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and
ECONOMIC COMMISSION FOR EUROPE

CONFERENCE OF EUROPEAN STATISTICIANS

Report of the fifty-first plenary session

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I. INTRODUCTION

Attendance

1. The Conference of European Statisticians held its fifty-first plenary session in the Palais des Nations in Geneva. It was attended by representatives from Albania, Armenia, Australia, Austria, Azerbaijan, Belgium, Brazil, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, Norway, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Serbia and Montenegro, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, The former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom and United States.
2. The session was attended by representatives of the European Commission (Eurostat).
3. Representatives of the United Nations Department for Economic and Social Affairs (UN Statistics Division); United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP); United Nations Conference on Trade and Development (UNCTAD); and the following specialised agencies and intergovernmental organisations attended: International Labour Office (ILO); International Monetary Fund (IMF); World Bank; United Nations Development Programme (UNDP); United Nations Population Fund (UNFPA); Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT); the Organisation for Economic Cooperation and Development (OECD); World Trade Organization (WTO); Food and Agricultural Organization of the UN (FAO); World Health Organization (WHO); Bank for International Settlements (BIS); European Central Bank (ECB); and the European Free Trade Organisation (EFTA).
4. Mr. Svein Longva (Norway) chaired the session. Mr. Hallgrímur Snorrason (Iceland), Mr. Tadeusz Toczyński (Poland), Mr. Vladimir Sokolin (Russian Federation), Ms. Katherine Wallman (United States) and Mr. Len Cook (United Kingdom) served as Vice-Chairpersons.

Agenda and procedure

5. The provisional agenda (ECE/CES/63) 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

6. Opening statements were delivered by Mr. Longva, Chairman of the Conference and by Ms. Schmögnerová, Executive Secretary of the UNECE. Ms. Schmögnerová drew the attention of the Conference to the following issues: (i) Major policy directions of UNECE's work; (ii) Sustainable development in the ECE region; (iii) The UNECE reform; (iv) Follow-up to world and regional conferences; and (v) Technical cooperation. With regard to the proposal of the Bureau of the Conference that an Annual UNECE Statistical Programme be prepared in future starting from January 2004, Ms. Schmögnerová noted that the UNECE Statistical Programme has to be in line with the Biennium Programme of Work as adopted by the UN General Assembly.

7. The Chairman of the Conference informed the participants that the Book on the 50 years of the Conference of European Statisticians was completed and copies were available to the delegations.

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

a) March 2003 session of the Economic Commission for Europe

Documentation: CES/2003/1, Working Paper No.2

8. The Conference noted that its method of work and its operating procedures are already largely aligned with those recommended by the annual session of the Economic Commission for Europe. The Conference also noted the technical cooperation activities carried out by the ECE Statistical Division for the period June 2002-May 2003. However, the outcome of the session requires some follow-up by the Conference. Therefore, the Conference

- took note of the matters arising from the March 2003 Session and specified in doc. CES/2003/1 under "Issues recommended for follow-up by the Conference";
- agreed that the Bureau of the Conference, the Conference itself and the secretariat of the Statistical Division should continue to work actively towards contributing positively to strengthening the ECE as an organization;
- asked the Bureau of the Conference to continue to review forthcoming activities in the programme of work of the Conference and to report on the outcome of the review to the annual plenary sessions;
- asked the Bureau to continue to consider what contributions the CES can make to further incorporate cross-sectoral concerns into the work of all sub-programmes, such as sustainable development, gender, security and ITC;
- agreed that the ECE Statistical Division should continue to be 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, and agreed that the Statistical Division should seek ways of increasing its technical assistance through the Conference's regular meeting programme and its current regular budget and extra-budgetary resources;
- thanked Eurostat for facilitating the participation of representatives of Central and Eastern 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.

b) March 2003 session of the UN Statistical Commission

Documentation: CES/2003/2

9. The Conference noted that, in addition to the already existing Intersecretariat Group on Agricultural Statistics (IWG.AGRI), the UN Statistical Commission agreed to create an advisory panel composed of countries' representatives.

10. The Conference also noted the following issues that arise from the March 2003 Session of the UN Statistical Commission and that will be reviewed by the Bureau of the Conference at future meetings:

- the continuation of the work carried out by the ECE secretariat jointly with Eurostat, OECD and CIS-STAT on the European Comparison Programme, also in view of the new global round of comparisons;
- the Eurostat, OECD and UNECE proposal for setting up a steering group on sustainable development, on the basis of terms of reference for the work of the steering group;
- review possible instruments for ensuring that the UNECE member countries that are not members or candidate members of the EU or OECD are included in the consultation process on the 2007 revision of ISIC and CPC.

11. The UNSD informed the Conference that a global review of the implementation of the Fundamental Principles of Official Statistics would be carried out as requested by the UN Statistical Commission. The review will be undertaken through a questionnaire that will be sent to national statistical offices.

12. The Conference was also informed that the UNSD plans to launch a new Statistical Newsletter to cover the statistical work of UNSD and all UN Regional Commissions.

