

Σ SIGMA

THE BULLETIN OF EUROPEAN STATISTICS

Cutting red tape

Focus on statistical response burden

for Europe
Cutting redTape
LESS PAPERWORK = MORE JOBS
www.best-idea-award.eu

Γραφειοκρατία Bürokracija Burocracia Bürokratie Byrokratia
Бюрократия Red tape Birokrātija Bureau

ACTION PROGRAMME FOR REDUCING ADMINISTRATIVE BURDENS IN THE EUROPEAN UNION
http://ec.europa.eu/enterprise/admin-burdens-reduction



Editorial



Cutting red tape is of top importance for the European Commission. In 2007, the Commission set a goal of reducing, within five years, the administrative burden on businesses in the EU by 25 %. Statistics is one of the priority areas in this ambitious plan.

However, statisticians have to overcome a major obstacle, which is the gap between the actual and perceived size of the administrative burden caused by their work. Not many people know that statistics is responsible for only about 0.6 % of the total EU burden on enterprises. Perception is very different: in the popular opinion of many European small and medium-sized enterprises, any action connected with filling out a form is understood as 'statistics'. We need to focus better on communication to dispel this myth.

Even if the actual burden caused by statistics is low, statisticians take it very seriously. The 94th Directors-General of the National Statistical Institutes (DGINS) Conference held in Vilnius last September, dedicated solely to this issue, was a clear proof of this commitment.

Many countries presented excellent examples of achievements in the field. We discussed ways of simplifying statistical procedures, talked about the importance of technological advancement, overcoming the negative perception, and debated ways of monitoring and measuring progress.

It is my conviction that the European statistical system does not need an additional action plan to achieve further burden reduction. A lot of work is already ongoing. We need to be more systematic in applying best practices to improve our performance. I am thinking of a new, modern architecture for the field of statistics, which should mean a more integrated, focused approach and priorities set more along business lines.

If we compare our work to a business 'portfolio', then the statistics compiled by us should systematically be revised in terms of their validity and usefulness to governments, companies and citizens. It is only with this modern approach that we will be successful.

Walter Radermacher
Eurostat Director-General



SIGMA

THE BULLETIN OF EUROPEAN STATISTICS

produced by Eurostat

Editor in chief: Philippe Bautier

Editorial team: Lukasz Augustyniak,
Annika Östergren Pofantis.

Published by: Office for Official
Publications of the European
Communities, Luxembourg, 2009
ISSN 1018-5739

© European Communities, 2009

Graphic design by Fotolito 38, Italy

© Cover photos: European Commission,
Lithuanian State Department of Tourism,
Rainer Sturm, www.pixelio.de,
Statistics Lithuania

Printed in Belgium

Printed on white chlorine-free paper

Sigma is available free of charge from:

Eurostat, Communication Unit,
Bech A4/112, L-2920 Luxembourg

Fax (352) 4301 35349

E-mail: eurostat-pressoffice@ec.europa.eu

All issues of *Sigma* can be consulted
online at Eurostat's website:

<http://ec.europa.eu/eurostat>

We would like to thank all those who
have contributed to this edition of *Sigma*:

Joaquín Almunia, Søren Andersen,
Steve Kaiser, Gediminas Kirkilas,
Vilija Lapėnienė, Astrid Meesters,
Peter Oomens, Martynas Pocius,
Norbert Rainer, Algirdas Šemeta,
Gosse van der Veen and Christian Zipse.

The views expressed in *Sigma* are
those of the authors, and do not
necessarily reflect the official position
of the European Commission or the
organisations to which the authors
belong.

