



**SEVENTH MEETING OF THE
VOORBURG GROUP ON SERVICES STATISTICS**

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Country Experience on Pilot Survey

***1) Council Decision of 18 June 1992
establishing a two-year programme (1992 to 1993)
for the development of European statistics on services
(92/326/EEC)***

2) Eurostat's Experiences on Pilot Surveys :

***1) Preliminary Results for the Cooperative,
Mutual and Non-profit Sector***

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PREFACE

The objective of this document is twofold:

1. To inform the group on the European Communities Council of Ministers Decision of 18 June 1992 establishing a two-year programme (1992 to 1993) for the development of European statistics on services (92/326/EEC)
2. To seek the Voorburg Group recommendations for work to be carried out in future by Eurostat to do the exploratory study asked by the Council.

As a matter of fact, the annex to the above mentioned Council Decision, sets out in point (c) the contents of the European statistical information system for services known as Mercure. It also states that: "As regards non-commercial services to individuals and the community, the Commission will initiate an exploratory study on concepts and definitions during the periods 1992 to 1993, intended to establish whether, and, if so, what information is necessary in the Member States for measuring the importance of the following sectors: social security, education, health and social work, activities of membership organizations, recreational, cultural and sporting activities, other services to individuals and the community."

Closely related to this is the 1991-92 Eurostat pilot survey on the Cooperative, Mutual and Non-profit sector described in this document.

This paper presents the objectives of the pilot survey and the methodology adopted by Eurostat for Member States to achieve their targets. It details the problems encountered by contractors, especially those concerning the definition of the sector and the boundaries of the universe. Some comments on the preliminary results are also included. Recommendations for work to be carried out in future are also outlined on the basis of the experience gained so far.

Marco LANCETTI

1) Council Decision of 18 June 1992

establishing a two-year programme (1992 to 1993)
for the development of European statistics on services
(92/326/EEC)

COUNCIL DECISION

of 18 June 1992

establishing a two-year programme (1992 to 1993) for the development of
European statistics on services

(92/326/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 213 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament⁽¹⁾,

Whereas the Council resolution of 19 June 1989 on the implementation of a plan of priority actions in the field of statistical information: statistical programme of the European Communities (1989 to 1992)⁽²⁾ highlighted the need for a comprehensive and coherent framework that would satisfy Community statistical information requirements by ensuring the approximation of methods and a common basis for concepts, definitions and standards;

Whereas the statistical programme of the European Communities provides for the improvement of statistics on services as a necessary instrument for the efficient functioning of the internal market; whereas the inventory of available information, carried out in the framework of the statistical programme, highlighted considerable gaps in service statistics;

Whereas Council Decision 89/490/EEC of 28 July 1989 on the improvement of the business environment and the promotion of the development of enterprises, and in particular small and medium-sized enterprises, in the Community⁽³⁾, may necessitate providing these enterprises, most of which are in the service sectors, with statistical information to enable them to operate efficiently in the internal market;

Whereas in Council Directive 89/130/EEC, Euratom, of 13 February 1989 concerning the harmonization of the compilation of gross national product at market prices⁽⁴⁾ it is stated that improved GNPmp coverage presupposes the development of statistical bases; whereas the growing importance of services in the economy makes statistics on services an essential component of these statistical bases;

Whereas the Council resolution of 14 November 1989 on internal trade in the context of the internal market⁽⁵⁾

highlighted the need to improve trade statistics by making them compatible with Community definitions;

Whereas in Council Decision 88/524/EEC of 26 July 1988 concerning the establishment of a plan of action for setting up an information services market⁽⁶⁾, basic information on this sector is considered necessary for formulating policy on this market;

Whereas, taking account of Council Directive 89/552/EEC of 3 October 1989 on the coordination of certain provisions laid down by law, regulation or administrative action in the Member States concerning the pursuit of television broadcasting activities⁽⁷⁾, the collection of comparable basic information on audiovisual services is essential for the integration and further development of this sector;

Whereas in the resolution of the European Parliament of 17 March 1989 on the impact of infrastructures and the tertiary sector on regional development — prospects for a new regional policy⁽⁸⁾, the Commission is asked to supply harmonized data on services, broken down by regions;

Whereas multilateral negotiations on international trade in services require improved statistics to achieve effective long-term liberalization;

Whereas attention must be devoted to simplifying as far as possible collection procedures for enterprises, while maintaining data quality, by developing appropriate basic statistical tools, and to ensuring that the administrative burden on enterprises is not needlessly increased;

Whereas for the purpose of monitoring the establishment of a people's Europe, an exploratory study should be carried out into the possibility of extending the collection of statistics to cover non-commercial services for individuals and the community;

Whereas a programme lasting two years is called for;

Whereas an amount of ECU 8,5 million is estimated as necessary to implement this two-year programme;

(¹) OJ No C 129, 20. 5. 1991, p. 165.