III. INTEGRATED PRESENTATION OF INTERNATIONAL STATISTICAL WORK IN THE ECE REGION

Documentation: CES/2003/3 and addenda 1-8, CES/2003/6, CES/2003/19, CES/2003/18 and Add.1, Working Paper 3 and Working Paper 4

a) Introduction

13. The Conference agreed to review the Integrated Presentation in the manner suggested by the Bureau, namely to review two topics in greater depth, and to review the remaining programme elements more quickly on the basis of the recommendations made by the Bureau. The topics that it reviewed in greater depth were Families and Households (part of Programme Element 4.1) and Crime and Criminal Justice Statistics (Programme Element 4.8).

b) Families and Households (part of Programme Element 4.1)

Documentation: CES/2003/19, CES/2003/3/Add.4, CES/2003/4

14. Statistics of families and households were one of the two specialized fields of statistics that the Conference reviewed in depth at its 51st plenary session. The discussion was based on a paper that Statistics Norway had contributed as the basis for discussion (CES/2003/19).

15. The discussion highlighted that many countries in the region experience increasing difficulties in statistically measuring and dealing with the rapid transformations that occur in living arrangements and the emergence of new household types. To help address this problem, Statistics Norway proposed that a joint ECE-Eurostat project on households and families be carried out. The project would evaluate the definitions, questions and tabulations that countries used in their 2000

censuses and in other data sources, compare the concepts, definitions and tabulations used by the different countries, and propose improved recommendations for use by ECE and Eurostat in the new set of joint recommendations for the 2010 round of censuses and in the relevant household surveys.

16. The Conference noted that Eurostat attaches considerable importance to the project. The ECE Secretariat is also interested in the project and welcomes the opportunity that it will provide to interested countries in the region to collaborate actively in the work. Several countries welcomed the potential contribution that this project would make to the new set of ECE-Eurostat recommendations for the 2010 round of censuses and the relevant household surveys. The importance of both ECE and Eurostat advancing the work undertaken in the project so that the new set of recommendations appears in a more timely manner was emphasized.

17. The Conference asked the Bureau to follow developments in the work that would be undertaken in the project so as to ensure that the outputs become available in a timely manner. The Conference asked Eurostat and the UNECE to collaborate closely with interested NSOs.

c) Crime and Criminal Justice Statistics (Programme Element 4.8)

Documentation: CES/2003/18 and Add.1, CES/2003/3/Add.4

18. The second field of statistics that the Conference reviewed in-depth was Crime and Criminal Justice Statistics. The discussion was based on papers submitted by the UK Home Office (CES/2003/18) and the Netherlands (CES/2003/18/Add.1). The papers provided an overview of the available sources and discussed a number of issues on comparative crime statistics that need to be addressed before any progress can be made in this area, including organisation of the work, funding and standardisation of methodologies.

19. The Conference noted that crime statistics is identified as a priority area in an increasing number of National Statistical Offices, and that the need to improve data comparability is commonly recognized. Eurostat informed the Conference that a new program would be launched in the area of organized crime. However, no other activities are currently envisaged in the area of volume crime.

20. The Conference recommended that the Bureau follow developments in this area and work toward the developing of a systematic approach involving the activities carried out by the various organizations active in this field.

d) Other aspects of the integrated presentation

21. The Conference also reviewed the rest of the Integrated Presentation. Attention was drawn to the written comments on the Integrated Presentation submitted by countries prior to the plenary session (Working Paper 3).

22. The Conference noted some documents that were prepared by the ECE Secretariat for the first time in attempt to facilitate the work of the Conference and its Bureau. These include a note on follow-up to decisions taken by the Conference and the Bureau since June 2002 (Working Paper 4) and a summary of the statistical activities planned by other UN Regional Commissions (CES/2003/3/Add.8).

23. The Conference was informed of the decision taken by the Bureau that an excerpt from the Integrated Presentation be prepared presenting the first part of each programme element (CES/2003/4), and that in future only this document and not the full version of the Integrated Presentation will be translated into French and Russian.

24. The findings of the review of the rest of the programme elements of the Integrated Presentation are summarised below.

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

Documentation: CES/2003/3/Add.1, CES/2003/6 and Working Papers 3 and 4

25. The Conference approved the work done in 2002/2003 and the ongoing activities in this programme activity.

26. The Conference accepted the Bureau's recommendations on the planned activities in the programme elements in this programme activity as specified in CES/2003/3/Add.1.

P.E. 1.2: Management and policy issues of direct concern to presidents of national statistical offices

27. The Conference agreed to hold its 52nd plenary session in June 2004, in Paris. The topics to be discussed at the seminar sessions of the 2004 plenary session are summarised in Section IV c) of this report.

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

Documentation: CES/2003/3/Add.2 and Add.7, CES/2003/6 and Working Papers 3 and 4

28. The Conference approved the work done in 2002/2003 and the ongoing activities in this programme activity.

29. The Conference accepted the Bureau's recommendations on the planned activities in the programme elements in this programme activity as specified in CES/2003/3/Add.2.

P.E. 2.1: Management of information technology

30. The Conference included the joint UNECE-Eurostat-OECD Meeting on Management of Statistical Information Systems in the Conference's work programme 2003/2004.