4 Simplification: The way forward

7 Eurostat: 'We need to find
the balance between reduction
of statistical burden and
quality'

9 Statistics Austria proposes tool
to measure EU burden

11 Communication and feedback:
The Dutch solution to negative
perception

13 Statistics Denmark: How to
reduce the response burden
by 25 %

15 The Netherlands: Burden
reduction through technological
innovation

17 Administrative sources:
The way forward in Lithuania

19 Application of the standard
cost model in Germany

21 94th DGINS Conference,
25–26 September 2008,
Vilnius, Lithuania



Contents

Simplification: The way forward



Lithuanian Prime Minister Gediminas Kirkilas praised the European Commission's 'Better regulation agenda' and said that it should not be seen as a 'one-off action' but 'a long-term process, which required a consistent approach and commitment to reach the established goals'. © *Statistics Lithuania*

The theme of the Vilnius conference reflects a major shift in the actions of EU institutions and institutions of the Member States towards a reduction and simplification of regulatory requirements with which respondents, both businesses and individuals, have to comply.

Administrative burden reduction is part of the Commission's growth and job strategy agreed in Lisbon in 2000. The drive towards overall rationalisation of working processes by minimising red tape and unnecessary bureaucratic obligations, the so-called 'Better regulation agenda', was initiated in 2005.

In 2007, the Commission introduced an action programme aimed at reducing administrative burdens on businesses in the EU by 25 % by 2012. The programme covers 43 pieces of legislation in 13 priority areas, including statistics.

Long-term process not a one-off action

Opening the conference, the Lithuanian Prime Minister Gediminas Kirkilas observed that to him the theme of

The 94th Directors-General of the National Statistical Institutes (DGINS) Conference on the reduction of administrative burden caused by official statistics was opened in Vilnius on 25 September 2008 by the Lithuanian Prime Minister Gediminas Kirkilas and the then Director-General of Statistics Lithuania Algirdas Šemeta. During the opening session, EU Commissioner for Economic and Monetary Affairs, Joaquín Almunia, gave a speech entitled 'Developing modern statistics for a dynamic economy'.



The then Director-General of Statistics Lithuania, Algirdas Šemeta, said he was sure that practical 'solutions, tools and measures aimed at gaining tangible results and facilitating life for the respondents' would be found by the participants of the Vilnius meeting. © *Statistics Lithuania*

administrative burden reduction was of particular importance at a time of global economic crisis.

He said that the general perception that could be gained from the European media was that European civil servants did not speak the same language as business communities. Mr Kirkilas pointed out that this was caused by the fact that state or European authorities 'did not trust businesses to act on a self-regulatory principle'. As a result, many companies felt irritated by or suspicious about legal acts issued by public regulators.



EU Commissioner for Economic and Monetary Affairs, Joaquín Almunia, said there was a limit as to how far the legislation and reporting requirements could be simplified before an impact on the quality of the produced data would be felt. And 'the quality of European statistics will not be compromised,' he reassured.
© Statistics Lithuania

Mr Kirkilas praised the Commission's better regulation agenda and said that it should not be seen as a 'one-off action' but 'a long-term process, which required a consistent approach and commitment to reach the established goals.'

Outlining his country's progress on the national programme for better regulation, Mr Kirkilas admitted that, despite huge efforts on the part of the authorities, Lithuania still had difficulties in simplifying bureaucratic procedures as required by its own legal acts.

Concrete actions expected

Welcoming the DGINS participants, the then Director-General of Statistics Lithuania Algirdas Šemeta, said that, as every year, also this time the conference would have to deal with new challenges encountered by the European statistical system (ESS) in the past 12 months.

He mentioned several subjects debated by the DGINS in the past years, among them globalisation, the challenges of communicating statistics, quality work and quality assurance within statistics and the role of statistics in an information and knowledge society.

Mr Šemeta stressed the fact that all past Directors-General conferences resulted in concrete actions. As a prominent example, he named the 92nd DGINS conference held in Kraków, Poland, in September 2006, the end results of which translated into a number of recommendations for the development of the European statistical system.

The topic of reducing the statistical response burden was unanimously selected by the ESS members for particular attention. Mr Šemeta said he was sure that practical 'solutions,

tools and measures aimed at gaining tangible results and facilitating life for the respondents' would be found by the participants of the Vilnius meeting.

Better regulation to help businesses

In his speech, Commissioner Almunia talked about the importance of this year's DGINS conference for the Commission. He explained: 'A major pillar of the Lisbon strategy is to create a more business-friendly environment in the EU by simplifying the regulatory environment for companies. Better regulation should free up business from bureaucratic constraints, let them concentrate on their core activities, and allow them to generate jobs and growth.'

