreed to review the Integrated Presentation in the manner suggested by the Bureau, namely to review three topics in greater depth, and to review the remaining 40 or so programme elements more quickly on the basis of the detailed recommendations made by the Bureau. The Conference also discussed the future development of the Integrated Presentation.

28. The following three topics were the ones that were reviewed in greater depth: (a) the growing use of the Internet for the collection and dissemination of statistics (parts of Programme Elements 2.1 and 2.3); (b) new manuals and standards in the field of economic statistics and their inter-relationships and their relationship with SNA '93 (parts of PEs 3.1 and 3.2); and (c) measuring the new economy and adapting to it (this topic cross-cuts several PEs in the field of economic statistics).

**b) The growing use of the Internet for the collection and dissemination of statistics**

Documentation: CES/2001/5 and 6

29. The Conference considered that for any statistical office, a web-site is a critical initiative for keeping pace with changing needs and the growing expectations of its customers: both users and respondents. Internet is gaining in importance as a channel for the collection and dissemination of statistical data, and may even become the primary means of delivering official statistics. The Conference emphasised the need of a clear strategy for Internet use. Its use often requires rethinking and modifying statistical services, and has an impact on the organisational structure of the office.

30. It was pointed out that new technologies give statistical offices the chance to be at the forefront of public sector modernisation. Dissemination of statistical data through the Internet increases considerably the number and variety of users of the statistics. Given the low marginal costs for data retrieval via the Internet, it can be even more equitable than other dissemination channels (e.g. through public libraries and the education system).

31. It was highlighted that although the Internet allows very promising possibilities in both data collection and dissemination, it should not be expected that it will replace other modes in the near future, and especially with reference to data collection. Therefore, statistical offices should use a multi-modal strategy combining Internet with traditional ways of data collection and dissemination. Identification of best practices in how to use Internet for these purposes is needed, and in how to combine the Internet with other tools into a comprehensive strategy.

32. The importance of dealing with security issues related to the Internet was emphasised. Guaranteeing data security and confidentiality requires significant investments that can at least partially offset possible efficiency gains. Internet collection can also provide an opportunity to improve relations between users and respondents. There can be an information interchange between the statistical office and data providers, which can make the response burden less felt for the respondents as they are getting something in exchange.

33. The question of pricing for data disseminated through the Internet was also considered. Several countries have chosen a strategy of providing mainly cost-free data on their Website as users expect data on the Internet to be available free-of-charge. However, the Conference noted that it is possible to implement via the Website both cost-free and priced data dissemination.

34. The need to link up national and international activities on the Internet was highlighted. International organisations could form a network through which statistical data and metadata could be shared, and which could serve as a common access point. This requires harmonisation of statistical data/metadata formats and instruments for their presentation and downloading.

**c) New manuals and standards in the field of economic statistics, and their inter-relationship with SNA'93**

Documentation: CES/2001/7 and 7/Add.1

35. Over the last ten years, international and supranational organisations have made substantial advances in methodological work on a number of macroeconomic data sets. Much of the work has been generated from the research agenda that was established by the System of National Accounts, 1993. A series of manuals was developed which cover a wide variety of topics, such as national accounts, input-output tables, balance of payments, monetary accounts, government finance, household accounts, expenditure classifications, price and volume measures, tourism, trade in services, the non-observed economy, globalisation, and environment accounts.

36. The paper submitted by the IMF reviewed the manuals on macroeconomic statistics that have been developed over the last decade. These are the manuals that have been published since 1993 when the Statistical Commission adopted the 1993 SNA. The paper took stock of what had been done so far and, with that stocktaking as a basis, raised questions to help guide future international work on manuals.

37. A framework was proposed in order to categorise the manuals. Four headings were used to group the manuals based on the topics they cover: comprehensive view, by sector of economic agents, by construct, and by theme. The manuals that provide for a comprehensive view of the economy are ones that deal with national accounts at large, such as the 1993 SNA and the 1995 ESA that deal primarily with guidelines on concepts and definitions and are broadly consistent. The sector-based manuals present the economy from a sector perspective. Some examples include the Balance of Payments Manual (BPM5), the Government Finance Statistics Manual, the Handbook on Measurement of the Non-Observed Economy, the Capital Stock Statistics Manual and others. The construct-based manuals focus on the question 'Who does what?', and many of these manuals take the form of classifications, such as COFOG and CPC. Exceptions are the manuals on price and volumes, which are also categorised in this group. The theme-based manuals respond to specialised analytical needs and can be grouped as miscellaneous macroeconomic manuals (trade in services, reserves and foreign currencies) and satellite accounts (e.g. tourism, non-profit institutions and environment).

38. Several issues were raised for discussion, such as: awareness and accessibility of manuals; relevance of the manuals; relationships among the manuals and their harmonisation; and mechanisms for updating the manuals.

39. With regard to the future of manuals, it was noted that a first logical step would be to promote their accessibility and facilitate their implementation. The promotion of manuals is carried out directly by the international organizations through their respective dissemination channels. A recent initiative that may promote manuals has been to list them on a common website. Another important means of promoting the manuals is to conduct seminars, and to provide technical assistance and guidance on methodological work toward implementing the macroeconomic sets of statistics.

40. There was general agreement that the process for harmonizing the manuals needs to be assessed. It is also important that some procedures for updating them be developed as soon as possible, as was done with the procedures that were adopted with reference to the 1993 SNA. In this context, it was stressed that the updating mechanisms have to be transparent and involve discussions with experts world wide.

41. During the discussion, it was noted that a lot of progress has been made in developing macroeconomic manuals. However, the Conference noted that several of these manuals were produced by various City Groups that ceased to exist once the manuals were completed. This has created some problems with updating them. Therefore, it is important to identify procedures that will enable the manuals to be updated.

42. The Conference took note of the comments on the IMF paper that had been made by Mr. Louis Kincannon, the former Director of the OECD Statistics Directorate (CES/2001/7/Add.1). The paper indicates the useful contribution of the IMF paper in making a comprehensive inventory of manuals in economic statistics. It also comments on the need for a transparent process for updating manuals and on developing criteria for assessing the need for updating them.

43. Several participants commended the excellent paper contributed by the IMF. The importance of awareness and accessibility of manuals was stressed. In this context, it was noted that close co-operation between international organisations is needed to prepare a comprehensive list of manuals. With regard to the issue of 'relevance' there is a need for more manuals, such as ones on: short-term statistics; defining quality in national accounts; harmonisation of methods on price and volume measures, and promoting the integration of all manuals in one framework. As regards the

'consistency' of the manuals it was suggested that each manual should include a chapter explaining any major deviations from the 1993 SNA.

44. The Conference was informed about the UN Statistics Division's web site on statistical methodology that lists all methodological handbooks. It noted that the work on manuals should address the issue of how useful those manuals could be for countries that are in the process of implementing new standards, and in particular how useful they can be for developing countries.

45. There was general agreement that the manuals are particularly important for enhancing international comparability and for the transfer of knowledge. It was noted that in categorising the manuals a distinction should be made between manuals that explain how to use standards that already exist and manuals that develop new standards. In this context the development of manuals on standards to measure poverty and household income were mentioned.