31. The Conference agreed that the ECE secretariat in consultation with other international organizations undertake a pilot survey on the impact of e-Government on statistical agencies (e-Statistics).

32. The Conference included the joint UNECE/Eurostat Work Session on Statistical Data Confidentiality in the Conference's work programme 2005-2006 (subject to the CES Bureau's endorsement of the proposed terms of reference for the joint meeting to be prepared by the Steering Group).

(iii) Programme Activity 3: Economic Statistics

Documentation: CES/2003/3/Add.3 and Add.7, CES/2003/6 and Working Papers 3 and 4

33. The Conference approved the work done in 2002/2003 and the ongoing activities in this programme activity.

34. The Conference accepted the Bureau's recommendations on the planned activities in the programme elements in this programme activity as specified in CES/2003/3/Add.3.

P.E. 3.9: Price statistics, including purchasing power parities

35. The Conference agreed that the ECE secretariat assume responsibility for the publication of the overall 2000 ECP results by the end of August 2003.

36. The Conference agreed that a joint Consultation with all the international and national statistical offices involved in the calculation of the 2004 results be organised in 2006, provided that the results for the CIS countries are available and that financial provision is made so that they will be able to attend the Consultation.

(iv) Programme Activity 4: Social and demographic statistics

Documentation: CES/2003/3/Add.4 and Add.7, and CES/2003/6

37. The Conference approved the work done in 2002/2003 and the ongoing activities in this programme activity.

38. The Conference accepted the Bureau's recommendations on the planned activities in the programme elements in this programme activity as specified in CES/2003/3/Add.4.

P.E. 4.1: Demographic statistics (including projections, migration, fertility and families and households)

39. The Conference included the Joint ECE-EUROSTAT Work Session on Migration Statistics in the Conference's work programme (2004-2005) (subject to the CES Bureau's endorsement of the proposed terms of reference for the joint meeting to be prepared by the Steering Group).

40. The Conference noted that the ECE-Eurostat joint work session on demographic projections to be held in Vienna has been rescheduled, in agreement of the two organizations, to take place in the first week of May 2004.

P.E. 4.2a: Population and housing censuses

41. The Conference took note of the proposed work programme to be carried out jointly by ECE and Eurostat on a revised new set of ECE-Eurostat recommendations for the 2010 round of population and housing censuses (as referred in document CES/2003/3/Add.7). The Conference also

asked the Bureau to review at its autumn 2003 meeting the timetable for the preparation of the ECE-Eurostat recommendations for the 2010 round of population and housing censuses, with the aim of accelerating the work in this area and finalise the new recommendations before 2007.

(v) Programme Activity 5: Environment statistics

Documentation: CES/2003/3/Add.5, CES/2003/6 and Working Papers 3 and 4

42. The Conference approved the work done in 2002/2003 and the ongoing activities in this programme activity.

43. The Conference accepted the Bureau's recommendations on the planned activities in the programme elements in this programme activity (CES/2003/3/Add.5)

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

Documentation: CES/2003/3/Add.6, and CES/2003/6

44. The Conference approved the work done in 2002/2003 and the ongoing activities in this programme activity.

45. The Conference accepted the Bureau's recommendations on the planned activities in the programme elements in this programme activity (CES/2003/3/Add.6).

e) Planned statistical activities of the UN Regional Commissions

Documentation: CES/2003/3/Add.8

46. The Conference noted that the planned statistical work of other UN Regional Commissions was presented for the first time in an addendum to the Integrated Presentation.

47. The Conference also noted that this is a good step toward strengthening the work of the Conference with the Statistical Committees in other Regional Commissions.

f) Annual Statistical Programme

Documentation: CES/2003/3/Add.9

48. The Conference accepted the proposal of the Bureau that an Annual ECE Statistical Programme be compiled starting from January 2004. The Programme will include all statistical activities that are undertaken by the ECE. It will be compiled annually and will represent a subset of the Integrated Presentation. The preparation of the Annual Statistical Programme would allow the Conference and its Bureau to fulfil its mandate for providing guidance to the other ECE Principal Subsidiary Bodies and their statistically related activities.

g) Post-plenary session version of the Integrated Presentation

49. The post-plenary session version of the Integrated Presentation of International Statistical Work Programmes that will incorporate the comments and conclusions of the Conference is issued as a separate document CES/2003/39 and its addenda.

IV. SEMINAR SESSIONS

a) Seminar on Globalisation

Documentation: CES/2003/9, 13 – 18, 34

50. The seminar on globalisation was organized by Statistics Canada and chaired by Mr. Phillip Smith. It was divided into four themes: (i) Gauging the globalisation phenomenon itself; (ii) Impact of globalisation on traditional statistical systems; (iii) Globalisation questions to which users of statistics want answers; and (iv) International statistical cooperation. Discussion was based on invited papers and presentations made by Canada, France, United Kingdom, United States, OECD, IMF and CEIES. Hungary submitted a supporting paper on the topic.

