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Selected OECD Countries' Strategies for the Collection

of Service Statistics

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Summary and Conclusions

1.   The strategies of the three OECD countries that have submitted substantive papers to the OECD-France, the United Kingdom and Canada - have the same overall objective, but vary in many respects.

2.   In order to allow cross-country comparability, these submissions have been analysed in terms of a series of parameters.

3.   It would be desirable that other countries describe their strategies in terms of the same parameters.

4.   More specifically, it would be useful if countries formulated their strategies in the form of replies to the following questions:

    a) What is your overall objective in the service statistics area?

    b) What is the scope of your strategy?

    c) What is the breakdown of your service universe?

    d) What information needs have to be satisfied?

    e) What tools are to be used for collecting service statistics?

    f) What variables have you chosen?

    g) What frequencies have you selected for the data collection?

    h) What are your priorities?

5.   It might be instructive to combine the replies to questions f) to h) in a matrix presentation.

Introduction

6.   A strategy is commonly defined as the planning and directing of the whole operation of a campaign designed to achieve a certain objective.

7.   In the service statistics area, the definition of a collection strategy requires a series of choices:

a) the formulation of the overall objective;

b) the scope of service statistics: should the whole range of service categories (e.g., categories G to Q of ISIC Rev. 3) be covered, or should the strategy focus on a selection;

c) the breakdown of the universe: should the selected categories be treated as a whole or be broken into groups of categories with a number of common characteristics;

d) the information requirements to be satisfied: should the needs of all potential users (National Accounts, governments international institutions, businesses and researchers) be equally satisfied, or should priority be given to one category of users over the others;

e) the tools used for collecting statistics: censuses, surveys, administrative data;

f) the choice of variables: should all variables be included, or should a selection be made;

g) the choice of frequencies: should data on all variables for all categories be collected with the same frequency, or should there be differentiation;

h) degrees of priority: there may be several degrees, such as indispensable/desirable/of little interest.

8.   In the OECD Group of Service Statistics Experts, strategies for the collection of service statistics were first discussed in the 1993 meeting, on the basis of the Statistics Canada paper "A Strategy for the Collection of Service Statistics"; it was complemented in September 1994 by a supplement "The Implementation Plan". In 1994, France and the United Kingdom submitted documents that address issues mentioned in paragraph 7 of this note. It should be noted that only the Canadian submission addresses all these issues.

9.   All three submissions emphasise that at any rate choices have to be made and priorities have to be formulated, because:

a) there is a relative shortage of resources available for the development of service statistics; the expansion and diversification of the service economy have not been matched by a corresponding increase in resources;

b) services are very heterogeneous and varied, so that the approach to the service economy cannot be confined to major categories but requires a fine and highly disaggregated breakdown of these categories. Service producers are often small in size and have a short life expectation.

1. The Overall Objective

10. The overall objective of all the three countries is the improvement of service statistics. This consists in enlargement of the coverage of existing statistics and an improvement of their quality.

2. The Scope of Service Categories

11. Among the three countries included, the United Kingdom applies the broadest scope. Its strategy covers:

   a) Distributive trade;
   b) Transport;
   c) Communications;
   d) Financial intermediation;
   e) Professional services;
   f) Business services;
   g) Personal services;
   h) All other services, including non-market services.

12. Canada excludes, from the universe mentioned in paragraph 11, the following categories:

   a) Distributive trade;
   b) Transportation;
   c) Education;
   d) Health;
   e) Government services;
   f) Other non-market services.

These exclusions are explained mainly by the fact that these categories are deemed to be adequately covered by programmes already in place.

13. The scope of the French strategy is identical to the Canadian one, except that it excludes financial intermediation, because these services have characteristics different from the other service categories.

3. The Breakdown of Total Services Covered

14. While the United Kingdom strategy is not based on a breakdown of service categories, both the French and the Canadian strategies focus on a service classification by several groups.

15. The **French** strategy presents a breakdown by:

   a) Personal services;
   b) Hotels and restaurants;
   c) Audiovisual services;
   d) Communications;
   e) Consultancy and research services;
   f) Logistic services;
   g) Real estate services.