46. Several participants mentioned the need for the timely and correct translation of the manuals in other languages, and in particular into the Russian and Spanish languages. The long time lag in distributing the manuals in different languages was regretted during the discussion, for this creates problems with their implementation.

47. The need for feedback from users of the manuals was also emphasised. It was noted that it would be difficult to find answers to the questions that were raised in the IMF paper without having any information available on users' experiences. Therefore, there was general agreement that mechanisms for surveying customers' satisfaction should be developed.

48. It was agreed that improving the procedures for disseminating the manuals is extremely important. It was stressed that the Internet and the web sites of international organisations are useful means of distributing them. It was also suggested that manuals should be posted on the web when they are still in the stage of work-in-progress, so that a larger number of interested countries and experts could follow and comment on the work on them. This procedure would also facilitate the participation of a larger number of countries that are interested in following the development of new standards.

49. In conclusion it was stressed that the review of manuals on macroeconomic statistics and their categorisation is a very useful exercise. However, participants agreed that there is a need for more work to be done on the type of practical guidance that is required on the implementation of the manuals. The Conference agreed that further discussion on the issues raised in the IMF paper is required. Therefore it asked the IMF to prepare an updated version of the paper, reflecting the comments of the Conference, which could be discussed at other statistical meetings that will be organized by the other UN Regional Commissions.

**d) Measuring the new economy and adapting to it**

Documentation: CES/2001/8, 8/Add.1 and 9

50. The Conference considered the impact on statistics of the networked economy and consequent changes in business and lifestyles. It was pointed out that new surveys and industry and commodity classifications are required if the System of National Accounts is to continue to reflect economic reality.

51. The paper submitted by Statistics Canada raised issues emerging from compounded developments of the new economy and significance for statistical offices when trying to capture its direct and indirect impacts. In particular, the elusive nature of the phenomenon of the new economy raises definitional difficulties. The challenges for statistical offices relate to a number of issues among which the most prominent are: (i) classifications (which are becoming blurred due to the changing nature of activities of enterprises); (ii) coverage (the capturing of network transactions and imports of

goods); (iii) shifting of the boundary between market and non-market economy, (iv) quality change and its proper measurement; and (v) the ways businesses respond to surveys based on traditional standards. In view of these emerging challenges, the paper called for more rigorous and vital work by international organisations on definitions on these new phenomena.

52. The OECD contribution also raised issues regarding the statistical dimensions of the new economy. The OECD work on the new economy was inspired by analysis that was carried out in the recently completed Growth Project. The OECD approach to the new economy distinguishes between three dimensions of the new economy – technology and innovation, entrepreneurship and market dynamics, and globalisation. In the OECD view, these three dimensions contribute to the framework for future discussion and research of the new economy and establish links to its statistical implications.

53. Viewed in such a way and limited to the ICT sector, the challenges for statistical offices are manifold. Technology and innovation create increasingly complicated measurement issues. The measurement of volume prices and output of services with high ICT intensity -- health, retail and wholesale industries as well as financial services, measurement of innovation itself and measurement of fast moving industries -- create substantial problems when traditional statistical tools and standards are applied. Furthermore, globalisation and the international flow of knowledge as well as the measurement of the activity of international enterprises contributing to new patterns in the distribution of skills and human capital in the economy further complicate the compilation of a complete statistical observation of the new economy. The OECD paper also pleaded for more collaborative efforts in further work on developing the common definition that is needed for international comparisons, further work on research of the demography and the dynamics of enterprises and on the necessity of developing approaches for statistically treating the new economy within the framework of the SNA.

54. The paper by the US Bureau of Economic Analysis presented the product side and how the direct contribution of the new economy to GDP could be measured. It also called for more efforts towards the development of measurement tools for the new economy, for estimating indirect contributions to GDP and the need to enhance international collaboration in developing a coherent definition of the new economy.

55. During the discussion participants welcomed the three contributions and noted that the new economy is already challenging the standard tools and methodologies that statistical offices use when trying to capture the features of the new economy. Profound changes in the economy and related changes in society that are brought about by the new economy will not only have implications for the statistical community as a whole but will also have effects on policy making and policy decisions. It was generally agreed that statistical offices must be prepared to respond to these new challenges so as to maintain the credibility of official statistics. In doing so, statistical offices will need to respond quickly to the main challenge in the near future, which is to provide adequate indicators. This implies the need to reassess the validity and quality of current statistical measures of specific statistics (for example, trade).

56. The Conference noted that an internationally accepted statistical description of the new economy and the methodological development of concepts and indicators is urgently needed. Some statistical offices desire concrete recommendations for how to capture statistically the value and volume measurements of output of services with a high ICT intensity, how to measure the activity of multinational enterprises and their domestic affiliates and their impact on recipient economies, and how to compile statistics for indicators on information society. It was suggested that recommendations of how to statistically treat ICT might be included in the next revision of the SNA.

57. Statistics Netherlands informed the Conference about recent developments in this area including the November 2000 meeting on electronic commerce and its implications on trade, transport and logistics. All three services sectors are becoming profoundly affected by the growing e-commerce, and both trade statistics and wholesale and retail data are becoming increasingly irrelevant

and useless. More systematic thinking led the office to develop a model that was intended to capture more features of innovations and a digital economy, and eventually merge them in an effort of trying to shed more light on the new economy as a whole. The Conference was further informed that several Eurostat task forces are currently working on the development of indicators (e.g. the NESTI task force – new economy science and technology indicators).

58. The German Federal Statistical Office informed the Conference about the forthcoming international seminar (organised jointly by the Bundesbank and the Federal Statistical Office) on hedonic methods in price statistics that will take place from 21-22 June 2001 in Germany. The seminar is intended to help statisticians to develop their understanding and expertise in using this statistical tool that is viewed as being particularly relevant for measuring features of the new economy.

59. The UK Office for National Statistics also informed the Conference about the forthcoming meeting on the new economy that will be organised by the International Association for Official Statistics from 26-28 August 2002 in London. The conference will take stock of the existing knowledge and look at future-based business knowledge, emerging mobile industries, existing statistical standards and new instruments needed for the new economy.

60. The Conference concluded discussion on this topic by noting that conceptual work in this area needs further international collaboration particularly with respect to the development of definitions and of hedonic measures of output. The Conference further concluded that issues related to the collection of statistics and the development of indicators need to be kept on the agenda, and the Bureau of the Conference was asked to consider this issue and to report back to the Conference with concrete suggestions. Finally, the Conference recommended that analytical aspects of statistical work on the new economy and in particular the measurement of its indirect impact on both the economy and society should also be included on the agenda of a future plenary session.

e) **The future of the Integrated Presentation**

Documentation: CES/2001/10

61. The Conference recalled the e-mail letter dated 6 June 2001 that the Director of the UNECE Statistical Division sent to heads of national statistical offices concerning the consolidated set of Rapporteur Reports for 1999 and 2000. The usefulness of these reports to the Bureau of the Conference in setting priorities and future directions was highlighted. The Chairman recalled that in the letter national statistical offices were asked to provide feedback on their use of the Integrated Presentation by 30 June 2001. The Conference asked the Bureau to follow up on the feedback that the secretariat receives from the national statistical offices in this regard.