51. Governor David Dodge, Governor of the Bank of Canada, delivered a keynote speech via videoconference.

Session 1: Gauging the globalisation phenomenon itself

Documentation: CES/2003/15, Oral presentations

52. Professor Ulrich Heilemann informed the Conference about the outcome of the conference on Statistics and Economic Globalisation organised in Copenhagen from 2-3 June 2003 by the “Comité consultatif Européen de l’information statistique dans les domaines économiques et sociaux” (CEIES). Globalisation, prompted by reduced transportation and communication costs and deregulation in all fields of economic activities, affects different countries in different ways. Some countries are driving globalisation while others are mainly affected by it. Quantitative information describing the effects of globalisation on national economies is lacking, partly because of the absence of clear requirements from major users, like policy makers, who are not yet clear about what they would like to steer – production processes, financial flows and structures of multinational enterprises, competition and implications for welfare, or something else.

53. Globalisation represents a challenge for national statistical offices, particularly with regard to covering activities of multinational enterprises. A multinational approach, involving several national statistical offices and ensuring a comprehensive coverage and international comparability of data, is needed to cope with this challenge. The OECD Manual on measuring globalisation was referred to as a good starting point for dealing with some of the measurement problems. It was also stressed that more practical approaches to measuring specific facets of globalisation, like intra-group activities, should be developed. The intention of Eurostat to use enterprise surveys for collecting data on foreign direct investment flows was mentioned as a useful initiative for complementing FDI statistics currently compiled by banks. The national experiences of the United States and Sweden

were given as good examples of how better use of existing data can yield an improved picture of multinational enterprises.

54. Andrew Wyckoff presented the OECD work on measuring the activities of multinational enterprises, which are perceived to be the key vector of globalisation. In order to capture economic globalisation and make data internationally comparable, traditional statistical systems need to be equipped with better measuring tools, particularly with regard to intra-firm trade and R&D. The new OECD Manual on measuring globalisation addresses methodological, statistical data compilation, and analytical issues posed by the process of globalisation. It identifies a selection of “reference” indicators for which methodological and statistical guidelines are provided. Some key unresolved problems include measuring various aspects of foreign direct investment, like the treatment of indirectly owned firms (full consolidation), measurement of direct investment earnings, and valuation of assets and liabilities.

55. The Conference noted that globalisation is multi-faceted and presented challenges not only to economic statistics - the social, environmental, cultural, political, institutional and other impacts should also be measured. International labour mobility may become a major preoccupation in the future in addition to capital volatility. The non-economic aspects of globalisation could perhaps be considered by the Conference at one of its future seminars.

Session 2: The impact of globalisation on traditional statistical systems

Discussant: Svein Longva, Statistics Norway

Documentation: CES/2003/9, CES/2003/17, CES/2003/16, CES/2003/34

56. The discussion of this item was based on papers submitted by France (INSEE), UK (ONS), USA (BEA) and Hungary (CSO), which were presented by Svein Longva. Some of the issues caused by globalisation, which require adjustments of the existing statistical systems and joint actions of national statistical offices and international organisations were identified.

57. A number of areas creating serious problems for statistical measurement were pointed out. The vertical disintegration of enterprises’ value chains, the outsourcing of some of their activities abroad, transfer pricing, the shared use of intellectual and management capital across multinationals makes it difficult to measure correctly changes in gross output, value added, productivity, exports and imports, balance of payments, international investment, financial results and profitability of enterprises and other variables. New types of business and production arrangements, like “toll processing”, the rapid growth of international electronic trade in goods and services, new ways of financing operations or hedging exposures complicate measurement even further.

58. It was recognised that comprehensiveness, consistency, accuracy and comparability of data on multinational enterprises should be improved by undertaking work in several directions. Clarification of concepts, harmonisation and further improvement of international accounting standards, updating of Balance of Payments and SNA manuals with possible development of satellite accounts for multinational enterprises, and revision of classifications were considered essential for making good progress in measuring globalisation. A common methodology for the treatment of transfer prices needs to be established. It was also noted that making fuller use of

existing data sources in their combination will not only improve the understanding of multinationals as a whole, but will also help in checking increases in resources.

59. The Conference agreed that data collection in the context of globalisation suggests setting new formal and legal structures to capture the required information, to avoid duplication of work and to minimise additional burden on respondents. Bilateral cooperative projects involving exchanges of data between national statistical compilers would be helpful in this respect. A common international statistical register of multinationals was suggested as a useful tool permitting a better view of the whole enterprise. It was stressed that closer attention to the activities of multinational enterprises should in no case violate data confidentiality constraints, which may differ from country to country.

Session 3: Globalisation questions to which users of statistics want answers

Documentation: Video Conference with Gov. David Dodge, Governor of the Bank of Canada.

60. Governor Dodge delivered a keynote speech to the Conference focusing on the statistical information that central bankers require for decision-making. Accurate, timely, relevant and comparable statistics are vital for central banks to carry out their main functions: to maintain price stability and to promote the effectiveness and stability of the national financial system.

