UNECE/FAO ToS SFM
Thematic Group on Socio-Economic Indicators
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Present:
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Background

Socio-Economic Indicators (pan-European Criterion 6) are generally poorly reported if reported at all. In order to address this situation a thematic group was established during last ToS meeting in Saint Petersburg. The aim of the thematic group is to improve the reporting on Socio-Economic Indicators by identifying problems and proposing solutions and recommendations to be considered in the next ToS SFM meeting in February 2013 in Geneva.

General Comments and Recommendations

1. In the last SoEF report tables and figures were not consistent through the report and the composition of the figures did not always match with the text in chapters. Therefore, planning of tables and figures for the final report should be included in the preparation process at an earlier stage (to be discussed in ToS or other expert level meetings). Figure titles should include explanation if there are several possibilities for interpretation of the results, e.g. averages used were averages from total or weighted averages. A useful rule from scientific publications applies: the figures should be self-explanatory without the text in chapters; if the figure is separated from the publication, either the figure or the caption should include sufficient explanation for the reader to understand what it is about and how were the results calculated. This will prevent false interpretation of the results by others. Attention should be paid to graphics (including maps) at an earlier stage in the report and a consistent approach encouraged, ideally designating a graphic coordinator.

2. National correspondents (NC) could provide more support for interpreting the results. NC's should be encouraged to include comments to explain the data and or trends in their country already when filling the enquiry and while checking prefilled data. This would link the NCs to the analysis, and involve the countries more into the whole process as has been requested. Next to this NCs should also be encouraged to provide comments, if no data is available in order to give an explanation on the situation in the country.

3. In order to avoid mistakes in conversions and different calculation methods, the group concluded that national currency should be used for the reporting as in GFRA. Additionally, historical series should be checked by the NCs if they are still consistent or if some figures need to be corrected. Those countries who have already converted their historical data to euro and have euro as a national currency, can keep their records in euro. For the other countries the historical series will be presented to the

NCs in national currencies. It is proposed to use IMF exchange rates to recalculate the national currencies to Euro.

4. The group discussed about the possibility to include Tiers in measuring data quality following the example of global reporting. However, it was concluded that it is better to keep the current definitions with minor changes, because moving to Tiers would require relative lots of work compared to the probably low added value. Data quality definitions (H/M/L) should be reviewed and updated, because at the moment only M includes data coverage, quality and process and H and L do not. The group concluded that shifting to Tiers as in GFRA is not worth the effort. Instead, if separate instructions on certain indicators are useful for data sources, it could be added into the explanatory notes.

5. The group discussed what recent year should be used for reporting in the next enquiry. The conclusion was that this depends on the indicator:
   6.1 FRA asks for 2010
   6.2 (Contribution to GDP): 2010 by countries, supplemented by IDP data latest available
   6.3 (Net revenue): 2010
   6.5 (Workforce): 2008-2011(2012 if available) average
   6.6 (Accidents): 2008-2012 average
   6.7 & 6.8: latest year available
   6.9 (Wood Energy): 2007, 2009, 2011 from JWEE
   6.10: For accessibility & management goal: 2010
   For intensity of use: latest available
   6.11: latest available

6. Additionally, the group discussed about using the latest public data available for the report (e.g. national accounts), if the countries would not fill the data according to the detailed instructions included. This applies especially to the economic data, which fluctuates year by year. Latest available data would support the authors to make correct conclusion. In FAO most recent data is already used for FRA.

7. Clear division of responsibilities (who, what, when) would help to understand the roles of different stakeholders during the process. For authors it is important to know the exact schedule when data arrives, and in general it would be a good idea to include an explanation of the purpose of the indicators and data collected in the beginning of the enquiry. For NCs it would be important and motivating to understand the total concept, which might result in better data coverage in the enquiry and encourage to use the indicators more intensively at national level. At the moment introduction of the enquiry starts with the ministerial conference, and there is no further explanation on the process.

8. All data, where applicable, should be collected and reported in nominal values. National deflators are recommended for value added (GDP deflator) and trade (export and import deflators). The real values (adjusted for inflation using respective deflator) are needed for analyses and could be presented also in graphs.