62. The Conference also noted that UN Headquarters had asked the UNECE Statistical Division, like other UNECE Divisions, to conduct a self-evaluation exercise of important activities and outputs in its work programme for 2001. Consequently, in response to that request, the Statistical Division will undertake an internal audit with respect to the Integrated Presentation, and the feedback on the Integrated Presentation that the Statistical Division will receive from countries in response to the 6 June e-mail enquiry will serve as an important input in this exercise.

63. During the discussion participants emphasised that the Integrated Presentation had been developed over the years and has become a very important instrument of coordination for the Conference. The usefulness of the information on all planned activities by international statistical agencies active in the UNECE region was appreciated. The Conference agreed to include the Integrated Presentation on the agenda of future plenary sessions, and to continue to further refine and improve it through advice given by CES Bureau Members and others.

64. A suggestion was made to restructure the present Programme Activities 1 (Organisation and operation of statistical services) and 2 (Technical infrastructure and other cross-cutting issues) and to create, in their place, a new single Programme Activity dealing with the management of statistical offices and cross-cutting issues. The Conference asked the Bureau to consider this proposal further at its autumn 2001 meeting.

65. The importance of the process through which the Integrated Presentation is put together was also emphasized. In this connection, the Conference noted with appreciation the large amount of work that other international organizations, and particularly Eurostat and the OECD, undertake each year in preparing their inputs to the Integrated Presentation. The Conference thanked the organizations concerned for this, and particularly Eurostat and the OECD whose inputs to the Integrated Presentation are so important. The Conference also agreed that the process of putting the Integrated Presentation together involves mutual awareness of activities among the international organisations involved, and thus contributes to improved coordination among the organisations.

**f) Other aspects of the Integrated Presentation**

**(i) Programme Activity 1: Organisation and operation of statistical services**

Documentation: CES/2001/3/Add.1

66. The Conference approved the comments of the Bureau on work done in 2000/2001 and on ongoing activities in this programme activity.

67. Subject to the qualifications specified below, the Conference accepted the Bureau's recommendations on the planned activities in programme elements in this work area (see CES/2001/3/Add.1)

**Programme Element 1.2: Management and policy issues of direct concern to presidents of national statistical offices**

68. The Conference agreed that the seminar session of the 2002 plenary session would be devoted to the discussion on main challenges facing the Conference in future, and on the priority issues and concerns on which the Conference will have to focus.

**(ii) Programme Activity 2: Technical infrastructure and other cross-cutting issues**

Documentation: CES/2001/3/Add.2 and Add.7

69. The Conference approved the comments of the Bureau on work done in 2000/2001 and on ongoing activities in this programme activity.

70. Subject to the qualifications specified below, the Conference accepted the Bureau's recommendations on the planned activities in programme elements in this work area (see CES/2001/3/Add.2).

**Programme Element 2.1: Management of information technology**

71. The Conference included the joint UNECE/Eurostat meeting on management of statistical information technology in the Conference's work programme for 2002/2003.

72. The Conference agreed that the UNECE secretariat should develop, together with interested countries, a website on best applications of statistical information and communication technologies.

73. The Conference included the joint UNECE/Eurostat work session on statistical data confidentiality in the Conference's work programme for 2002/2003.

74. The Conference agreed that the secretariat should prepare methodological material on Businesses' Perceptions of Confidentiality.

**(iii) Programme Activity 3: Economic Statistics**

Documentation: CES/2001/3/Add.3 and Add.7

75. The Conference approved the comments of the Bureau on work done in 2000/2001 and on ongoing activities in this programme activity.

76. Subject to the qualifications specified below, the Conference accepted the Bureau's recommendations on the planned activities in the programme elements in this work area (see CES/2001/3/Add.3)

Programme Element 3.1: Implementation of the System Of National Accounts

77. The Conference included the Joint UNECE/OECD/CIS-STAT meeting on national accounts for CIS countries in the Conference's work programme for 2002/2003.

78. The Conference endorsed the proposal that the UNECE secretariat, in co-operation with CIS-STAT and OECD, continue the work on capital stock measurement in transition economies.

Programme Element 3.10: Agricultural statistics

79. The Conference agreed to include the third World Conference on Agriculture Statistics in the Conference's work programme for 2003/2004.

**(iv) Programme Activity 4: Social and demographic statistics**

Documentation: CES/2000/4/Add.4 and Add.7

80. The Conference approved the comments of the Bureau on work done in 2000/2001 and on ongoing activities in this programme activity.

81. Subject to the qualifications specified below, the Conference accepted the Bureau's recommendations on the planned activities in the programme elements in this work area (see CES/2001/3/Add.4)

Programme Element 4.1: Demographic statistics (including projections, migration, fertility and families and households)

82. The Conference included the work session on migration statistics in the Conference's work programme for 2002/2003.

Programme Element 4.10: Gender statistics

83. The Conference noted that the UNECE Statistical Division is active in the field of gender statistics in the framework of its UNDP-financed extra-budgetary project on social reporting.

Programme Element 4.11c: Registers and administrative records for social and demographic statistics

84. The Conference agreed to the proposed modified terms of reference for the 2001/2002 joint UNECE-Eurostat work session on registers and administrative records for social and demographic statistics.

(v) **Programme Activity 5: Environment statistics**

Documentation: CES/2001/3/Add.5

85. The Conference approved the comments of the Bureau on work done in 2000/2001 and on ongoing activities in this programme activity.

86. The Conference accepted the Bureau's recommendations on the planned activities in programme elements in this work area (see CES/2001/3/Add.5)

(vi) **Programme Activity 6: Dissemination and support for secretariat activities**

Documentation: CES/2001/3/Add.6

87. The Conference approved the comments of the Bureau on work done in 2000/2001 and on ongoing activities in this programme activity.

88. The Conference accepted the Bureau's recommendations on the planned activities in the programme elements in this work area (see CES/2001/3/Add.6).

g) **Concluding comments on the Integrated Presentation**

89. The Conference noted that the post-plenary session version of the Integrated Presentation will be issued as CES/2001/34 and addenda 1-6, and that it is expected to become available on the Division's web site for the 2001 plenary session towards the end of July, 2001:  
<http://www.unece.org/stats/documents/2001.06.ces.htm>,

**VI. SMALL AREA STATISTICS AND STATISTICS FOR SMALL COUNTRIES**

Documentation: CES/2001/14, 15, 16, 17, 17/Add.1-3, 18, 19, 20, 21, 21/Add.1-6

90. This was the topic of the seminar session at the 2001 plenary session. The seminar session was organized by the National Statistical Institute of Spain. The seminar session was divided into the following two themes: (i) collection of data in small countries and (ii) Small area statistics.