61. The main aim of monetary policy is to keep the economy operating close to the level of its production capacity and to maintain the balance between demand and supply, so as to keep inflation under control. The most important indicators used for this purpose are price indices, measures of output, productivity, and capacity. The growing importance of services in national economies increases the need for better price and output estimates for this sector. Other important areas, where better measurement tools are needed, include the evaluation of productivity gains from the use of information and communication technology, output and pricing in the insurance sector, international trade in goods and services and the activities of firms operating globally.

62. It has become harder to collect information and accurately measure the economic activity of multinational enterprises operating within, and outside, national boundaries. The difficulties are related mainly to identifying the location and the price at which the transactions are done. The most urgent statistical needs in that respect are better information on intra-firm trade and on trade in services, and better data on prices in different currencies. Transfer pricing applied by multinationals additionally complicates the work.

63. Another problem that statisticians should address is real estate prices. In many countries, there are no comprehensive quality-adjusted data on housing prices and rents. There is a need to expand the limited international experience in constructing comprehensive quality-adjusted data on housing prices and rents.

64. Central banks and investors now demand more and better information about the financial behaviour of both industrial and financial enterprises. Linking financial market data to industry or sector characteristics and to economic activity in a transparent, systematic and consistent way should help in better understanding financial behaviour and its implication for system-wide vulnerabilities. It would be useful if central banks and national statistical offices could work together to define needs

and share expertise on financial statistics. International organisations can also play an important role in improving financial system data.

65. International comparability of data is a key issue. National central banks increasingly rely on information and concepts from other jurisdictions to figure out trends and see what is happening in their own economies. Cross-country data comparability implies closer cooperation among national statistical agencies.

66. The Conference expressed its gratitude to Mr. Dodge for sharing his views on user needs and priorities in statistics in a rapidly changing world. It was pointed out that liberalisation of the economy and deregulation of financial markets had serious consequences for statistical data collection. To facilitate getting information, central bank regulations, which have consequences for statistics, should be discussed together with statisticians. Ideally, this should lead to coordinated data demands on enterprises and, therefore, reduced burden on respondents. Cooperation between central banks and statistical offices was considered to be normally good at national level, but not internationally.

Session 4: International statistical cooperation

Discussant: Len Cook, ONS (United Kingdom)

Documentation: CES/2003/14, CES/2003/13

67. The discussion in this session was based on papers by IMF and Statistics Canada, which were presented by Len Cook. Both papers offered useful solutions to the statistical problems posed by globalisation. The coordinated portfolio investment survey (CPIS) developed by an IMF-led group of experts was considered as a very successful operation, which gave countries a common platform for conducting benchmark surveys of portfolio investment. The Conference took note of the new work by IMF on a draft guide to compiling financial soundness indicators (FSIs), which should lead to a pilot compilation exercise by 2005. Once the guide has been finalised and adopted, countries will be encouraged to compile these indicators on a long-term basis.

68. Statistics Canada proposed an experimental project on coordinating the measurement of activities of a small group of multinational enterprises by several statistical offices. The “MNE project” was presented as a “laboratory” for the international statistical community to develop better ways of “seeing the whole elephant” when dealing with multinational enterprises. It would help obtaining insights into the problems, and possible solutions thereto, associated with measuring their activities.

69. The Conference welcomed this proposal, but felt that it would need to be initially modest in its reach. It may be difficult to convince multinational enterprises to allow detailed statistical inquiries into their affairs. Confidentiality considerations and differing national legal constraints, within which statistical offices must operate, were mentioned as serious potential problems for the project.

Conclusions of the seminar on Globalisation

70. The Conference agreed that an experiment on measuring the activities of multinational enterprises be carried out under the auspices of the Conference and its Bureau. A Steering Committee composed of a few countries and organizations will prepare the terms of reference and objectives.

71. France, Spain and United Kingdom expressed interest in contributing to the experiment. UNCTAD volunteered to be a member of the Steering Committee. IMF and OECD expressed interest in the experiment.

72. The Conference agreed that a detailed proposal be submitted to the Bureau for further discussion at its autumn 2003 meeting. A two-track approach will be followed, so that the proposal can also be presented to the International Round Table on Business Survey Frames in October 2003.

73. The Conference also noted that the papers presented at the seminar would be published by the ECE secretariat in a special issue of the UNECE Statistical Journal.

b) Seminar on Statistical Confidentiality and Microdata

Documentation: CES/2003/5, 7 -8, 10 – 12, 20, 30 – 33, 35 – 37

74. The seminar on Statistical Confidentiality and Microdata was organized by Statistics Sweden and chaired by Mr. Svante Öberg. The session was divided into the following four themes: (i) Overview and use of microdata; (ii) Data confidentiality; (iii) Legal aspects on microdata; and (iv) Access to microdata – issues, organisation and approaches.

75. Discussion was based on the keynote speech by Julia Lane (The Urban Institute) and on invited papers and presentations submitted by Sweden, Russian Federation, UNECE, Eurostat and Australia. Denmark, Germany, Georgia, Kyrgyzstan, Lithuania, Poland, Ukraine and the United States also submitted supporting papers.

76. Mr. Len Cook (United Kingdom), Mr. Tadeusz Toszynski (Poland), Mr. Armino Da Silva Carvalho (Portugal) and Ms. Katherine Wallman (United States) acted as Discussants.