16. The **Canadian** strategy distinguishes five groups:

   1. Services whose functions and operating methods tend to be traditional. They include primarily the industries providing services to individuals, and they tend to serve local markets. This group would include industries like barber shops, laundries, shoe repair, sports and recreation clubs, ski hills, etc. The outputs of these industries remain largely outside the flow of international trade, and thus differ in a significant way from the remaining service categories.

   II. Accommodation and Food Services. These "traditional" services are shown as a separate category because they serve both business and individuals. They also exhibit greater seasonal variability than other "traditional" services, and the demand for their services depends to a significant extent on factors outside the local economy (tourism). Moreover, capital expenditures are significant in these industries.

   III. Services which have been provided for an extended period of time, but where the techniques used are undergoing rapid change; banks and broadcasting are good examples. These industries make extensive use of modern techniques, particularly informatics, but generally speaking they are not responsible for either their development (R&D) or their diffusion. They are distinguished from the following categories because of this characteristic.

   IV. Services that develop new techniques and new functions; these services are growing and evolving rapidly. Computer services, software development and telecommunications would be included in this category.

   V. Services whose essential function is to foster an improvement in the competitiveness/profitability of other industries. The advertising, engineering, training and management consulting service industries would be included in this group. These services do not provide an autonomous driving force over the short term. However, in the longer term, the initiative displayed by these industries can have a significant impact on the profitability and competitiveness of a major portion of the Canadian economy.

4.   The Information Requirements

17.   The United Kingdom has collected service statistics primarily for the
needs of Government policy; the major need has been for economic policy which
uses information from the National Accounts. The future strategy will aim at
satisfying increasing demands from EUROSTAT and from business, analysts and
market researchers.

18.   The Canadian strategy is aimed at satisfying the information needs of
the Canadian system of National Accounts, of Federal and Provincial Governments
in Canada, of businesses, and of economists and researchers.

5.   The Tools for Collecting Statistics

19.   The United Kingdom is making increasing use of data from statistical
inquiries which are preferred to administrative information, as the latter is
not always available in the form or timing required; nevertheless,
administrative information will remain a useful secondary source.

20.   The Canadian approach can be summarised as follows:

-    Expensive tools such as surveys, which allow measurable quality and
     extensive detail, as well as better control over timeliness, should
     be reserved for those industries and variables for which they are
     required.

-    For the other industries, tax data should be used for yearly updates
     of detailed surveys carried out periodically.

For each of the five groups enumerated in paragraph 10, a different mix of
basic and specific surveys and administrative data was chosen.

6.   The Choice of Variables and Frequencies

21.   The issues of variables and frequencies of data collection are treated
simultaneously in all three strategies. In addition, France and Canada
indicate priorities in the same matrix.

22.   The French submission distinguishes, for the seven service categories
indicated in paragraph 15, basic tools (survey files and structural variables),
cyclical indicators, productivity indicators (prices and consumption of
services), indicators of organisation, networks and financial ties and
indicators of supply shifts, research and investment. For each of these
variables a difference is made, for each service category, between "of great
interest", "of some interest" and "of little or no concern".

23.   Canada distinguishes for each of the five groups mentioned in paragraph
16 between industry-related and product-related variables. Industry-related
variables cover business registers, survey frame and demography; financial
transactions; production account; employment and capital. Product-related
variables include markets and prices. For each case in the matrix a
distinction is made between:

- 0: variable without any major value or interest
- 1: sub-annual measurement indispensable
- 2: annual measurement desirable
- 3: multi-year measurement desirable (e.g., every 2-4 years)
- 4: multi-year measurement adequate (e.g., every 5-10 years)

24.   The United Kingdom has focused on providing as reliable as possible quarterly data, but with some inevitable annual benchmarking. This has involved a move away from periodic surveys to, at least, annual data. Recent developments embrace a new system of quarterly turnover enquiries (which will be put on a monthly basis) and the establishment of current price annual input-output tables, which will be complemented by annual constant price data. The collection of increased monthly price information and a monthly index of service production, alongside the monthly index of production are also planned.