The Commissioner said that as a result of reduced administrative costs, businesses would save money that could be better spent on research and innovation.

Mr Almunia admitted that statistics were only responsible for a 'very marginal part of the overall administrative burden'. He praised the work done by the ESS by saying: 'Thanks to past efforts by the European statistical system, the burden has been markedly reduced over the last decade. Eurostat, with valuable input from the ESS, has responded to the better regulation initiative with a comprehensive and balanced package which goes beyond the scope of the action programme.'

However, the Commissioner also admitted that there was a limit as to how far the legislation and reporting requirements could be simplified before an impact on the quality of the produced data would be felt. And 'the quality of European statistics will not be compromised,' he added.



'A major pillar of the Lisbon strategy is to create a more business-friendly environment in the EU by simplifying the regulatory environment for companies. Better regulation should free up business from bureaucratic constraints, let them concentrate on their core activities, and allow them to generate jobs and growth,' said Commissioner Almunia. © *Statistics Lithuania*

The Commissioner called for 'smarter, more efficient ways of collecting data'. He named linking data from different sources, making better use of data that already exist in the statistical system and developing tools for producing statistics more efficiently as examples to follow.

He spoke of the modernisation of the European statistical system, stressing the positive 'knock-on effects' the changes would have on the statistical burden reduction. Mr Almunia said: 'The revision seeks to increase the efficiency of the ESS by simplifying the institutional framework and reinforcing coordination between the national statistical institutes and Eurostat.'

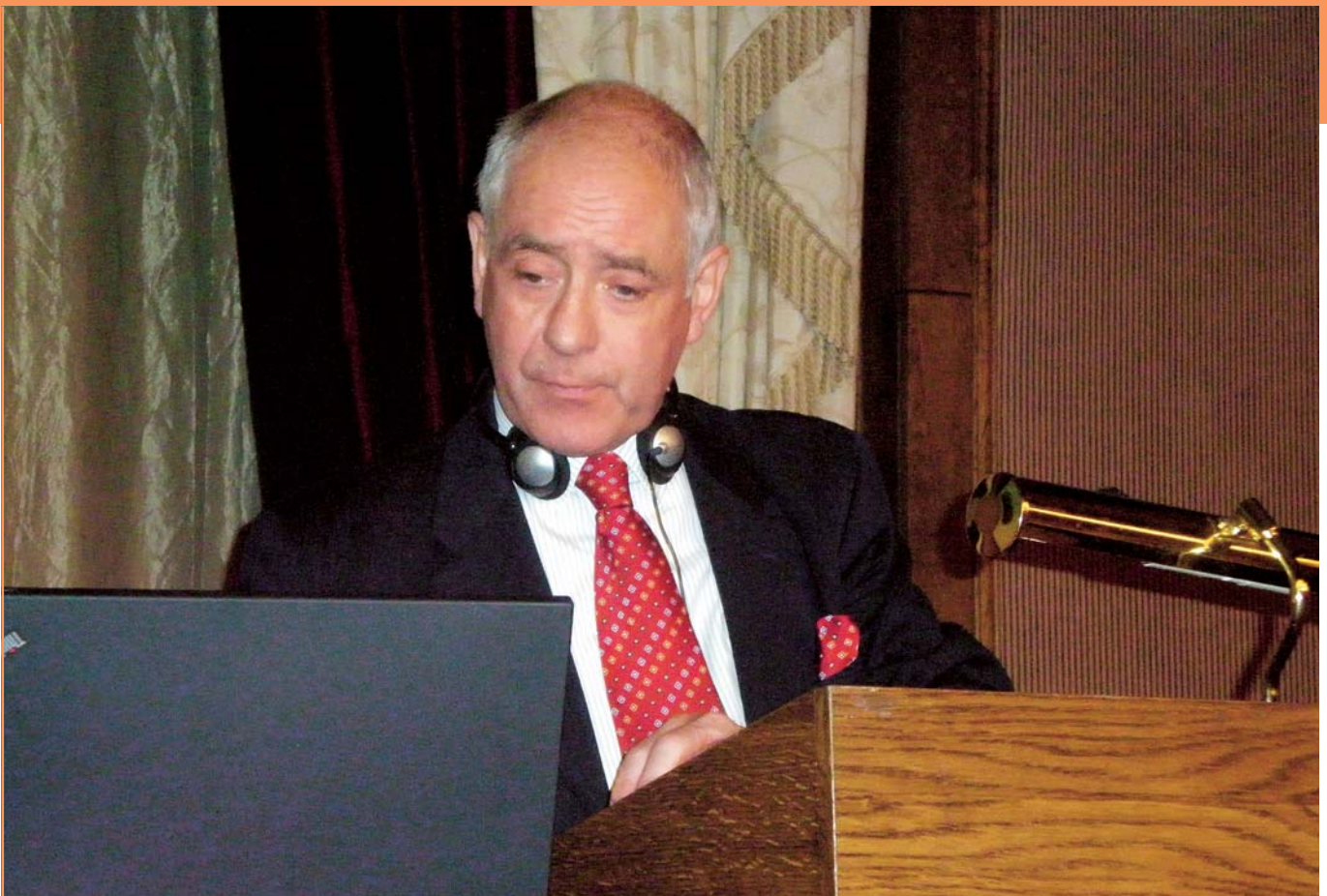
The Commissioner said he was confident that the European Parliament and the Council would soon reach a common agreement on the ESS revision 'that would be supported by the Commission'.