9. International data providers should provide disaggregated data in an easy to manipulate form.

Comments and Recommendations for Individual Indicators

Comments are included in regular font and recommendations in red font.

6.1 Forest Holdings - Size classes

- In the current situation it is not possible to analyse all data.
- There are too many size classes, which should be reduced to 2 size classes (< 10 ha and ≥ 10 ha) (or left out).
- These size classes should be reported for private sector, only.
- Both hectares and number of holding should be included.

The thinking was that the interpretation of the concept of holding was problematic for public holdings, because decision making may be at a different level from management unit, so countries likely to be inconsistent in reporting. However, if reduced to 2 size categories as proposed, the extra reporting of size for public holdings should not be too much extra work.

6.1 Forest Holdings - Ownership

- Is private and public enough? CFRQ is more detailed (public, forest companies, other companies, NIPF)
- For FAWS? (FAWS is problematic as a concept)

6.2 Contribution of the forest sector to gross domestic product

- Detailed instructions are provided in explanatory notes how and where to collect the data, but still many NCs do not follow them (no data)
- NCs should contact statistical office in the country for assistance
- Reporting notes have to be updated.

6.3 Net revenue

- Current definition is considered good enough, no changes were suggested by the group as 17 countries replied last time to the IEEAF enquiry of Eurostat (50%).
- Eurostat will organize a task force on the topic of IEEAF.
- Reporting notes have to be updated. .

6.4 Expenditures on services

- Willingness to provide detailed data and/or the absence of it might be a limiting factor with this indicator
- EUROSTAT has some information on governmental expenditures on forestry (IEEAF Table 3c)
- Thinking behind this indicator is not clear, further information is needed to better understand the aim of this indicator.
- Adding a total column is necessary.

6.5 Forest sector workforce

- Breakdown of the data decreases the reliability of the results (thresholds)
- Priority should be on filling the totals column (total employment, Table 6.5a)
- Availability of other data sources like ILO should be checked

6.6 Occupational safety and health

- Data availability will improve in mid-2014, when first round of new compulsory reporting (European Statistics for Accidents at work) on occupational safety will be completed by EUROSTAT (data from 2012)
- Check which thresholds are used. Is self-employed included?

6.7 Consumption per head of wood and products derived from wood

- IDPs provide, responding to the information needs of (lead) authors, some of whose requests are too ad-hoc.
- The compact presentation of results (e.g. indexes and time series) is fine
- Stock changes are excluded (=>"apparent consumption")
- Formula as defined in indicator is okay but the total population should be defined for each year separately (as was actually done)
- Is per capita change the preferred method? Less sensitive for misinterpretations. Overstating RWE for efficient countries due to standard conversion factors => report should reflect that.
- The structure of data should be shown in the SoEF questionnaire in the same manner as for other indicators, integrate IDP specifications into the questionnaire (not in the appendix)
- Manipulated data should be delivered to countries for feedback before authors start to write (Including underlying data) Autumn 2013?
- Conversion factors should be the same as last time (ECE DP49)
- Authors should be aware of the double counting of certain byproducts due to RWE factors being used without assumption of byproduct usage further in process! Also issue of more efficient processes having overstated wood consumption. NC's and Readers
- How to deal with missing data? The same as last time (business-as-before, i.e. repeating backwards) which flattens changes

6.8 Trade in wood

- IDPs provide, responding to the information needs of (lead) authors
- Sometimes requests are too ad hoc
- The full description is missing in instructions!
- It does make sense to have two measurement units (volume and value), and both should be listed. Formula is missing roundwood for total trade.
- Clarification of the use of real and nominal terms is needed. The deflator should be defined and used consistently throughout the whole report (but not in data collection).
- Should we include secondary products, data by value with more limited time series? Note: the challenge of value-added. Prefer that secondary products are not included.
- Should regional trade include intra-regional trade? If not, a different data source needed. Intra-regional is preferred.
- The structure of data should be shown in the SoEF questionnaire in the same manner as for other indicators, integrate IDP specifications into the questionnaire (not in the appendix)
- A new graph on net trade by value by region (per year/annual average?) to replace table 51 and 53: +Y=exports, -Y=imports