(²) OJ No C 161, 28. 6. 1989, p. 1.

(³) OJ No L 239, 16. 8. 1989, p. 33.

(⁴) OJ No L 49, 21. 2. 1989, p. 26.

(⁵) OJ No C 297, 25. 11. 1989, p. 2.

(⁶) OJ No L 288, 21. 10. 1988, p. 39.

(⁷) OJ No L 298, 17. 10. 1989, p. 23.

(⁸) OJ No C 96, 17. 4. 1989, p. 243.

Whereas the amounts to be committed for the financing of the two-year programme for the period after the financial year 1992 will have to fall within the Community financial framework in force,

HAS ADOPTED THIS DECISION:

Article 1

A two-year programme (1992 to 1993) for the development of European statistics on services (hereinafter referred to as 'the programme') is hereby established.

Article 2

The objectives of the programme referred to in Article 1 shall be as follows:

- (a) to set out a European reference framework for statistics on services defining the most appropriate concepts and methods for managing and monitoring Community policies, especially the implementation of the Single European Act, and for satisfying the possible needs of national, regional and local administrations, international organizations, economic operators and professional associations;
- (b) to establish a European statistical information system for services;
- (c) to promote and support harmonization of statistics on services in the Member States,

without, however, needlessly increasing the burden on undertakings.

Article 3

With a view to achieving the objectives referred to in Article 2, the following measures shall be taken in line with the action plan set out in the Annex:

- (a) analysis and evaluation of user demand for statistics on services;
- (b) development of a methodological framework for statistics on services;
- (c) setting up of the organizational and technical components of a European statistical information system for services;
- (d) where applicable, carrying out of pilot surveys of service enterprises;
- (e) development of basic statistical tools.

As far as possible, the Commission shall use existing instruments and procedures to carry out these tasks, applying the principle of subsidiarity.

Article 4

1. The Member States shall analyse and assess the needs of the main national users.

2. The Commission shall coordinate these activities after consulting:

- the Statistical Programme Committee instituted by Decision 89/382/EEC, Euratom⁽¹⁾,
- as regards financial services within its competence, the Committee on Monetary, Financial and Balance of Payments Statistics established by Decision 91/115/EEC⁽²⁾.

3. The Member States shall forward the results of the activities referred to in paragraph 1 to the Commission by 31 March 1993 at the latest.

Article 5

For the measures referred to in Article 3, Member States shall supply the Commission with existing statistics on services and any information it may require concerning the methodological framework used for collecting such statistics.

Article 6

The Commission shall submit to the Council before 1 January 1994:

- (a) a report evaluating the outcome of the work referred to in Article 3;
- (b) the conclusions prompted by the report as to the continuation of the programme for Community statistics on services after 1993, and in particular the proposals necessary for the preparation of harmonized statistics on services, on the basis of the methodological framework referred to in Article 3 (b).

Article 7

1. The programme shall last two years.

2. The Community financial resources estimated as necessary for its implementation amount to ECU 8,5 million.

For the second year of implementation of the programme, the amount shall fall within the Community financial framework in force.

3. The budget authority shall determine the appropriations available for each financial year, taking into account the principles of sound management referred to in Article 2 of the Financial Regulation applicable to the general budget of the European Communities.

Article 8

This Decision is addressed to the Member States.

Done at Luxembourg, 18 June 1992.

For the Council

The President

Vitor MARTINS

⁽¹⁾ OJ No L 181, 28. 6. 1989, p. 47.

⁽²⁾ OJ No L 59, 6. 3. 1991, p. 19.

ANNEX

**ACTION PLAN FOR THE DEVELOPMENT OF EUROPEAN STATISTICS ON SERVICES
(1992 TO 1993)****(a) Analysis and evaluation of user demand for statistics on services**

The aim is to collect information on the requirements of the main users, i.e. the Community institutions, national, regional and local administrations, international organizations and economic operators, and analyse user demand.

The improvement of the business environment and the promotion of the development of enterprises, including small and medium-sized enterprises, most of which are in the service sectors, require that they be provided with statistical information to enable them to operate efficiently in the internal market.

In order to facilitate long-term planning and a convergence of statistical activities at Community and national level the analysis will take into account long-term requirements and the completion of the internal market, as well as the burden on and the advantages derived by the authorities which collect the statistics, the persons and enterprises which supply them and users in general.

