Alternatives offered to the informant to respond to Economic Censuses questionnaires

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Abstract and Paper

For the last 90 years, the Economic Censuses have been conducted in Mexico, with a five-year periodicity. They are a key project for updating economic information, the cornerstone of economic statistics, as well as being Mexico’s most comprehensive and detailed source of basic economic information.

Micro, small and medium-sized establishments are given a very complete questionnaire through a direct (face-to-face) interview because of the advantages it represents, such as timeliness and low costs. But this also has some disadvantages: the lack of safety in some areas of the country creates mistrust of informants for providing information; sometimes the informant does not have time to respond at that time or does not have the accounting and financial data on hand, so the interview has to be interrupted until the informant gets it with the owner of the establishment, with the company’s head office or the accountant; in addition, turning to an accountant is becoming more frequent due to greater fiscal control by the Treasury Department, so new strategies are required.

Provided this background, INEGI has sought alternatives to collect information in those establishments that present the problems described. One of them was the design of a format called "Prepare your answers!" which is administered to the informant before or during the first visit, so that accountants or owners of the establishments can prepare their accounting information for the 2019 Economic Censuses and have it available when filling out the census questionnaire with the interviewer. In addition to direct interviews in which a mobile computing device was used for collecting and validating data at the time, informants could also choose to respond in a printed questionnaire or over the Internet or they were provided with PDF or XLS editable files to fill them out and have them ready for interview.

This document also describes other actions aimed at making future use of some administrative registers to reduce the burden on the informant.

Keywords

[Keywords]
Alternatives offered to the informant to answer the Economic Census questionnaires

Abstract

For 90 years in Mexico the Economic Censuses have been held with a five-year periodicity. They are a key project for updating economic information, the cornerstone of economic statistics, as well as being Mexico’s most comprehensive and detailed source of basic economic information.

Micro, small and medium-sized establishments are given a very complete questionnaire through a direct (face-to-face) interview because of the advantages it represents, such as timeliness and low costs. But this also has some disadvantages: insecurity in some areas of the country creates mistrust of informants in providing information; sometimes the informant does not have time to respond at that time or does not have the accounting and financial data on hand, so the interview has to be interrupted until the informant gets it with the owner of the establishment, or with the company’s head office; in addition, recourse to an accountant is becoming more frequent due to greater fiscal control by the authority, so new strategies are required.

Considering this background, INEGI has sought alternatives to capture information in those establishments that present the problems described. One was the design of a format called “Prepare your answers!” which is given to the informant before or during the first visit, so that accountants or owners of the establishments prepare their accounting information for the 2019 Economic Censuses and have it available when filling out the census information for the interview. In addition to direct interviews using a Mobile Computing Device (MCD) in which information is captured and validated at the time; informants could also choose to respond in a printed questionnaire or online or provide them with files PDF or XLS editable formats to fill them out and have them ready for interview.

The document also describes other actions aimed at making future use of some administrative registers to reduce the burden on the informant.

Context

The most important characteristic that distinguishes the Economic Censuses from other statistical projects is that the information of the entire universe of study is delivered at highly detailed levels for ALL kinds of non-agricultural economic activities and for any geographical section, like states of Mexico, municipalities, cities, localities or for a specific group of blocks.

As of 1930, Economic Censuses are carried out every five years, walking exhaustively around each block to get information on fixed and semi-fixed establishments and households with economic activity.
The objective of the Economic Censuses is to obtain basic statistical information, to refer to the year prior to the census, especially to the suppliers of goods, marketers of goods or service providers, in order to generate the economic results of Mexico at geographical, sectoral and thematic levels.

To succeed in the objectives above, the Economic Censuses are backed up by international norms and recommendations such as the following:

- International Standard Industrial Classification of All Economic Activities, UN, 2009
- Industrial Statistics – Guideline and Methodology-, UNIDO, 2010
- International Recommendations for Tourism Statistics, UN, 2008
- International Recommendations for Distributive Trade Statistics, UN, 2008
- System of National Accounts, UN, 2008
- European System of Accounts, EUROSTAT, 2010

In addition to international recommendations, a Public Consultation process is conducted in order to ensure the relevance of the issues included.