**Theme 1: Statistics for Small Countries**

91. Discussion at the seminar on this theme was based on an Invited Papers prepared by Ireland and Latvia, Supporting Papers by Armenia, Kyrgyzstan and Luxembourg, and on opening remarks delivered by the Chairperson of the seminar session, Ms. Carmen Alcaide Guindo, President, Instituto Nacional de Estadística of Spain, who challenged the participants to help find creative ways to enable small countries to cope with the unique challenges of their smallness.

92. The Invited Paper by Ireland noted that sample sizes in small countries must be relatively larger than in large countries in order to obtain the same precision. It also noted that in terms of impact on the budget, this reality falls more heavily on surveys with high field costs, notably household surveys where personal interviews are required. Business surveys in Ireland typically involve a smaller population of business units and are collected by less costly methods than personal interviews, methods such as mail back, telephone or increasingly electronic methods. Therefore the country's smallness does not impact too much on its relative costs for business surveys. The small

population of business units, however, requires that above a certain size threshold a complete census must be carried out, and that confidentiality considerations limit the amount of data that can be made available to users. This puts a relatively greater burden on respondents and on users than in large countries. These tendencies are accentuated by the demands of the EU statistical system.

93. The Invited Paper by Latvia pointed out that in small countries, in addition to the relatively larger costs of sample surveys, the costs of statistical infrastructure tend to be relatively larger than in bigger countries. Nevertheless clients demand equally detailed statistical breakdowns in small countries as in large, especially given the need to understand the transition process in detail.

94. Given this situation it is important for small countries to exploit their relative advantages as much as possible, and to find other ways to contain costs and to maintain reliability and accuracy at a detailed level. The Latvian paper explored how these goals could be pursued by:

- i) Territorial and functional centralisation
- ii) Reducing sample size for short term statistics so that sample sizes for structural business statistics could be larger.
- iii) Using econometric models for smoothing random fluctuations in multidimensional breakdowns.
- iv) Greater use of administrative records. The paper reviewed the major administrative records available in Latvia, and their utility for statistical purposes. It also reviewed steps being taken to improve their utility, such as legislative changes to permit additional information to be collected by some administrative sources and be made available for statistical purposes.
- v) Strategy toward outsourcing for development of IT related and other statistical projects.

while the Irish paper indicated they are dealing with these challenges in household surveys by:

- i) improved sample design.
- ii) development of omnibus surveys.
- iii) exploiting linkages between surveys.
- iv) introduction of cheaper data collection methods.

and in business surveys by:

- v) willingness to accept best estimates.
- vi) preparedness to use a firm's management accounts to extract statistical data.
- vii) visits by field personnel to help respondents.
- viii) consolidating the various surveys sent to business so that specific information will be requested once and only once from a given firm.
- ix) Development of an integrated business register to make greater use of sampling in targeted cases.

95. Mr. Pambis Philippides, Director of the Statistical service of Cyprus provided a general overview of the main issues that were identified for discussion in the Supporting Papers that were contributed on this topic. The Supporting Papers echoed and emphasized the relatively large infrastructure costs and sample sizes required in small countries. In addition to the strategies put forward by Latvia for dealing with these challenges, Armenia and Kyrgyzstan noted the benefits of an optimal combination of sampling of small enterprises along with complete enumeration of medium and large enterprises. They also pointed to the need for an integrated approach to managing the disparate administrative databases throughout various government departments. In particular, use of standard classification systems and uniform procedures for management of administrative records were stressed as ways of overcoming informational and technical incompatibilities across different administrative sources.

96. Armenia also pointed out that their Official Statistics Act permits charging users for statistical services, and that this kind of cost recovery can help offset some of the costs of being small. Kyrgyzstan noted the need for dialogue and mutually beneficial co-operation between producers and users of official statistics to help ensure the general knowledge about and facilitate the preparation and dissemination of statistical information.

97. Luxembourg noted that although it shared the challenges of being a small country, it was also a very small country, and as such faced some unique challenges. In particular, given its very small size it is virtually impossible to reduce the sampling error below a certain threshold regardless of budget. Because of this it is extremely important for Luxembourg to control non-response. Some of the tools Luxembourg is employing to this end are: awareness campaign for households; use of administrative records to improve sampling frames and therefore obtain better estimates of the characteristics of non-responders. Recognizing the limits to improving surveys for a given period, however, Luxembourg has also investigated concatenating the results of successive surveys, and emphasizing the use of multi-year averages and analysis of trends based on several readings from a survey. It also indicated it receives some exemption from EU requirements, in recognition of the limits on accuracy its small country status creates. It was the only country that alluded to the importance of making the budget authorities aware of the statistical challenges facing small countries.

98. Other approaches that emerged during the discussion were:

- i) Piggy-backing surveys onto existing data collection vehicles.
- ii) Use of existing data sources to supplement surveys so that sample sizes can be reduced, and in general maximising the synergies between surveys.
- iii) Obtaining waivers from respondents as a means of addressing the confidentiality problem.

99. Mrs. Alcaide Guindo closed the small country portion of the seminar by noting how useful it was to discuss openly about the problems each small country has to face, and to find possible solutions. She reviewed some of the major advantages of being small that had been mentioned in the papers, some of which were:

- i) The lower cost of census operations
- ii) Proximity to respondents, which may allow ad hoc treatment of statistical responses.
- iii) Closer relationship with enterprises
- iv) Better administrative co-ordination and its benefits for the use of administrative sources for statistical purposes.
- v) In transition countries, the needs of the statistical system can be taken into account in the process of institutional strengthening.

100. In closing the discussion on the first theme, Mrs. Alcaide Guindo also emphasized that by means of consortia and co-operation, countries with similar problems may design strategies to adapt International Standards as well as to exchange good practices among themselves.

### **Theme 2: Small area statistics**

101. Discussion at the seminar on this theme was based on Invited Papers by Canada and the United Kingdom, and Supporting Papers by Bulgaria, Finland, Italy, Kyrgyzstan, Poland, Slovak Republic, Sweden and the United States. The Invited Paper by Statistics Canada was presented by the author, Mr. Gordon Brackstone. Based on the experiences of a large statistical office, the author highlighted the managerial and technical issues of the production of small area statistics for which an increasing demand exists. In his presentation he reviewed the roles and responsibilities of a NSO in the production of small area statistics concluding that whatever the administrative structure in a country is, the NSO must be in charge of setting the standards and framework for small area data. The necessity of having access to an accurate, up-to date geographic infrastructure which would allow for a flexible aggregation into small areas of statistical interest was pointed out. Furthermore, the

potential sources for small area data – census, administrative records, national sample surveys, local studies, and satellite imaging and aerial photography were all highlighted but it was usually a combination of sources and methods which is the most efficient way for producing small area statistics. Certain particularities in the production for small area statistics on persons and households, business, and the environment are discussed in the paper.

102. Mr. Brackstone concluded his presentation by pointing out some of the main challenges for NSOs involved in the production of small area statistics. For instance, the weaker accuracy of data which at the same time are faced with a greater scrutiny; the arbitrariness introduced by model based estimates and the importance of openness and transparency about methods in this context; confidentiality considerations were especially serious; finally it was necessary to have in place an appropriate geographical infrastructure.