Session 1: Overview and use of microdata

77. Confidentiality is one of the fundamental principles of official statistics. It is a top priority issue on the policy agenda of statistical offices and an indispensable element to maintain the trust of respondents and thus ensure the quality of data. The main challenge for statistical offices is to strike a balance between the confidentiality protection and an increased use of microdata. An optimal solution can be found only by combining the different measures and actions of confidentiality protection: legal, organizational, methodological and technical. Large differences between countries can be seen in the use of these measures.

78. There are clear benefits from increased access to microdata. It allows analysing complex questions, provides new insight into data and opens up new possibilities for data mining and linking

of different microdata sets and registers. It can build trust in official statistics not only in the sense of respondent trust but also in the sense of increasing usefulness of statistics. More use of data by policy makers can also guarantee more funding.

79. For NSOs, giving access to microdata can help to improve the surveys by bringing in the needs of the research side. Academic use of data can increase the prestige of statistical work and attract more highly qualified staff.

80. However, there are high costs and risks associated with microdata access. Setting up the necessary conditions and contracts, keeping up-to-date the technical tools, monitoring the conformance to confidentiality principles, etc. is a demanding exercise. These costs have to be fully borne by the statistical offices while most of the benefit accrues from the analysis outside statistical agencies. Therefore, statistical offices often allow research access to microdata only on the condition that it provides a benefit to the statistical agency's programs.

81. In order to preserve the principle of equal access, one of the fundamental principles of official statistics, the procedure to select the institutes and researchers that can have access to microdata has to be transparent and follow clear rules. Informing the respondents is also important in this respect - they have the right to know by whom and for what purposes their information will be used. More research is needed to better understand respondent's perception of confidentiality.

Session 2: Data confidentiality

82. Differences in protecting the confidentiality of data on legal and physical persons were pointed out. It is often found easier to protect the confidentiality of social than of economic data. Also, the incentive to disclose individual economic data (e.g. to gain a competitive advantage in business) can be higher than in the case of individual persons. Difficulties arise in disseminating detailed economic data when one (or a few) enterprise(s) have a monopoly position in a certain area of activity and big enterprises can be recognised from anonymous data.

83. Several countries noted the problem of confidentiality protection of small area statistics and geographically referenced data. It was pointed out that international discussion would be helpful to find a common solution to these problems.

84. It was also pointed out that statistical data are considered confidential irrespective of the source. Sometimes the same data can be publicly available from other sources (e.g. public administrative registers). This raises special problems in statistical offices that maintain administrative registers (e.g. in many transition countries).

85. The specific issues of confidentiality protection in transition economies were considered on the basis of an ECE paper. The UNECE survey carried out in the transition economies in January 2003 showed that in most of the Central and East European and CIS countries the legal foundation for confidentiality protection is in place. The countries where it is not yet established, or exists partially, are developing the necessary laws and regulations. The ECE survey showed that the main concerns of transition economies with regard to data confidentiality are: methods of access to microdata, legal implementation of confidentiality protection, methodological and technical standards,

issues related to administrative registers, and improving respondents' perception of confidentiality protection. Important obstacles are the unresolved technical problems and lack of special software.

86. The Russian presentation elaborated on specific problems of confidentiality in Russia, which also reflect the situation in other transition economies. These include, for example, the pressure to allow other government bodies to access microdata for administrative or regulatory purposes. Emerging from a past where official statistics followed a completely different paradigm, the role of official statistics is often not fully understood by other government agencies. Furthermore, it can be difficult to apply the principle of statistical confidentiality to other producers of official statistics (e.g. regional statistical offices, government ministries) that are not part of the central statistical office. Raising awareness and training are needed to explain the confidentiality principles to respondents, users and the staff of statistical offices.

Session 3: Legal aspects of microdata

87. Several papers and presentations dealt with the legal aspects of confidentiality. Confidentiality protection is regulated by legal acts (e.g. Statistics Act, Data Protection Act) and/or rules and regulations applied by statistical offices. Statistical laws change slowly but the national legal context is complex and can change quite frequently. Differences in various legislative acts often are a source for conflicting rules and obligations concerning the protection of confidentiality. This problem is more acute in the transition economies but it applies also to more developed economies.

88. A basic principle in statistical legal framework is that data collected for statistical purposes may only be used for the production of statistics. Distinction is made between statistical and non-statistical use of data. Non-statistical use (scientific, historical, public planning) is regulated with specific rules and contracts, and must not be in contradiction with the purpose for which the data was collected. In case of government ministries, the risk of non-statistical use of data is high. There can be also pressure to make specific exclusions from confidentiality principle because of threats on national security.

89. Many participants pointed out the need for a clear definition of "research" or "scientific" purposes. Very often it means the use of data by academics, but this understanding could be extended to students, non-academic researchers, etc. In determining the "research use", it might be better to base on legal rather than scientific grounds – does the person have a contractual relationship with a research institution, so that penalties for non-compliance with rules for access can be invoked. The role of penalties helping to guarantee conformance to confidentiality principles was emphasised.