Since the autonomy of INEGI in 2008, all statistic projects of national interest are required by law to undergo a public consultation. The public consultation of the 2019 Economic Censuses took place from September 15th to October 23th, 2017. During this period, citizens had the opportunity to enter the INEGI website and make recommendations, comments or suggestions that fed back the census project to improve it.

**Methodology**

The Economic Censuses use eighteen different types of questionnaires to gather information on the different activities of the businesses and the different sizes of the establishments. However, about 95% of all observation units are micro, small and medium-sized establishments in the manufacturing, commerce and services sectors; a “Basic” questionnaire is applied to all of them, containing common themes; the same items which are applied to the rest of the questionnaires.

To collect the information, we use four types of media, so that we adapt to the needs of the informants:

1) Mobile Computing Device. Most of the small establishments provide us with the information in a direct interview (face to face), which is automatically captured and encrypted, thus protecting the confidentiality of the information.

2) Internet. Large establishments answer the questionnaire through this medium and those businesses that have more than 10 establishments have access to spreadsheets (XLS) specially designed for their information requirements.
3) Paper questionnaires. They were used for special cases, either because the informant wishes to do so or because INEGI’s interviewer decides not to use the mobile computing device for security reasons.

4) Editable PDF questionnaire. This option was used only in special cases when the owners or establishment managers requested so, since the interviewers had to capture them later on the mobile computing device or on the Internet.

The use of the mobile computing devices has revolutionized the way of data collection, as well as drastically reducing the printing of paper questionnaires, avoiding the capture of data and allowing the validation of information at the time of the interview, making it is possible to update the cartography, updating the National Statistical Directory of Economic Units (DENUE), counting the dwellings and applying the questionnaire to the establishments to capture the census information of each of them.

Once the information is collected, data is transferred in an encrypted form, directly from each area of the country to the headquarters of the INEGI, via the Internet.

As already mentioned, for micro, small and medium-sized establishments in the manufacturing, commerce and services sectors, a questionnaire is applied through a direct interview (face-to-face) due to the advantages it represents, such as timeliness and low costs. But this also has some disadvantages.

During the Pilot Test of the 2019 Economic Censuses that was carried out in 2018, it was observed that in certain areas where there are establishments with a greater degree of “formality” than in previous censuses, and with higher incomes, interviews were frequently interrupted, because the informants said that they didn’t have the information they were being asked to.

In Mexico, resorting to an accountant is increasingly frequent, due to greater fiscal control by the tax authority. Greater control by tax authorities leads to a greater degree of formality in the control of the finances of establishments, which means that establishments must resort to hiring the services of an accountant. Thus, informants who did not have the answers on financial aspects had to talk to their accountant to provide them with the information they asked to answer the questions of the economic census, which complicates the interviews, since the questionnaire was designed for a direct interview (face-to-face interview).

Other problem was that sometimes the informant did not have time to respond at that time, so the interview had to be interrupted. It was necessary to leave him a format to fill it out when he had time and then give it information to the census.

It was also common for the interview to be interrupted in establishments belonging to companies, because the manager did not have the information of the establishment and had to request it from the owner or with the enterprise headquarters.
Due to insecurity in some areas of the country, some informants expressed distrust for providing the information. They preferred to answer the questionnaire through INEGI’s official website. Although the collecting system was designed to capture information from large companies, it was adapted so that small establishments could also respond by this means. In these cases, a printed form was required to guide them, but there were very few printed questionnaires.

Importantly, the success of a census depends on the response to the questionnaire during the first visit. The following visits involve very high marginal costs, in addition to the mismatches of the initial logistics.

For the reasons described above, INEGI implemented new strategies that would allow information to be captured in those establishments that present the problems described.