He concluded by quoting the American economist and statistician Wilson Allen Wallis who once described statistics as 'a body of methods for making wise decisions in the face of uncertainty' and said that, if that were true, then investing in a modern and efficient statistical system should be the Commission's highest priority.

By Lukasz Augustyniak, Eurostat Communication Unit

Eurostat: ‘We need to find the balance between reduction of statistical burden and quality’

Cutting red tape is a key issue for the European Commission. For several years, Eurostat and the national statistical institutes have worked hard to reduce the statistical response burden. The result is that, today, statistical reporting is estimated to be between 0.25 and 2 % of the total administrative burden in the Member States. ‘We believe efforts to reduce the burden should continue where necessary, but without compromising the quality of statistics. Promoting best practices between the Member States, improving efficiency in our working methods and communicating to change perception of the burden represents the way ahead,’ said Steve Kaiser, former Eurostat Resources Director.



Steve Kaiser, former Eurostat Resources Director. © European Commission

Over the last few years, Eurostat has carried out a number of pan-European studies to assess the burden in four statistical domains. The results show that on average the statistical response burden is low, especially in relation to the total administrative burden. One of the Eurostat studies proves that collecting trade statistics within

the EU (Intrastat), which is considered the most burdensome statistical domain, only makes up between 0.15 and 0.6 % of the total administrative burden in the Member States.

‘Unfortunately, the results of the exercises are hard to compare, partly because of incomplete data, differences in the



'Eurostat will continue to support this work aiming at an improved priority setting to deal efficiently with a growing demand for new statistics, while keeping the burden on respondents proportionate to user needs,' said Steve Kaiser. Pictured is Vilnius old town with the Gediminas castle.
© Lithuanian State Department of Tourism

measurement methods and the fact that some countries survey more products or survey more frequently than is required under EU legislation,' said Mr Kaiser.

He also mentioned that the studies would need to be repeated on a regular basis to measure the trend.

A multitude of best practices

Despite the recognised limitations in comparability, the measurement exercises have provided valuable input and many examples of best practices. In a number of priority areas, the statistical response burden has been reduced through a reduction of the variables and the frequency of surveys.

'However, we have to be careful, because further simplification of the reporting requirements could have a bearing on the quality of the data,' said Mr Kaiser.

The way forward is an increased use of administrative registers, the exploitation of electronic surveys and using company accounting data directly from their systems. Many national statistical institutes also use thresholds or optimised sampling strategies for business surveys and exclude the smallest enterprises from the surveys.

