

## **Discussant comments on session STCPM29: The relationship with the providers of information for statistical purposes**

R Edwards

Good afternoon colleagues.

It was a pleasure for me to accept the invitation from the Bank of Portugal to participate in this important session – all the more so because of the interesting papers that have been produced for the session. My task is to review the five papers describing the European experience with relationship management.

A number of common themes emerge from the five papers. All recognise the importance of high-quality source data in achieving the ultimate aim of high-quality statistics – or to look at it from the other perspective, in avoiding the “garbage in, garbage out” phenomenon in statistical work.

Central banks typically collect data from providers for one or both of two purposes – prudential supervision and statistics. I will confine my comments to issues involving the second of these.

All of the papers recognise the importance of building and maintaining trust among those in the provider community, and the many ways in which this may be approached have been well described. Critical in this regard is the ability to convince the provider community that its costs in providing the data are justified by the benefits to be derived from the resulting statistics. I want to focus a little on this cost/benefit ratio and on how the five European agencies have sought to tilt this ratio more in favour of the providers. (I should add that the compiling agencies, in so doing, may actually have increased their own costs.)

### **Initiatives to reduce provider costs**

Various initiatives have been taken:

- electronic data reporting/potential use of XBRL
- methodological instructions/alignment to accounting systems
- feedback to respondents/providing assistance
- stability of reporting requirements for defined periods, eg five years (I suspect that this is difficult to honour in practice, and I would welcome participants' views on the subject)
- eliminating redundant reporting requirements
- supporting computer applications
- collecting data at the level of detail best approximating the respondents' accounting systems
- using data from register and other administrative sources
- collaborations/data sharing arrangements – under well-prescribed conditions
- consultation with, and support for, providers
- more generally “making reporting as easy as possible”, as emphasised in the Austrian paper.

## Initiatives to improve provider benefits

Here the challenges are much more difficult, but the papers provide some interesting examples:

- A number of the papers refer to customised reports to providers containing analyses on issues such as market share – how a particular provider fares in its market segment. The Italian paper is particularly interesting, describing arrangements whereby a provider can compare itself with individual competitor businesses. (Personally, I am surprised that businesses would agree to having their commercial affairs disclosed to competitors, and would be interested in knowing what proportion of businesses agree to this.)
- The Portuguese paper describes the positive benefits that businesses derived in attempting to improve their own management information systems to better align them with statistical reporting needs.

The papers all stress the importance of sustaining excellent provider relationships, and of emphasising voluntary cooperation rather than compulsion. Indeed, it is unclear from the papers whether any legal authority to compel provision of data is ever exercised.

Based on my own past experience, it is clear that response rates would decline substantially if the Australian Bureau of Statistics (ABS) did not have the legal power to compel provision of data, even though that legal power is used very sparingly. Typically, business survey response rates in Australia approximate 90 percent. What sort of response rates are being achieved in European surveys?

Two other issues come to mind from the papers. First – again drawing on my Australian experience – there was a government edict for the ABS to reduce business provider load; the agreement was for a 20 percent reduction over about a five-year period. Are there similar pressures in Europe? If so, how are they being handled?

Second, there is no mention in the papers of business provider load being measured. Each survey form in Australia asks how many staff hours it took to complete the form, and the ABS Annual Report publishes information on total provider hours over the year. Is this active monitoring of business provider load being carried out in Europe? If so, what are the trends? Is provider load increasing, decreasing, or remaining about the same? Is provider load at the level of the individual business monitored?

Thank you once again for the opportunity to comment.