One of these strategies was the design of a document named “Prepare your answers!”, which is given to the informant before or during the first visit from the interviewer, so that the accountants or owners of the establishments manage to prepare their accounting information for the 2019 Economic Censuses, and they had it at hand when filling the census information with the interviewer.

**Prepare your answers!**

This is a document that summarizes the basic questionnaire that, in addition to the identification data of the questionnaire (Identification keys and location of the establishment) contains the chapters of Employed Personnel, Remuneration, Expenses, Income, Production Value, Stocks, Fixed Assets, Credit and Bank Accounts, some characteristics about management of the business, in addition to other variables with which the INEGI intends to continue developing the use of administrative records, that is: Registration Number in the Mexican Social Security Institute (IMSS, its Spanish acronym), number of Federal Taxpayers Registry (RFC, its Spanish acronym) of the tax authority in Mexico, and the electricity meter number of the Federal Electricity Commission in our country.
Strategy with accountant colleges

Of course, the strategy of implementing the questionnaire summary should be accompanied by a strategy in which accountants could effectively participate.

Support was requested from the Colleges of Accountants, in order to ask them to prepare the data of their clients using the document *Prepare your answers!* and sending it back to its customers before the census.

The message for the accountants was aimed at letting them know that they were a fundamental part of the 2019 Economic Censuses, because they are the ones who manage and know the information of the establishments for which they provide their service. They were requested to:

- Have the information of the establishments for which they provide their services ready.

- Prepare the accounting information of their clients to be provided to INEGI staff when they visit them.

- Receive the interviewers and advisors who would visit them to apply the questionnaire at the establishment of the accountant.

- Raise awareness among owners, administrators or managers of economic units that refuse to provide information about the importance of providing their data.

Products such as the following were developed during the communication strategy with the accountants:
When walking around each of the country’s blocks, the interviewers used the summary of the questionnaire under the following conditions:

1. As support when the appropriate informant was absent (owner or manager), to previously fill in the information and set an appointment date for the complete filling.

2. In establishments where the accountant could fill in the economic data and the owner or manager—would complete the qualitative information of the questionnaire.

3. Establishments where refusals were received due to lack of time to answer the questionnaire.

This alternative was very efficient in establishments that did not have the data at hand; it was applied in approximately 30% of the interviews and the results were very good, since the interviewers consulted reported 90% success in applying this instrument.

The document served as a prior support and the questionnaire was completed in the presence of the informant in the mobile computing device.

As advantages, interviewers also mentioned that:

- The simplicity of the instrument reduced the stress of the informant.
- It provided an overview of the data contained in the questionnaire.
- It improved the accuracy of the answers.
The response time improved.

It supported effectively and accurately obtaining specific information when the appropriate informant was missing.

The disadvantages were:

- Summarizing a 32-page questionnaire in just two, involved dispensing with definitions that contributed to the understanding of the variables. The document *Prepare your answers!* did not contain the definitions of the variables.
- Due to the lack of space in the document, no instructions were available to support it.
- The basic questionnaire allows different alternatives to capture the data, being able to capture the semiannual, quarterly, bimonthly, monthly and even daily information and the mobile computing device converts to the annual data. The summary format only allowed for annual data to be captured.

**We are getting ready for new challenges**

As mentioned in the introduction, another aspect that is being worked is the preparation of the path for a future use of administrative registers in order to reduce the burden for the informant. In that sense, in the 2019 Economic Censuses questionnaire we included some additional data such as the Federal Taxpayer Registry (RFC), the Employer Registry with the Mexican Social Security Institute (IMSS) and the meter number from the electric supply company (CFE). Once the data is obtained it will be analyzed to determine its usefulness to link our Business Register with databases from these federal offices in order to take advantage of business data that is updated on a regular basis in those records. That way, INEGI will be able to use them to fill in the questionnaires, instead of asking informant to do it.

This aspect is still under development, since it is necessary to analyze the data obtained in the censuses, and, if this strategy works we could reduce the burden for informant.