Mr Kaiser praised the work of the national statistical institutes (NSIs) and said that, due to comparability limitations,

Eurostat proposes to focus on the promotion of best practices, rather than a benchmarking exercise.

Monitoring a necessity

Although statistics is responsible for only a small part of the total administrative burden, the Economic and Financial Affairs Council stresses the need for NSIs and Eurostat to monitor the response burden and to set targets for the reduction over time. Therefore, it is clear that statistical offices will need to continue assessing the burden in the future too.

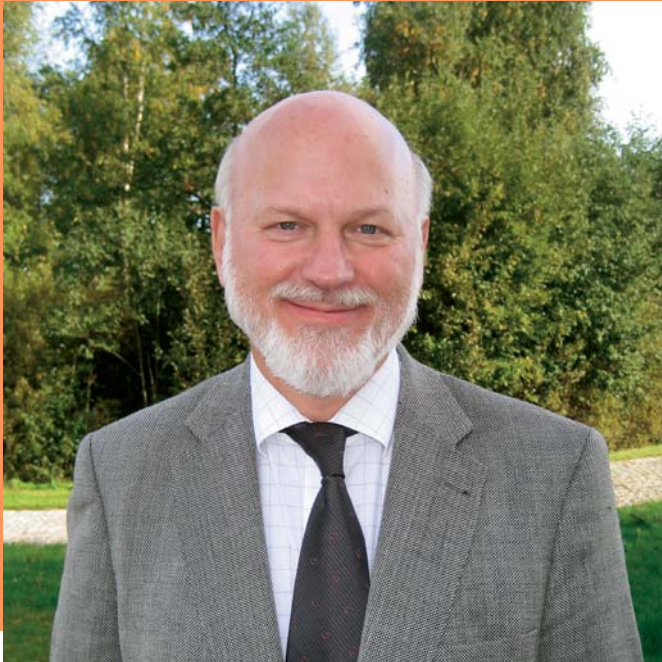
'Eurostat will continue to support the work on improved priority setting to deal with growing demands for new statistics, while keeping the burden on respondents proportionate to user needs.'

Another area which Eurostat and the NSIs need to focus on, according to Mr Kaiser, is the perception of the statistical burden.

'There is no magic recipe, but better and more thorough communication with enterprises, politicians and users on all levels is key.'

By Annika Östergren Pofantis, Eurostat Communication Unit

Statistics Austria proposes tool to measure EU burden



Although the statistical burden is marginal compared with the total administrative burden, further reductions are and will be requested by politicians at both EU and national level. Therefore, there is a need for a common European Union burden measurement tool, argues Norbert Rainer, Head of the Registers, Classifications and Methods Division at Statistics Austria. 'Statisticians know that the actual burden is low, but we need to be able to show our politicians, business partners and the public how low it really is. We also need to be able to present proof when we have reduced the burden, since we all know that the perceived burden does not decrease proportionally with a reduction of the real burden,' he told *Sigma*.

Norbert Rainer, Head of the Registers, Classifications and Methods Division at Statistics Austria. © European Commission

The measurement tool Mr Rainer proposed to the Directors-General of the national statistical institutes at the Vilnius conference builds on methodology which is already used in Austria and other countries. The advantage is that the methodology is simple to implement and can be used in all statistical domains. Furthermore, it does not require a lot of human and budget resources from the national statistical institute. It can be introduced at a low cost and it only marginally increases the workload on surveyed companies.

'To measure the average completion time for responding to a specific survey, only a small sample of businesses need to be considered in order to achieve reliable data. Of course, differences in size, economic activity and whether the survey is done on paper or electronically need to be taken into account,' said Mr Rainer.

An important feature of the concept is that the response burden measurement should take place at the same time as the company fills in the survey or at least immediately afterwards.

'It is a fact that companies who fill in surveys do not remember the amount of time they needed to complete a form they filled in weeks or months ago. They might also mix up different survey requests, including non-official statistical ones. Therefore, it is better that the time measurement is an integral part of the data collection,' explained Mr Rainer.

The sampling and collection of burden data at the same time as the company fills in the survey imply that the measurement should be performed by the NSI itself, or in close cooperation with the statistical office.