103. The discussant of this Invited Paper, Mr. Michel Kammermann from the Swiss Federal Statistical Office, pointed out that in spite of differences in size there were numerous similarities between Switzerland and Canada in political and administrative aspects. Small and big countries alike needed to master the production of regional data and face the challenge of globalisation – both were examples of statistical demands which were consistently growing and had to be satisfied. In Switzerland, the Federal and administrative structure makes it necessary that a host of regional data is regularly produced and users have to be involved in this process. However, at the same time there is a need to integrate, combine and harmonise data and to have a better horizontal organisation in the data collection. He also pointed out the strategic considerations connected with the concept of a functional or political region and the importance of urban areas and trans-border flows which necessitated international cooperation. He concluded that the production of good regional data is dependent on the infrastructure and the active role of the NSO in harmonising nomenclatures and data collection. It was also important to further develop alternative methods and international organisations, for example, have an important role to play in enhancing the exchange of information on this topic.

104. The second Invited Paper was introduced by the author Mr. Jagdev Virdee from the Office for National Statistics of the United Kingdom. In the UK, as in other countries, an increasing demand for small area statistics can be observed, driven by the greater emphasises on regional policies and the need to target resources effectively at the areas most in need as well as by the demand of citizens. The most significant new demand for local information in UK has arisen from the recent Government initiative to tackle social exclusion in deprived neighbourhoods. In order to carry this out local information is necessary. To address this need for consistent, reliable and timely small area statistics, a new project entitled the Neighbourhood Statistics Service is being set up and progressively implemented. The UK system of neighbourhood statistics builds on combining a range of sources – administrative data, census of population, sample surveys, and modelled estimates based on synthetic estimation techniques. This makes it possible to study comprehensively the interaction between the various factors of social exclusion. Special attention is given to maximise the use of administrative data. Further important elements of the combined approach to small area statistics are the development of new small area estimation methods and tools, the integration of both census data and data from local surveys, disclosure control methods and systems, and support for users helping them to maximise their benefits from the service. Another main element of the neighbourhood statistics is geo-referencing of data – this will allow flexible regional aggregation and will be able to take changes in regional boundaries into account.

105. Similar to the Canadian experience, the author concluded that the scrutiny at local level, the consolidation of data from different sources, and the data quality are the major challenges for the NSO in establishing a system of small area statistics.

106. Mr. Jan Byfuglien from Statistics Norway served as the Discussant of the UK paper. The Norwegian experiences in the field were quite similar to those of UK and Canada. He confirmed the increasing demand for small area statistics to build flexible regions for policy planning and implementation and for targeting special domains. The importance of identifying the right small area

level for analysis was highlighted – analysis at the wrong level might lead to wrong conclusions. The question of how to define small areas was discussed by comparing the approach of using administrative units versus a grid approach. As regards the provision of small area data, he stressed the need for geo-referenced administrative data as well as the use of advanced estimation methods. This should be combined with the use of different sources and careful consistency checking. This combined approach, already pointed out in the Canadian and UK paper, underscored the importance of a close co-operation with regional and local agencies as well as with the mapping agencies. Among the main questions to be considered in future discussions were how to document for the rather costly small area data “value for money”; how the demand for small area data has increased the tendency of basing more statistics on administrative sources; how to further develop tools for small area statistics; how to deal with confidentiality issues and whether there is a need for standardising small areas across countries.

#### Summary of supporting papers:

107. Mr. Hallgrímur Snorrason, the Director-General of Statistics Iceland provided an overview of the main issues that were identified for discussion in the eight Supporting papers that were contributed on this theme. While the papers have in common that they deal with small area statistics they differ substantially in most other respects.

108. The Bulgarian paper discusses the feasibility of an integrated approach between traditional censuses and administrative registers for obtaining data from small areas. The Finnish paper carries yet another outline of the near heavenly state of register affairs in that country allowing the designation of whatever small areas that may be subject to fruitful statistical analysis. The Italian paper emphasizes the value of geo-coded data and of GIS applications and accounts for the current developments in Italy in this area. The paper from Kyrgyzstan outlines some shortcomings of the present methodology and organization of data collection with respect to obtaining low level data and indicates possible solutions to the current lack of small area statistics in that country. The paper from Poland accounts for efforts to obtain increased knowledge about unemployment at the local level and presents methodology for estimating the rate of local unemployment based on the labour force survey and data on unemployment registration at local labour offices. The Slovak paper discusses experience gained so far of the participation of Slovakia in a European panel project concerning demographics of newly created enterprises, the so-called DOSME project, with particular reference to area related issues. The Swedish paper provides us with a somewhat philosophical dissertation of the need for small area data, for increased emphasis on micro data for small area purposes, for complementing existing and building new macro data, and on the virtues of geo-coding and GIS analysis. And finally, the paper from the US Census Bureau outlines present plans for implementing a large intercensal survey for improving the decennial census process, obtaining continuous data in between censuses and increasing the supply of small area data.

109. This illustrates the different approaches that were taken by the eight Supporting Papers. But perhaps they have more factors in common than appears at first sight. Common to all of them is that they contain interesting accounts of approaches to the task of allowing the generation of small area statistics. The authors are also in agreement on the growing need for small area statistics. There seem to be various reasons for this. One paper mentions that this is related to the allocation of structural funds and both national and local political concerns with structural problems at the regional and local levels. Generally speaking, however, one may conclude that there is in many countries increased preoccupation with local and regional statistics. It is interesting to speculate why this is. One reason may be that the emphasis on general policy actions at the national level has left a need to monitor the resulting structural changes and their impact at the local level. Another reason may be dissatisfaction with national generalizations and a desire to study economic and social phenomena in a closer and smaller setting than before. All of this may be associated with a feeling that the generation of statistics at the national or regional level is already abundant and that the statistical production can in some areas at least mainly be enhanced and deepened by increased information at the local level.

110. For the sake of convenience, the papers can be divided into three categories as follows: a) papers emphasizing geo-coding and GIS applications; b) papers mainly discussing organizational aspects of the statistical process with a view to small area statistics; and c) papers accounting for individual projects of small area statistics. The first group, the Swedish and the Italian papers, both contain explanations and arguments for increased emphasis on statistical activities, data collection and production processes that allow analysis of spatial distribution. The main thrust of the Swedish paper seems to be the argument that what is seen as the traditional macro approach of official statistics is insufficient and has to be augmented by collecting micro data with spatial references. This will allow the shift in emphasis from an “accountants” based view to an “engineers” based view of official statistics, implying - if understood correctly - a shift from stocks to flows or accounts to processes. Thus, greatly increased attention should be given to the compilation of sets of micro data and their GIS analysis based on both the grid system and the smallest administrative boundaries. The author concludes by saying that in order to meet the demands for small area statistics we must “re-engineer” the current standard statistical system in such a way that it enables us to study both the forest and the individual cluster of trees. The Italian paper lists many important uses for geographical analysis of statistical phenomena and explains how statistical surveys can be supported by GIS. However, there are several obstacles for using geo-data in statistics such as lack of coordination among mapping agencies, various shortcomings of the available data and their interchange, lack of meta data and others. There is at present the challenge to standardize geo-data for interchange and free access for various projects that are in the public interest. The author emphasizes that in addition to the data that are collected in a census it is necessary to consider also the geographic reference items like data on streets, addresses and other attributes for address matching and geo-coding of administrative records. The paper goes on to describe the main GIS applications at ISTAT; census mapping, production of digital census atlas on CD-ROM, geo-coding of addresses, compilation of functional zones, development of data access via the internet and others. It discusses in detail the development of census mapping from the methodology applied in the 1991 census to the mapping project for the 2000-2001 census round. Finally, the paper accounts for attempts to obtain information on labour market areas and urban agglomerations and for the procedure applied at ISTAT for address matching and deriving area statistics from administrative sources.