90. Eurostat presented the implementation of recent EU legislation for research access to confidential data (European Commission Regulation 831/2002). Access is controlled by strict rules and a contract should be made in each case spelling out the necessary conditions and safeguards for confidentiality protection. The legal framework provides the basis for confidentiality protection but is not sufficient in itself. An institutional body needs to be set up to take the decisions how to implement the regulations, and to organise their implementation.

Session 4: Access to microdata

91. The Australian Bureau of Statistics provided an overview of different methods of access to microdata. One of the earliest ways to provide off-line microdata has been compiling anonymous Public Use Microdata Files. In many countries this is still the main way to release microdata.
92. Different methods to allow access to microdata were considered. It is becoming more and more difficult to provide truly “safe data” by automatic procedures, so it is inevitable to rely more on “safe settings”, including legal and administrative arrangements. A move from the paradigm of risk avoidance to risk management can be observed.
93. Many statistical offices are setting up on-site research centres where the conformance to confidentiality rules can be rigorously controlled. An even more cautious approach is to allow the use of microdata only by the statistical office’s staff. More and more offices are authorising on-line access to anonymous microdata. Many researchers prefer this type of access but for statistical offices it is a demanding task to organise.
94. So far confidentiality protection has been mainly a national issue. However, in the context of EU and the increasing data dissemination over Internet, it is becoming also an international issue. There is a lot of international collaboration among the research community, and the researchers can be very critical towards different access rules in different countries. Often researchers are not allowed to access other countries microdata because of the fear that confidentiality protection cannot be guaranteed. This raises the need to unify approaches internationally, and to agree on some core principles for dissemination of microdata.
95. The Conference agreed that generic guidelines on confidentiality would be valuable for countries that are in the process of setting up legal background and procedures for access of microdata, and would help in discussions with the user community. The principles should be general enough to be applicable in different countries and it is desirable to involve countries with different confidentiality practices and different level of development in their preparation.
96. The need for collaboration and sharing of information was emphasised. The countries who have guidelines and regulations on confidentiality were asked to provide these to the UNSD website on best practices in official statistics (<http://unstats.un.org/unsd/goodprac/default.asp>).

Conclusions of the seminar on Statistical Confidentiality and Microdata

97. The Conference agreed that a Steering Group to develop a set of guidelines for confidentiality protection be created. The Group will consist of 4-5 Heads of Statistical Offices and will be chaired by Mr. Dennis Trewin (Australia). Dennis Trewin will propose the Terms of Reference for the Group for review by the Bureau in October 2003. The Conference recognised that a Working Group on Confidentiality already exists and that it might be helpful in dealing with some of the issues involved.
98. The Conference agreed that the proceedings of the seminar session on Statistical Confidentiality and Microdata be published jointly by Statistics Sweden and the ECE secretariat. The first draft will be submitted to the Bureau at its October 2003 meeting.

c) Selection of topics for seminars to take place during the 2004 plenary session

Documentation: Working Paper No. 5

99. In mid-April, the ECE secretariat conducted electronically a survey to consult with the member countries of the Conference, UNSD, OECD, Eurostat and CIS-STAT on the possible topics for discussion at the 2004 CES plenary session. In 2002, the 50th Conference decided that two seminar sessions be organised at the annual plenary sessions - one to deal with foundational issues of the statistical systems and the second one to deal with new emerging issues. The Conference also adopted a list of possible topics to be discussed at future plenary sessions.

100. Based on the survey results and on the comments expressed by the delegates at the 2003 plenary session, the Conference agreed that the following topics be selected for the two seminar sessions in 2004:

- a) **For the session on foundational issues of statistical systems:**
National Statistical Systems.
- b) **For the session on new, emerging issues:**
Measurement of prices and volume in the service sector.

101. The Conference asked the Bureau to specify in detail the content of the two sessions and to set up for each seminar an organising committee. The committee organising the first seminar should also include representatives of transition economies. Statistics Finland and the UK Office for National Statistics volunteered to act as session organisers, while Romania offered to contribute a paper.

102. Several countries expressed interest in contributing to the second seminar on Measurement of prices and volume in the service sector. Sweden, United States and OECD expressed their readiness to participate in the organising committee.

V. ELECTION OF THE BUREAU

Documentation: CES/2003/38 and Add.1

103. The current term of all members of the Bureau of the Conference of European Statisticians expired at the closing of the 2003 plenary session, on 12 June 2003. At the 2003 plenary session, therefore, elections for a Chair and for Vice-Chairs were held for the two-year period June 2003 to June 2005.

104. According to the rules governing the elections, as adopted by the 1991 Conference, election by the Conference is made on the basis of a proposal by the most senior previous Chairman of the Conference. In the absence of Mr. Ivan Fellegi, Chief Statistician of Statistics Canada, the Bureau proposed to the Conference that Mr. Hallgrimur Snorrason, Director General of Statistics Iceland, be nominated as the Kingmaker for the 2003 elections.