'The NSI has in-depth knowledge of the survey. They can differentiate the surveys between small and medium-sized enterprises and the statistical offices are best placed to draw up samples for the burden measurement.'

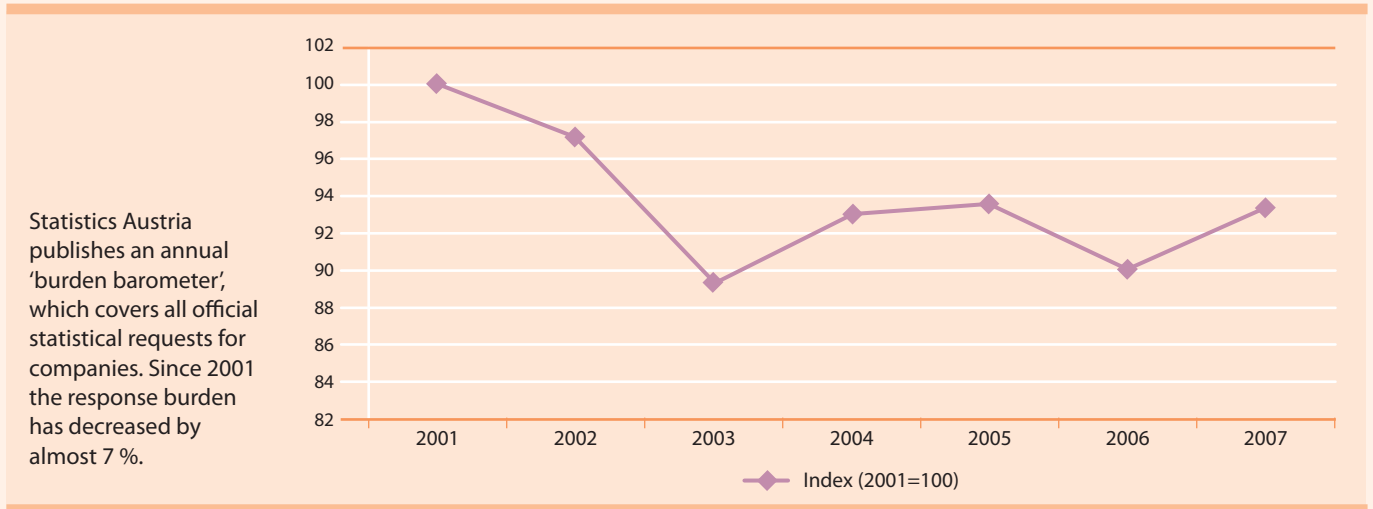
Monitoring change in burden

Another fundamental characteristic of the measurement tool is that it supplies information which allows the monitoring of the reasons for a change in the burden. One could, for instance, calculate how much of the decrease in the total burden is due to the increased use of electronic reporting, or how much is attributable to a decrease in sample size. Also, the avoided response burden could be calculated.

'You could, for example, calculate the additional burden if no administrative data were used, or if electronic reporting was not possible. This could be useful for new surveys and to highlight certain options or present expectations of changes in the burden, for instance due to an expected increase in the use of electronic surveys,' said Mr Rainer.

There are also factors that lead to changes in the response burden which are not under direct control of the statistical

Index of total statistical response burden in Austria



system. One of them is economic growth. The higher the growth, the more businesses are created and the more companies engage in trade, which means that more businesses have to report data than before. Another factor can be linked to institutional changes. Previously, EU Member States had to report all imports and exports within the EU to their customs controls. Today they report these data to the statistical offices through a system called Intrastat. The difference is that, whereas all companies had to report all goods they imported or exported to customs, Intrastat is a sample survey, where many smaller enterprises are excluded. The result is that the statistical burden has increased, although the overall administrative burden on the companies has decreased.

'In fact the statistical system lowered the total burden, since the reporting obligations under the administrative system were much higher than under Intrastat. Unfortunately, this has not been recognised,' said Mr Rainer.