111. The second group, consisting of the papers from Kyrgyzstan, Bulgaria, Finland and the US, deals with organizational aspects of official statistics with a view to small area statistics. Apart from discussing issues of organization the European papers have in common that they are all concerned with the use of registers. The Kyrgyzs are at the one end of the scale with some usage of registers, the Finns at the other end with almost total dependence on registers and administrative records, while Bulgaria is in the middle trying to combine the advantages of the two approaches. The US, on the other hand, is basically concerned with organizing and implementing a new large scale survey. The Kyrgyzstan paper describes the administrative and regional division of the country and argues that the present structure of the statistical system and the other socio-economic features are not conducive to the generation of statistics at the local level. Hence, a major task is to determine optimal approaches to generate statistical information for small regions. A switch to increased use of sample survey methods is indicated. This is the case for small agricultural regions and in that connection it is stated that the reliability of results is ensured by stratified and multistage sampling on the basis of statistical registers. The paper from the NSO of Bulgaria discusses the use of censuses and administrative records as sources of statistics for small areas. They have a few special administrative registers which are used for statistical purposes and with a unique personal identification allowing linkages between the different registers. In particular, during the last 5 years an effort has been made to build up new registers in a number of social and economic fields. These have increased the wealth of information but have not solved the problem of generating data at low territorial levels. The question now becomes how the different sources of registers and censuses can be combined. The registers are seen to be problematic as there is a tendency for overcoverage or slow updating. Another problem is that each of the registers has been organized for a specific purpose without proper reference to statistical definitions. Censuses by contrast are problematic because of the uncertainty attached to them as regards coverage, infrequent census taking and subsequent rapid aging of census data, and because of costs. There are also problems of integrating the two, in particular as regards renewing the population

base which has to be done through a census, and with respect to observing methodological uniformity. The Bulgarian solution is to try to combine the two approaches in such a way that data for demographic events are based on registers while the size and the structure of the population is based on the last census. The paper concludes by discussing the advantage of integrating the two approaches for obtaining small area data. As regard registers, the conception of large comprehensive registers is not acceptable. This leads to a reliance on specialized registers which may have a more fixed scope and be more up to date. Census methods can also be improved by utilizing register information in preparing the census, by evaluating the scope ex post and by allowing GIS applications. All of this is seen as being instrumental in enhancing the provision of data for small areas.

112. The Finnish system is a totally register-based one and has been for the last one and a half decades. At the heart of the system there is a central population register, a register of buildings and dwellings, and a register of enterprises and establishments. Additional registers are those of employment, pensions, taxation, pensioners and students. These registers can be linked on the basis of personal identification numbers and enterprise numbers and they carry complete addresses through codes for streets, buildings, apartments etc. A geographic reference through map co-ordinates for each building is also included and the registers are updated continuously. This means simply that census information can be and is produced every year and this is fully equivalent to complete censuses with geo-coding of the units, both the population and businesses. The paper outlines three ways to produce small area statistics: for administrative areas such as municipalities; for sub-areas defined by the municipalities and based on digitized area borders into machine readable form; for geographic areas or squares using a grid system. This is a highly workable system but of course there are problems. First, there may be errors in the registers, such as in the geo-references that may affect the placement of all persons belonging to the unit that has been erroneously coded. Another difficulty is a lack of identifiers, in particular in the private sector employment registers and pension registers. For businesses, difficulties arise in connection with parent companies and multiple establishment companies. Also, the difficulties of maintaining correct establishment codes in the registers are notorious. All of these and more as accounted for in the paper, remain minor at the level of the whole country but may cause more significant errors in the case of a small region. Nonetheless, the significance of these errors is negligible when set against the advantage of being able to produce each year detailed data for each municipality or for a given geographic area.

113. While Finland is a supreme register country the US is all censuses and surveys. The US paper tells us about the decennial population and housing censuses that have used both "short form" basic questionnaires submitted to most housing units and "long form" ones which are much more detailed and have been submitted to a random sample of around one-sixth of the housing units. The long form sample is the main source of detailed socio-economic information below the national level, for states, counties, municipalities, neighbourhoods, and the American Indian Reservations. The Census Bureau is now planning to replace the long form in the 2010 census by a large ongoing intercensal survey, called the American Community Survey (ACS). This is mainly intended to fill the need for more frequent census type information for communities, both small geographic areas and population subgroups. The ACS will use a rolling sample design of approximately 250,000 addresses each month cumulating to about 2.5 percent sample over the course of the year, 12.5 percent over five years. What is being proposed is that the long form census data will in the main be replaced by five-year moving averages from the ACS for communities of all sizes. The ACS is planned to start nationwide in 2003 but the programme began in 1999 in 36 counties for allowing comparisons with the 2000 census. The ACS is a mail survey with a follow-up of nonrespondents by telephone and, for a sub-sample, in person. The sampling frame is a Master Address File that the Census Bureau has been developing over the last decade by updating the 1990 census list using new mailing addresses obtained from the US Postal Service. The Master Address File is linked to the Census Bureau's geographic database. The paper goes on to describe other sources of sub-national intercensal data outlining the current practices of post-censal demographic estimates of population and housing and small area models combining survey data and administrative records. These are seen as becoming increasingly important when combined with ACS data. The reasons for the choice of the planned ACS design is thoroughly discussed and it is regarded as an alternative of expanding the national labour force survey,

an alternative of mid-decade censuses owing to the failure of such censuses to be funded in the last two decades, and as alternative to greater reliance on indirect model-based methods of estimation. Finally, it is argued that the implementation of the ACS will bring about a simplification in the census process, a reduction in the cost of data collection, allow increased use of GIS applications, as well as enabling a greater integration of the decennial censuses and the inter-censal programmes.

114. Finally, the third group, made up of two papers from Poland and Slovakia, discusses particular projects for obtaining statistics at low regional levels. The Polish paper presents a methodology for estimating the size of unemployment at the local level. This had its background in the fact that there was a relatively big spatial differentiation in unemployment in Poland, not only between regions but also within regions. There are two sources of unemployment data in Poland, LFS data and data on registered unemployment at local labour offices. The methodology accounted for is based on both of these sources. This is facilitated by the fact that the LFS contains a question on whether the individual surveyed is registered as unemployed at a registration office. Also, the local registration data are available for each quarter and contain information on age, sex, education and the duration of unemployment. The paper describes the estimation techniques that have been applied and concludes that further improvements can be made by more advanced techniques. The paper from Slovakia contains an account of the experience of the so-called DOSME-project, which is a European panel project of newly created enterprises during the years 1995-2000. The project was concerned with the demography of enterprises and extended to 12 countries in transition. The main objective was to observe the establishing and the closing down of enterprises, their attributes and activities, in order to obtain data on the size and the characteristics of the active enterprise population and its development. The project involved two types of area related issues, area sampling and area characteristics.