The closest possible cooperation between the parties concerned is needed to ascertain user demand and this cooperation will be achieved by coordination at national level by the Member States.

(b) Developing a methodological framework for statistics on services

The methodological framework sets out the reference framework for statistics on services, both for existing data at national level and for additional data collection at a European level. This reference framework will increase the comparability of data between the different service sectors and the various Member States, despite the fact that service activities vary from one country to another because of different practices and legal systems. The methodological framework will be used as the basic harmonization tool for the development of official European statistics on services and as a recommended framework for non-official statistics, particularly for market research.

The establishment and the implementation of the methodological framework will proceed in phases taking account, *inter alia*, of the progressive identification of users' needs and priorities.

(c) Setting up a European statistical information system for services

The collected data will be integrated into the Mercure statistical information system which will encompass:

- official data collected under national statistical systems,
- data from other Eurostat projects on services,
- non-official data that may be collected by Eurostat in cooperation with other Community services.

When supplying official data, the Member States will forward to the Commission any information concerning the reliability thereof which could restrict the arrangements for its use or publication.

The Member States will forward confidential data in accordance with the provisions of Council Regulation (Euratom, EEC) No 1588/90 of 11 June 1990 on Statistical Office of the European Communities (1).

This data will relate primarily to the following sectors:

- distributive trade,
- hotels, restaurants, cafés and travel agencies,
- transport,
- financial services (including insurance),
- communications and information services, audio-visual services,
- business services.

(1) OJ No L 151, 15. 6. 1991, p. 1.

The data in the Mercure information system will be made available through :

- a data base to be set up by the Commission,
- statistical publications on all service sectors, gradually incorporating all variables dealt with.

As regards non-commercial services to individuals and the community, the Commission will initiate an exploratory study on concepts and definitions during the period 1992 to 1993, intended to establish whether, and, if so, what information is necessary in the Member States for measuring the importance of the following sectors :

- social security,
- education,
- health and social work,
- activities of membership organizations,
- recreational, cultural and sporting activities,
- other services to individuals and the community.

(d) Carrying out pilot surveys of service enterprises

Improving the availability of data on services the carrying out of pilot surveys in Member States which do not have comparable survey instruments in certain service sectors. The pilot surveys will supply preliminary data for the sectors covered and prepare the way for regular data collection based on the methodology. These pilot surveys will be carried out in accordance with the concepts and methods developed in the methodological framework, will cover only the service sectors and will be carried out only in the Member States where there is insufficient data.

Priority will be given to those activities which are most dynamic and to those which are least covered by existing statistics.

(e) Developing basic statistical tools

Basic statistical tools must be developed in order to simplify as far as possible data collection procedures for enterprises, whilst maintaining data quality. These statistical tools are part of an infrastructure common to both industry and services. These include registers, EDI (electronic data interchange) techniques, classification systems, sampling, questionnaires, survey processing tools and research into the convergence of statistical and accounting concepts.

2) Eurostat's Experiences on Pilot Surveys :

**I) Preliminary Results for the Cooperative,
Mutual and Non-profit Sector**

1. Introduction

✓ One of the pillars of the European Commissions¹ working programme for 1991-1993 for the development of statistics on services consists of pilot surveys in the Member States in those sectors which do not yet have adequate collection instruments at their disposal. The aim of these surveys is two-fold: (1) to provide basic statistical information on the sectors concerned, and (2) to prepare the regular collection of harmonized statistics.

Within this framework and in collaboration with Directorate-General XXIII which is responsible for enterprise policy, a pilot survey of "economie sociale" was undertaken in the twelve Member States of the European Community during 1991 - the deadline for the submission of final reports to Eurostat being 15 December 1991.

The action planned aimed at:

- ✓ a) Rendering operational the definition of "economie sociale" enterprises within a statistical framework probably on the basis of legal status.
 The distinguishing features of "economie sociale" enterprises are: non-profit association status, democratic management (rule "one man, one vote", whatever the contribution), generated capital which cannot be shared or transferred and transmission of property on winding up. "The hallmark of belonging to the sector is the specific manner of organization of an enterprise's productive activity. The driving principles are the solidarity and participation of its members, whether producers, users or consumers, informed by a proud independence and civic purpose. The enterprises are generally in the legal form of a cooperative, a mutual society or a non-profit association."¹
- ✓ b) According to national situations (availability of adequate registers) and sectoral situations (significant presence of these types of enterprises), to test the definitions and provide some initial results either on all enterprises or on a specific sector to be defined.