105. According to the terms of reference valid at the time of the 2003 plenary session, the Bureau was composed of 6 members. The Bureau submitted to the Conference a proposal for enlargement

of the Bureau in order to give an opportunity to those countries which are outside the ECE region but which participate regularly in the work of the Conference to be represented without distorting the geographical balance within the Bureau.

106. The Conference agreed that the following change be made to sub-item (v) in paragraph 98 of the current rules governing the elections to the Bureau (document CES/2003/18, Annex 1):
“The Bureau is composed of up to 8 members, of whom 6 members would be from the ECE member countries and the remaining one or two places be reserved for possible candidates from countries in other regions. The Bureau may invite to the meetings of the Bureau anyone who may facilitate its work”.

107. The Conference also agreed that standing invitations would continue to be extended to the Director-General of Eurostat, the Chief Statistician of the OECD Secretariat and to the Chairman of the Interstate Statistical Committee of the CIS to attend meetings of the Bureau as observers. The Director of the UN Statistical Division will continue to participate in the Bureau meetings as a representative of the UN Secretariat.

108. The Conference thanked Mr. Longva, Mr. Snorrason, Mr. Cook, Mr. Toczynski, Ms. Wallman and Mr. Sokolin for their contribution to the work of the Conference.

109. For the 2003/04 and 2004/2005 term of office, based on the proposal put forward by Mr. Snorrason, the Conference elected

Ms. Katherine Wallman (United States) as a Chairperson,
and the following as Vice-Chairpersons of the Bureau:

Ms. Milva Ekonomi (Albania)
Mr Luigi Biggeri (Italy)
Mr. Vladimir Sokolin (Russian Federation)
Ms. Irena Krizman (Slovenia)
Mr. Svante Öberg (Sweden)
Mr. Dennis Trewin (Australia)

VI. OTHER BUSINESS

110. The Conference expressed its gratitude to Svein Longva for his services as a member and Chairman of the Bureau over the past eight years. During this period the Conference has seen positive developments and changes. It was also pointed out that during the last few years the Conference has grown enormously in wisdom and the way its work is organised.

111. The Conference also thanked the ECE secretariat for the very good preparation and servicing of the plenary session and for the successful implementation of the decisions of the 50th Conference with regard to the way the plenary session was organised.

VII. ADOPTION OF THE REPORT

112. The report of the plenary session was adopted by the Conference at its closing session on 12 June 2003.

ANNEX I

CES CALENDAR OF MEETINGS JUNE 2003-JUNE 2004

<i>Programme element</i>	<i>Title and lieu of meeting</i>	<i>Date</i>
1.2	51st Plenary Session of the Conference of European Statisticians (Geneva)	10-12 June 2003
	Conference of European Statisticians (High-level OECD meeting) (Geneva)	13 June 2003
3.14	ECE-Eurostat Seminar on Business Registers (Luxembourg)	25-26 June 2003
3.10	Joint UNECE/Eurostat/FAO/OECD Meeting on Food and Agricultural Statistics in Europe (Geneva)	2-4 July 2003
3.1	UNECE Special Session on National Accounts for transition economies (Paris , back-to-back with the OECD meeting on National Accounts)	10 October 2003
1.2	First meeting of the 2003/2004 Bureau of the CES (Washington, D.C.)	20-21 October 2003
2.2	Work Session on Statistical Data Editing (Madrid)	20-22 October 2003
2.3	ECE Work Session on Dissemination of Statistical Commentary and Stories (Geneva)	4-5 December 2003
3.9	Joint UNECE/ILO Meeting on Consumer Price Indices (Geneva)	4-5 December 2003
3.13	Joint Statistical Workshop on Monitoring the Information Society (Geneva)	8-9 December 2003
2.2	ECE-Eurostat-OECD Work Session on Statistical Metadata (Geneva)	9-11 February 2004
2.2	ECE-Eurostat Work Session on Electronic Data Reporting (Geneva)	12-13 February 2004

<i>Programme element</i>	<i>Title and lieu of meeting</i>	<i>Date</i>
4.9	ECE-WHO Meeting on Health Statistics (Geneva)	10-12 March 2004
3.1	ECE Session on National Accounts for Transition Economies (Geneva)	27 April 2004 (p.m.)
3.1	Joint ECE/Eurostat/OECD Meeting on National Accounts (Geneva)	28-30 April 2004
4.1	ECE-Eurostat Work Session on Demographic Projections (Vienna)	5-7 May 2004
2.1	ECE-Eurostat-OECD Meeting on Management of Statistical Information Systems (Geneva)	17-19 May 2004
1.2	52nd Plenary Session of the Conference of European Statisticians (Paris)	8-10 June 2004
1.6	Joint ECE/Eurostat Work Session on Geographical Information Systems (Geneva)	16-18 June 2004
3.9	Joint Consultation on the European Comparison Programme (Geneva)	17-19 November 2004
5.1	Joint UNECE/Eurostat/OECD Work Session on Methodological Issues of Environment Statistics	2004-2005

LIST OF MEETINGS ORGANISED OUTSIDE THE CES WORK PROGRAMME IN 2003

ECE/UNDP Workshop on Human Development and Millennium Development Goals Indicators in CIS Countries (outside Geneva)	June 2003
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