115. Mr. Snorrason concluded his summary with the observation that the value of the supporting papers seems not least to be in the information they render about the different approaches in so many different countries to the task of generating small area statistics. Furthermore, he said, it is of no less interest to observe how the different solutions in each of the countries depend on the level of development of the statistical system, the development of the administrative system, and the different cultures of the countries in question.

#### Discussion:

116. There was general agreement that statistical offices in the ECE region are faced with an increasing demand for small area statistics. The demand comes from several levels - local, regional, national, and international. Also, the users are often not satisfied with data compiled according to existing administrative areas but need data relating to specific sub-areas such as urban/rural, labour markets, areas affected by natural catastrophes etc. The targeting of special domains of a region/small area is thus a function of a specific user request, and statistical offices have to be able to deal with this. A solution is the geo-referencing of data which allows for a flexible allocation to different areas. However, fulfilling the increasing demand for flexible and detailed small area statistics also requires substantial resources. Hence, the importance of promoting the benefits of the investments that have to be made to the users and the general public.

117. The meeting also discussed what is the role of a statistical office in the production of small area statistics. It was agreed that the main responsibility is to establish the framework for producing the small area data, notably by setting up an efficient infrastructure, defining standards, harmonising nomenclatures and methodologies and promoting the further development of estimation methods. It was considered to be less important how the production is organised internally in the office (in the subject-matter units or in a small area statistics unit). The main issue is a clear coordination of the data production and collection process.

118. In this context, the role of international organisations to enhance the exchange of experiences and best practices was emphasised. On the point of harmonisation, the question of developing a

standard for small areas across Europe (here, the NUTS already exists) or even world-wide was raised. Such a framework would be relevant to the further development of city and regional statistics as also identified in the millennium declaration.

119. Several participants emphasised the important role of the geographic infrastructure for the production of small area statistics. It was considered to be less important whether the GIS-unit is integrated in the NSI or whether it is in the mapping agency, crucial is a close collaboration. There is a definite need for further research on the integration and harmonisation of GIS and statistics, both in terms of technology and in terms of methodology and concepts. As an additional constraint it was pointed out that GIS often is a marketed product with copyrights which makes its use costly, sometimes impossible.

120. The advantages and disadvantages of the different sources used for small area statistics such as census, sample surveys, administrative records, and local studies were discussed and there was general agreement and awareness of the advantages and shortcomings of each. It was therefore recommended that a combined approach of using different sources is the most convenient way to overcome the shortcomings of single sources and to meet the ambitious needs of users. It was also clear that further exchange of experiences and best practices in this area would be useful. Methodological research on estimation methods for small area data was suggested as topic of a meeting.

121. The major challenges NSOs are faced with in the production of small area statistics were seen to be twofold. On the one side, they need to be able to meet the high technical requirements which are involved in the production of reliable small area data. On the other side, they also have to be equipped with high managerial skills and manage the various partnerships that are involved in the collection of information and they also have to manage the sometimes too high expectations of the users of small area data.

#### Concluding remarks and recommendations:

122. In concluding discussion on this second theme and on the seminar session, Mrs. Alcaide Guindo, the Chair of the seminar session, emphasised the overall agreement on the increasing demand for small area statistics often at a very detailed level. However, even the most advanced National Statistical Offices cannot currently satisfy this demand. Substantial statistical research, development and innovations are necessary in order to meet the demand. Mathematical models and estimation procedures for small area statistics still suffer from a number of shortcomings, and together with the sensibility of local users, this can lead to dissatisfaction. However, progress in this field is irreversible which has been shown by the contributions during the seminar. The seminar had shown that the systematic use of administrative sources was a key issue to further progress in the production of small area statistics. Therefore, NSIs should where possible make efforts to coordinate further the harmonisation of this source, including comparing best practises among countries. She also concluded that small area statistics are of international concern. Finally, with regards to the costs involved in the production of small area statistics, special support should be given to countries in transition and small national economies to help them develop small area statistics.

#### Ex post facto commentary by the Secretariat on possible future work by the Conference in the Conference's work programme resulting from the plenary session's consideration of this seminar topic:

In view of the growing demand for small-area statistics countries throughout the region are experiencing, and the similarity of the problems NSOs are encountering in dealing with this demand, the Bureau of the Conference may wish to consider whether it would be useful: (i) to establish a Task Force of interested countries and institutions to work on mathematical models and estimation procedures for the cost effective and efficient production of small area data; (ii) to convene a meeting in PA 2 of the Conference's work programme to exchange experiences on best practices in integrating data from administrative registers and data

obtained from surveys in producing small area statistics; and (iii) depending on the outcome of that meeting, foreseeing the possibility of the Conference issuing a manual or other type of methodological material in the Conference's Statistical Standards and Studies Series dealing with this issue.

## **VII. THE 50th ANNIVERSARY CELEBRATION OF THE CES**

Documentation: CES/2000/13

123. The Conference discussed the celebration which had been proposed to take place next year in Paris on the occasion of the Conference's 50th plenary session (Paris 10-12 June 2002). The following proposals were retained:

- (i) A seminar session on "Future challenges for the Conference of European Statisticians" looking at the role of the Conference in the ECE region and in the global statistical framework (one full day).
- (ii) A formal session consisting of speeches or possibly recorded messages of various heads of parent and/or sister organisations, e.g. UN, EU, ECE, OECD, UNSD and CIS (one hour).
- (iii) A high-level round table discussion that would take stock of the conclusions of the seminar session and draw out some major achievement the Conference had made and potential challenges for the future (two hours).

## **VIII. ELECTION OF THE BUREAU**

Documentation: CES/2001/22

124. As the current term of all the members of the Bureau of the Conference of European Statisticians expired at the end of this plenary session, elections for a Chair and five Vice-Chairs were held. In accordance with the rules of procedure adopted by the Conference at its 1991 plenary session, the most senior previous Chairperson of the Conference present, Mr. Carlo Malaguerra of Switzerland, organised the election.

125. Based on a proposal presented by Mr. Malaguerra, the Conference elected, for the 2001/2003 term of office, the following Chair and Vice-Chairs to the Bureau:

Mr. Svein LONGVA (Norway) as Chair;  
Mr Hallgrímur SNORRASON (Iceland) as Vice-chair;  
Mr Len COOK (UK) as Vice-chair;  
Mr Tadeusz TOCZYNSKI (Poland) as Vice-chair;  
Ms.Katherine WALLMAN (USA) as Vice-chair.  
Mr.Vladimir SOKOLIN (Russian Federation) as Vice-chair

126. The Conference thanked Mr. Malaguerra for the consultation efforts he had undertaken to ensure that the new Bureau would be successfully elected. The Conference congratulated the new members on their election and thanked the members of the outgoing Bureau for all their work and advice they had provided during their term. In announcing his recommendations for the composition of the new Bureau, Mr. Malaguerra stressed the important role the Bureau and Bureau members are expected to play in increasing the efficiency of the Conference, and he appealed to all the Bureau members to play an active role in pursuing this goal. Mr. Longva, the newly elected Chair of the Conference, endorsed this view on behalf of the newly-elected Bureau members.