6.9 Energy from wood

- The interest in the consumption of wood energy is related to the renewable energy targets set e.g. by EU. This aspect should be taken into account when writing the analysis.
- Wood energy is now more than just fire wood used as household consumption (in the rural areas), e.g. black liquor used by wood industry.
- Data quality and coverage have improved from 2011 facilitating easier conclusion making – trends from 2007-2011 could be made
- Conversion from energy units to tons dry matter to be made by IDP
- Author should compare wood energy per capita of total population not per capita of rural population, because use of wood energy is not limited to rural and because rural population statistics as used for SoEF 2011 are inconsistent (e.g. Belgium).
- The questionnaire should deal with thousand tons of oil equivalent (ktoe) or TJ.
- Pre-filled data for 2007, 2009 and 2011 from UNECE/FAO.
- Total energy from wood should be given as consumption. Note: the industry consumption included.
- Authors should pay attention to consistency with JWEE and RES reporting. Note: the different concepts used in 2011 (use, consumption, production, supply,…).
- Add total renewable energy to questionnaire.
- The total energy consumption from wood should be shown as the sum of sub-categories by the use of indents.
- Figure 82 preferred over table 54 in 2011 report.
- In reporting the results should be related to the EU renewable energy targets.

6.10 Accessibility for recreation & intensity of use

- In general countries provided good data, but intensity of use was difficult
- David Edwards has studied the issue
- Countries need help in reporting. e.g what to do with old data
- Intensity: should ask for the latest data available, not for several years
- Consistent data could be provided only by a European wide survey (but it is too late to start this for 2015)
- Reporting notes should emphasize the importance of comments and explanations on national criteria for accessibility (e.g. right of access).
- Plan in the long run a European wide survey into this topic.

6.11 Cultural & Spiritual values sites

- Categories are OK as such
- NC's should contact early on national experts of this topic
- Countries should be helped in raising queries in their countries
- Secretariat probably needs consultant
- Ask for latest available data instead of time series
- Ask for extensive country comments
- There was some discussion whether quantitative data can bring any useful information on this indicator or could this better be described with qualitative data

Recommendations for Authors

- All chapters could include a summary or an overview of the results, i.e. what do these numbers and trends mean, what is the total outcome, and what are the conclusions?
- Indicator 6.4: Remember to check qualitative indicators 3 as a background (e.g. regimes for funding).
- Indicator 6.5: encourage the author to use other data sources in order to deal with non-traditional forestry personnel (e.g. for the provision of services).
- Consider the potential to use IDP & Research data together with national data
- Need to be agreed on the data sources beforehand; this relates to the previous point, and is to intend to convey that other sources to be used by authors should be agreed in advance. We are only looking to include approved authoritative sources, not asking authors to summarize various research studies of possibly variable quality which they happen to be aware of.
- How to include country comments in the text?
- Harmonise the Chart colour palette, indicating ”No data available”... Example: Darker shading should be used for higher level (unlike Figure 76 in SoEF 2011). I think that the final part of this is to recommend that the light grey shading should be used for Forest Europe countries not reporting data (unlike e.g. Figure 67 which used it for countries outside Forest Europe area, not shown on other maps).
- Background data:
    - Rural Population data looks suspicious
    - Growth rate 2008-2009: not relevant, too short time period
- Harmonise and explain the use of notations: ”0”,”-”, ”N.D” , drop the ”NS” (non-significant) category Consider the potential to use IDP & Research data together with national data.
- Involve authors in the data validation process in order to make it possible for them to ask questions to the NCs in an early stage without having the pressure of the reporting deadline.
- For each indicator it might be good to give instructions for the NC, the author and a general description of the indicator and the reason for reporting on it.

To be discussed in ToS February 2013

Planning of tables and figures for the final report should be included in the preparation process at an earlier stage (to be discussed in ToS or other expert level meetings).

All chapters could include a summary or an overview of the results, i.e. what do these numbers and trends mean, what is the total outcome, and what are the conclusions? This would make the most important messages clearer and bind the indicators together.

Indicator 6.4 should be further discussed when the background and target becomes clear. The thematic group was not sure what is with the aim of this indicator.