2. Objectives of the pilot survey

Three separate but closely related objectives were identified for the pilot survey on "economie sociale" enterprises. These were:

✓ Objective No. 1 To produce an updated version of the study entitled: The Cooperative, Mutual and Non-profit Sector and its Organizations in the European Community published by the Economic and Social Committee of the European Commission in 1986.

Objective No. 2 To produce an Annotated Bibliography of the National Sources of Statistics on the Cooperative, Mutual and Non-profit Sector and its Organizations in the European Community

Objective No. 3 To carry out a research study to determine whether for purposes of identifying certain types of "economie sociale" enterprises in certain countries,

✓ ¹ Communication from the Commission to the Council-Business in the "economic sociale" sector: Europe's frontier-free market Sec(89) 2167 final, Brussels, 18 December 1989.

other sources, particularly public registers/directories of enterprises, might be more suitable than the national umbrella organizations (federations).

3. Contractors and methodology for the pilot survey

- (a) In consultation with Directorate-General XXIII, Eurostat decided that the task of carrying out the pilot survey should be entrusted to the National Statistical Offices (NSOs). After obtaining their consent to undertake the job, suitable contracts were negotiated with NSOs in ten (10) Member States, the exceptions being Ireland and the United Kingdom where the job was entrusted to private contractors who were, nonetheless, advised to carry out the survey in close cooperation with the NSO concerned.
- (b) In the face of problems posed by the lack of a suitable sampling frame (there are no registers of local units), the constraints of time and the complexity of the subject, Eurostat concluded that probably the best way to carry out the pilot survey of "economie sociale" enterprises would be to update the data reported in an earlier study of the subject, namely: The Cooperative, Mutual and Non-profit Sector and its Organizations in the European Community, published by the European Commission in 1986. Next, Eurostat developed a simple 2-page model Questionnaire for collecting the relevant data from the national umbrella organizations which were expected to cover a large majority, if not all, of the "economie sociale" enterprises. The model Questionnaire, together with a provisional time-table and a set of guidelines for carrying out the survey and preparing the national report, was provided to all the contractors. The various steps involved in carrying out the pilot survey were discussed and agreed upon at two meetings of the Task Force (specially set up for the purpose) held on 22.04.91 and 11.11.91, at which the technical terms and concepts were explained to the participants.

4. Results of the pilot survey_X

The initial results of the pilot survey have been quite encouraging inasmuch as it was successful in reaching a majority of "economie sociale" enterprises in the five⁽⁶⁾ Member States whose reports have been analysed. If the survey results are interpreted with due caution, the methodology used will be able to provide reasonably good estimates of data to assess the economic significance of "economie sociale" sector at a reasonable cost. Despite the constraints of time and funds placed at the disposal of the twelve contractors, the pilot survey has provided valuable information, although somewhat incomplete, about the "economie sociale" sector as it operates in the European Community Member States. There is no doubt that important lessons could be learnt for planning and organizing future surveys, e.g. more time will have to be allowed to improve the coverage of the survey. Some details of the experience in respect of each of the objectives are given in the following paragraphs.

4.1 Objective No. 1 - Updating of 1986 Study

As of 15.07.1992, eight Member States (Denmark, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands and the United Kingdom) have submitted their final reports. Of these, five (Denmark, Ireland, Luxembourg, the Netherlands and the United Kingdom) have been examined and analysed. It is expected that France, Portugal and Spain will submit their final reports by 31.07.1992 Belgium has not yet launched the pilot survey due to some technical problems.

The following observations, albeit tentative, may be made on the basis of the five reports which have been examined so far. Of course, the observations do not apply to all the reports.