## **IX. TRIBUTE TO MR. CARLO MALAGUERRA**

127. At the close of the plenary session the Conference paid a special tribute to Mr. Carlo Malaguerra, Director of the Swiss Federal Statistical Office, who plans to retire from his post towards the end of 2001. The Conference cited many of the significant contributions that Mr. Malaguerra had made to the Conference of European Statisticians and to international statistical work in the UNECE region in the past. These included, among other things, his serving on the Bureau of the Conference of European Statisticians from 1987-1993 and as Chairman of the Conference from 1989-93; his collaborating with other CES members in leading the process of adapting and re-invigorating the Conference in the early 1990s to reflect the new realities that emerged in Europe at that time; the major role he played in the drafting and creating the Fundamental Principles of Official Statistics that the Conference of European statisticians adopted at its 1991 plenary session; the leading role he, together with a small number of other countries, played in creating the Integrated Presentation of International Statistical Work in the UNECE region; his serving as the “Kingmaker” in organizing and overseeing elections to the CES Bureau from 1995-2001; and the breaking ground he and his Office established in planning and organising, jointly with the International Association of Official Statistics, the major international conference on Statistics, Development and Human Rights that was held in Montreux, Switzerland in September 2000. The Chairman of the Conference, on behalf of the Conference, expressed appreciation to Mr. Malaguerra for these and other contributions that he had made to international statistical work in the UNECE region during the past 15 years, and wished him well in his forthcoming retirement.

## **X. ADOPTION OF THE REPORT**

128. The report of the plenary session was adopted by the Conference at its closing session on 13 June 2001.

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ANNEX I

INTEGRATED PRESENTATION OF INTERNATIONAL STATISTICAL WORK  
IN THE UNECE REGION, 2001/2002 AND 2002/2003

Note

The Integrated Presentation of the statistical work programmes of the Economic Commission for Europe (ECE), the European Communities (EC), the Organization for Economic Cooperation and Development (OECD) and other international organizations working in the ECE region is presented in documents CES/2001/3 and Addenda 1-6, as indicated below. The Integrated Presentation shown in these documents, which collectively constitute Annex I of the report of the plenary session, is too large to issue as part of this report or as a single document.

CES/2001/34: Programmes of international statistical work in the ECE region, 2001/2002 and 2002/2003: An Integrated Presentation – Introduction and overview

CES/2001/34/Add.1: Programme Activity 1: Organisation and operation of statistical services

CES/2001/34/Add.2: Programme Activity 2: Technical infrastructure and other cross-cutting issues

CES/2001/34/Add.3: Programme Activity 3: Economic statistics

CES/2001/34/Add.4: Programme Activity 4: Social and demographic statistics

CES/2001/34/Add.5: Programme Activity 5: Environment statistics

CES/2001/34/Add.6: Programme Activity 6: Dissemination and support for Secretariat activities.

**ANNEX II**

**CES CALENDAR OF MEETINGS, 2001/2002 and 2002/2003**

**2001/2002**

- |            |  |                              |
|------------|--|------------------------------|
| 3.14       | ECE/EUROSTAT Seminar on Business Registers   | 27-29 June 2001              |
| 2.6        | Work Session on Methodological Issues Involving the Integration of Statistics and Geography ( <b>Tallin, Estonia</b> ) | 25-28 September 2001         |
| 5.1        | ECE/Eurostat Work Session on Methodological Issues of Environment Statistics ( <b>Canada</b> )                         | 1-4 October 2001             |
| 3.1        | Special Session on National Accounts ( <b>Paris</b> )  | 12 October 2001              |
| 3.10       | ECE/Eurostat/FAO/OECD Meeting on Food and Agricultural Statistics in Europe  | 17-19 October 2001           |
| 1.2        | CES Bureau meeting (Oslo)  | 22-23 October 2001           |
| 3.9        | Special Session on CPI for Transition Countries  | 31 Oct. 2001a.m.only(10a.m.) |
| 3.9        | ECE/ILO Meeting on Consumer Price Indices  | 31 Oct. (p.m.)-2 Nov. 2001   |
| 2.3        | Work Session on Statistical Output for Dissemination to the Information Media ( <b>Israel</b> )                        | 5-7 November 2001            |
| 3.9        | ECE/Eurostat/OECD Consultation on the ECP  | 12-16 November 2001          |
| 2.2        | ECE/Eurostat Work Session on Electronic Data Reporting   | 13-15 February 2002          |
| 1.2        | CES Bureau meeting   | 21-22 February 2002          |
| 2.3        | ECE/Eurostat Work Session on Statistical Metadata (Luxembourg)   | 6-8 March 2002               |
| 4.11       | ECE/Eurostat Work Session on Registers and Administrative Records for Social and Demographic Statistics                | 10-12 April 2002             |
| 4.9        | ECE-WHO Meeting on Health Statistics   | 15-17 April 2002             |
| 2.1        | ECE/Eurostat Seminar on Integrated Statistical Information Systems and Related Matters ("ISIS 2002")                   | 17-19 April 2002             |
| 3.1        | Special Session on National Accounts for CIS Countries   | 23 April 2002                |
| 3.1        | ECE-EUROSTAT-OECD Meeting on National Accounts   | 24-26 April 2002             |
| 2.2        | Work Session on statistical data editing ( <b>Helsinki</b> )   | 27-29 May 2002               |
| 4.4        | ECE/Eurostat/ILO Seminar on the measurement of the quality of employment   | 27-29 May 2002               |
| <b>1.2</b> | <b>50<sup>th</sup> Plenary Session of the Conference of European Statisticians (Paris)</b>                             | <b>10-12 June 2002</b>       |

**2002/2003**

- |      |  |                     |
|------|--|---------------------|
| 3.10 | ECE-Eurostat-FAO-OECD seminar on agricultural statistics for policy makers ( <b>Paris</b> )                              | September 2002      |
| 3.9  | ECE/Eurostat/OECD Consultation on the ECP  | 28-29 October 2002  |
| 2.1  | ECE-Eurostat Meeting on the Management of Statistical Information Technology   | 17-19 February 2003 |
| 2.1  | ECE-Eurostat Work Session on Statistical Data Confidentiality  | April 2003          |
| 4.1  | ECE-Eurostat Work Session of Migration Statistics  | April 2003          |
| 4.2  | ECE-Eurostat Work Session on Population and Housing Censuses ( <b>Ohrid, The former Yugoslav Republic of Macedonia</b> ) | May 2003            |
| 3.14 | ECE-Eurostat meeting on business registers   | June 2003           |
| 3.1  | ECE-OECD-CIS/STAT Meeting on National Accounts for CIS Countries   | First half of 2003  |

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