



**Economic and Social
Council**

Distr.
GENERAL

CES/2001/17/Add.1
27 March 2001

ENGLISH
Original: RUSSIAN

STATISTICAL COMMISSION and
ECONOMIC COMMISSION FOR EUROPE

CONFERENCE OF EUROPEAN STATISTICIANS

Forty-ninth plenary session
(Geneva, 11-13 June 2001)

Statistical data collection in small countries - the experience of Armenia

Supplementary report submitted by the Statistical Administration of Armenia

1. The transition from a centrally planned to a free market economy has set all information systems, including the systems of official statistics, qualitatively new tasks reflecting the need for substantial change in the methodologies previously employed and the creation of new ones, using all the methods applied in statistical practice worldwide.
2. With the development of new economic relations, the method of complete enumeration traditionally employed in official statistics has become ineffective for a number of reasons, including: the development of the private sector, a manifold increase in the number of businesses and kinds of activity, the high rates of change in market segments, the large cost and difficulty of employing the traditional or conventional methods of data collection, etc. The aforementioned factors have highlighted the need for a substantial change of priorities, entailing the adoption of new concepts and definitions, and methods of data collection corresponding to international practice. This has meant assimilating and applying methods of incomplete enumeration in all branches of statistics.
3. Now that small enterprises are becoming increasingly important in various spheres of the economy which hitherto were typically the province of large and medium-sized enterprises, reliable data on the activities of small enterprises can be obtained only by combining sample surveys and complete surveys.

4. The official register of enterprises on 1 January 2001 listed 44,196 legal entries, 50.7% of them in the sphere of wholesale and retail trade. According to various surveys conducted by the National Statistical Service, moreover, 30-35% of the total number of registered enterprises are inactive. It should be noted that, with the absolute abstraction of entities in the trade sphere, this situation points to both the limited nature of the whole population and the substantial statistical burden on active enterprises.

5. Thus, providing conditions for the statistical information system to grow faster in relation to other systems means that because of the wider significance of administrative systems the quality and coverage of information will have to be improved, having regard to the growing multifactoriality of the internal and external environment.

Characteristics of sample surveys in small countries

6. With a view to the regularization, systematization and improvement of statistical information flows aimed at producing objective information about economic and social processes in the Republic, the National Statistical Service has developed a blueprint for sample surveys which is recommended for use hereafter in the system of official statistics. It provides for every large or medium-sized enterprise engaged in any economic activity to be subject, for the purposes of current reporting, to full and comprehensive reporting, while the activities of small enterprises will be covered by sample statistical surveys. In order to balance the statistical load and the demand for detailed information, the blueprint provides for the following measures with respect to sample surveys:

1. Preparation and formation of a sampling frame (whole population)
 - 1.1 Identification of existing information sources, both statistical and administrative;
 - 1.2 Study and harmonization of the existing information sources;
 - 1.3 Gradual inclusion of data from administrative sources into the present business register, with a view to improving and updating it;
2. Sampling. Formation of a sample
 - 2.1 Grouping of units from the business register by main characteristics (kinds of activity, number of persons employed, etc.), with a view to later use of a stratified random sample;
 - 2.2 Testing of a sample in one specific area of structural statistics;
 - 2.3 Evaluation of the results obtained, with a view to adjusting the individual techniques used and ensuring their effectiveness;
 - 2.4 Formation of the sample;

3. Collection, entry and correction of the primary data
 - 3.1 Collection and entry of the primary data;
 - 3.2 Treatment of complete non-responses from units of observation;
4. Compilation of the survey results
 - 4.1 Application of the data obtained from sampling to the whole population;
 - 4.2 Estimation of the accuracy of the results obtained.

7. The above measures will help considerably to reduce the statistical burden on respondents, focusing attention on the quality of the results obtained and making them more closely approximate in practice to what is theoretically achievable in the given circumstances.

Use of administrative sources of data in small countries

8. Another important aspect of applied statistics in transition economies is the use of administrative data sources. This situation is especially acute in Armenia's statistical system, where because of the considerable number of inactive enterprises it is particularly important to obtain data from other sources. The building of a bridge between the administrative registers and the business register will have a positive impact on the quality of the statistical end product and help to reduce substantially the costs of handling periodical statistical information.

9. It must be noted, however, that the administrative registers do not always match the purposes of a statistical register and in certain cases may lead to distortions in the interpretation of statistical terms, as regards both the statistical units and kinds of economic activity. To avoid differing interpretations of statistical terms, particularly with respect to kinds of economic activity, the National Statistical Service, on the basis of ISIC (revision 1), has developed a national statistical classification of kinds of economic activity which is about to be recognized as a State standard.

10. In order to harmonize the existing interdepartmental sources of statistical data, the National Statistical Service has been entrusted, under the Official Statistics Act, with the task of developing methodologies of data collection and forms of statistical enumeration for administrative registers which are all part of the State's statistical information system. The National Statistical Service is currently studying and evaluating the existing administrative sources with a view to combining them into a single whole and elaborating a uniform procedure for their management.

11. As regards coverage, the Armenian statistical system was reorganized by regional administrative subdivision with horizontal coordination. These arrangements have helped to rationalize the already existing information flows "from top to bottom", decentralize reporting documentation and archiving, reduce the proportion of primary documentation submitted to the central office and eventually automate the whole cycle of data collection and processing.

Costs of statistical activities in small countries

12. Ensuring the comparability of the statistical data obtained through the systems of compulsory official statistical reporting and the administrative registers means harmonizing the accepted definitions, classifications and methodological standards. The statistical products made available to the user will then be complementary or, at least, not suffer from discrepancies. Not being a measure of quality, however, funding for the production of statistical output is one of the constraints on quality. The principal tools for resolving this problem must be:

- Transition from “paper” data collection to the use of modern IT (electronic) data collection;
- Use and management of administrative registers matching statistical requirements in order to avoid duplication;
- Introduction of methods for the electronic interchange of data involving both respondents and data users to reduce the burden on respondents and make the data more readily available to users.

13. In order to make greater progress and mitigate the influence of direct budget funding, the Official Statistics Act provides for the institution of paid services for users of statistical information, which together with additional opportunities for encouraging the development of the statistical system will act as an incentive for statisticians.