- (1) For reasons implicit in the method, the statistical data provided by the survey will be incomplete in respect of almost all the variables under investigation. However, the reliability of the data actually reported does not seem to be in doubt. The position of the data reported under each variable is stated below.
 - a) Number of Member organisations - Since many enterprises are not affiliated to any national umbrella organization (NUO), the coverage of the pilot survey is incomplete. Furthermore, some of those affiliated fail to report their data to the NUO concerned on a regular basis. There is little evidence to show that the contractors made much use of the public registers/directories to supplement the lists maintained by the NUO's. (This aspect of the pilot survey is being verified - see Objective No. 3). In other words, the universe for the pilot survey was not properly defined. Consequently, it would be impossible to define the exact boundaries of the "economie sociale" sector in some of the Member States.
 - b) Number of individual members - In some cases, this variable is not observed (e.g. in the Netherlands). Besides, it was not unusual for some individuals to be member of several organizations at the same time (e.g. farmers in Luxembourg are known to be members of several cooperatives at the same time) - a practice which results in double or even triple counting. Needless to say it is rather difficult to estimate the extent of double counting. Nonetheless some of the contractors have attempted to adjust the number of members for double counting.
 - c) Number of employees - The relevant information has been provided in most cases. However, breakdown by salary status (salaried/non-salaried) and employment status (full/part time) was rarely reported. Some Member States (e.g. Denmark) reported full-time equivalent of employees.
 - d) Economic indices - In some instances, NUOs were reported to withhold the relevant information on grounds of confidentiality. In almost all cases, turnover was confused with income. The source of this confusion partly lay in the design of the questionnaire itself.
- (2) Methodological problems - In certain Member States, the national umbrella organizations do not maintain files on their member organizations (e.g. in Portugal). The contractor therefore had to collect the data from the enterprises themselves. The adoption of this method resulted in unforeseen delay in completing the survey. In another case, sampling methods were used instead of collecting the data by means of the questionnaire proposed by Eurostat. Whilst there can be no objection to the use of the sampling techniques, the contractor did not give the sampling error of the estimates obtained.

✓ Despite all these shortcomings, the results of the pilot survey compare favourably with those of the 1986 Study. The overall quality of the reports is reasonably good and the contractors seem to have devoted considerable effort to collect the required data by following the guidelines provided by Eurostat.

4.2 Objective No. 2 - Producing an annotated bibliography

This objective was set to develop a documentary data base in the form of an annotated bibliography of national sources of statistics on "economie sociale" enterprises. It was realized that there was as yet no inventory of the sources of statistics on "economie sociale" enterprises operating in the European Community. Consequently, researches in the field did not know where to find the relevant statistics; or what kind of statistics they would find if they did have access to such source(s).

✓✓ As of 15.07.1992, Eurostat has received more than 50 entries for the annotated bibliography. Each entry gives, besides the usual bibliographical elements, detailed information about the content, coverage, and main purpose of the publication as well as the variables on which the statistics on "economie sociale" enterprises are reported together with their attributes according to which the data are classified / tabulated. The bibliography should therefore prove very useful to those who are interested in exploring the "economie sociale" sector.

4.3 Objective No. 3 - Carrying out a research study

This objective was set to supplement (or to replace, if necessary) the list of "economie sociale" enterprises maintained by the NUOs. Realizing that the "economie sociale" enterprises which are not affiliated to any NUO, would escape the pilot survey's universe, the contractors were advised to examine public registers and/or directories of enterprises for determining whether the information recorded in such registers and directories might help to identify certain types of "economie sociale" enterprises in some countries.

✓ The five national reports received and examined so far do not state specifically whether and to what extent this objective was pursued and if so, with what results. Consequently by all the contractors have been requested to report on the results of the "research study". For this purpose they have been provided with a simple questionnaire which enquires which public registers or directories were examined; what kind of data about "economie sociale" enterprises are recorded in them; and whether the information so obtained was (or will be) used for preparing the national report.

5. Future work

- ✓ (a) The current pilot survey should not be considered as the last word on the subject. It has revealed both the strengths and the weakness^{es} of the method. In future surveys, it would be necessary to evolve a method which could ensure greater coverage of "economie sociale" sector. Two approaches will be considered, namely (1) supplementing the lists maintained by the NUOs by reference to public registers and directories, and (2) examining the possibility of developing central registers as in the case in the Netherlands.
- ✓ (b) The survey results are weak on economic indices for several reasons namely, (1) the NUOs are reluctant to provide the financial data on grounds of confidentiality; (2) in some cases, the data are not recorded; and (3) in yet others, the information may be exaggerated and therefore unreliable. Eurostat will (or should) convince the NUOs and other respondents that the confidentiality of their data will be strictly respected.

- (c) For full appreciation of the economic significance of the "economie sociale" sector, Eurostat and DG XXIII will examine the possibility of establishing satellite accounts for "economie sociale" sector. (In the event, the economic data could be collected as a matter of course.) The satellite accounts could show the contribution of "economie sociale" sector to the various sectors of the national economy.
- (d) It will be necessary to plan the future surveys of the "economie sociale" sector with greater care not only in terms of time and funds, but also with regard to the arrangements for carrying them out. It would then be possible to ~~informe~~^{improve} upon the survey results tremendously.
- (e) And finally, it must be emphasized that through the pilot survey on "economie sociale" sector, we have barely scratched the surface of this important domain. It will be both advisable and necessary to continue the work with greater vigor and commitment.