The annual data should also be requested if an average figure is asked for in the table. This holds for all data that are annual by its nature (most economic data) but not for forest resource data. These annual figures will make detailed analysis possible for the authors and will result in long time series. The annual data should be available to the NCs as they need it to calculate

the average. For reporting an additional table could be added in which the annual data can be presented. The first step might be to ask for annual data for the totals in a table.

Follow-up

1. Report of the meeting to be circulated in following order: Elina Warsta-Jan Oldenburger-Kari Korhonen-the whole group. Comments and changes to be included in track and change until 20/12/2012 and to be sent to Elina Warsta. Final version of the report will be shared with ToS in January.

2. Table/list of responsibilities to be prepared by Elina Warsta and Alex McCusker to clarify the preparation process for all and to increase transparency of the process. This will include authors, UNECE/FAO secretariat, IDPs, NCs by ToS meeting in February 2013.

3. Indicator 6.2: Arvydas Lebedys will provide updated instructions for the reporting notes for data collection (to be included into new enquiry) by the end of January 2013.

4. Indicator 6.4 : Elina Warsta will check with Roman Michalak what is the background for the reporting notes: where do they originate from and what is the thinking behind? This needs to be further discussed in the ToS meeting in Geneva in February 2013.

5. Indicator 6.5: Elina Warsta will find out the status of the UNECE/FAO cooperation with ILO and if labour force data is available for forest sector only from ILO.

6. A standard should be developed for data supply by the IDPs. Either the UNECE/FAO or Forest Europe secretariat could take the lead in this. During last reporting period IDP data handling took quite some time due to the format it was delivered.

Annex

Metla/Martti Aarne Dec 20, 2012

Some additional comments on indicator 6.5: Forest sector workforce

1. **Workforce vs. number of persons employed**
The indicator is expected to present the "number of persons employed and labour input in the forest sector". Starting from that definition, the tables in the enquiry present employment (in thousand FTE) by gender and age. At first sight, this looks fine.

However, according to Labour Force Surveys, the concepts of "workforce" (or labour force) and "persons employed" are not synonymous. Workforce has a wider coverage, including not only persons employed, but also persons unemployed. The latter category is not at all covered by the present SoEF enquiry or the text section on pages 123 to 126. My point/question here is whether we should (or could) take "the number of unemployed persons in the forest sector" into account in some way or another? To be honest, I do not know. However, it looks obvious to me that the title of the indicator and its definition are in conflict with each other. I would like to propose that this inconsistency is recognized, and at least the reporting notes are revised accordingly.

It is true that the pure employment figures better describe the importance of the forest sector to the society. Nevertheless, the question still remains whether unemployment can be totally neglected, if the indicator is referred to as the forest sector workforce.

The number of unemployed persons in the forest sector is marginal in relation to persons employed. However, these figures, based on the Labour Force Survey, are available in some countries, for example in Finland. In 2012, the total labour force in the forest sector amounted to 75 000 persons, of which 69 000 were employed and 6 000 unemployed. Finland may be an exception because of the importance of the forest sector. It is quite possible that this kind of data on unemployed persons will not be available in most countries. Alternatively, if available, the quality of information is too weak or standard errors too large. In any case, data availability should be checked. Both Eurostat and ILO are potential sources.

2. **Sub-categories of the forest sector workforce**
In addition to the present breakdowns of gender and age, I would like to suggest, for further consideration, the classification of the forest sector workforce by status of employment. In that breakdown, the categories would be as follows: wage earners (in Finnish: työntekijät), salaried employees (toimihenkilöt), and self-employed and unpaid family workers (entrepreneurs and their family members). This breakdown is requested in international Labour Force Surveys and is available at Eurostat.

In fact, I do regard the breakdown by status of employment as the most important classification. It would give us information on how much work in the forest sector is carried out by "professionals", and what the significance of self-employed forest owners working in their own forests is. As far as I know, this kind of data would be available at Eurostat: at least it is requested every year.

Age and gender may be secondary classification factors. We already know without any further enquiries that the forest sector (especially forestry) is a highly male-dominated branch. It is not of major importance to know whether the share of male employees has decreased from 72% to 69%, or vice versa. Age is a more relevant basis for classification than gender, but well below status of employment in importance.