Burden barometer

In many countries, European legal statistical requirements are transformed into the national context in an extended form. This phenomenon is called 'gold-plating'. Gold-plating refers to greater level of detail — especially to get more data at regional level — greater coverage of activities, additional characteristics, higher frequencies and even additional surveys. Often national needs are the reason for gold-plating, but there are also indirect EU needs.

'As it is quite difficult to separate most of the gold-plating from pure legal EU requirements, we propose that all requirements should be included. After all the total EU burden is the sum of the actual burden in all Member States,' said Mr Rainer.

Despite methodological weaknesses Mr Rainer said that it is crucial to translate the completion time into euros.

'There is a political pressure to transform the time data into monetary values. Data in cost terms are valued higher than

data in time units. Therefore, we need to report the costs, because, in the end, costs are what matter.'

Statistics Austria publishes an annual 'burden barometer' in time units, which covers all official statistical requests for companies from Statistics Austria and is expressed as an index with the base year 2001. In the future a similar EU burden barometer could be envisaged if the proposed methodology was used in all EU Member States.

Mr Rainer also believes that information on the statistical burden should be included in the metadata system.

'The metadata covers definitions and rules. It would contribute to transparency to also show the costs involved in collecting the data.'

By Annika Östergren Pofantis, Eurostat Communication Unit



Mr Rainer underlines that the response burden should be measured at the same time as the company fills in the survey or at least immediately afterwards. He also believes the measurement should be performed by the national statistical office itself, or in close cooperation with the statistical office.

© Gerd Altmann, www.pixello.de

Communication and feedback: The Dutch solution to negative perception

The actual administrative burden caused by official statistics is only around 0.25 % in the Netherlands. However, the perceived burden is much higher. 'One reason for the gap is that *all* surveys are associated with statistics, although the forms do not only come from Statistics Netherlands,' said Peter Oomens, Deputy Director of the Business Statistics Division at Statistics Netherlands to *Sigma*. 'Apart from working to reduce the real burden, one of the priorities in the Netherlands is to address the negative perception.'



Peter Oomens, Deputy Director of the Business Statistics Division at Statistics Netherlands. © European Commission

company are combined with branch aggregates. This benchmark information can include, for example, information on the company's turnover in relation to the rest of the sector. Currently 8 500 enterprises in the catering industry, temporary employment agencies, industrial enterprises and the building industry receive feedback, and plans are to expand this initiative to more business sectors in 2009.

'So far providing feedback information has proved very successful. The companies really appreciate getting their "personal" data, especially when compared with the branch average,' said Mr Oomens.

To further improve communication and feedback, Statistics Netherlands opened a special Internet site (mycbs.nl) in 2008. Here companies can log on to their own section of the site to view and download relevant information and data.

A board of respondents is also in the making. The idea is that the board, which will be composed of businessmen and representatives from branch organisations, will give advice to improve communication and the way data are collected.

In the Netherlands several studies have been carried out both on the real and on the perceived administrative burden. The result is that providing statistics is ranked as one of the most irritating tasks that enterprises are obliged to do for government.

One of the reasons for this negative opinion is that small and medium-sized enterprises (SMEs) usually do not use statistics, as they do limited market research. Therefore, many do not see the point of providing the data.

'Explaining the need for statistics is key,' said Mr Oomens. 'For this we are in direct contact with branch organisations as well as the enterprises themselves. We also try to get articles published in various magazines for entrepreneurs and on the Statistics Netherlands' website, which explain the use of their data.'

Personalised feedback

Statistics Netherlands has also started to give feedback to the surveyed enterprises. The data provided by an individual

Civil service prose in the bin

Since early 2007, Statistics Netherlands has focused on improving the written communication in surveys. Apart from simplifying the surveys themselves and making them more user-friendly, the Dutch have used professional communicators to rewrite instructions and leaflets which accompany the surveys. Reply letters, frequently asked questions and other communication from Statistics Netherlands to enterprises are in the pipeline for the same treatment.

'The purpose is to use understandable language instead of highly formulated civil service prose,' explained Mr Oomens. Statistics Netherlands has also created a special unit which deals with questions and phone calls from enterprises.



Statistics Netherlands gives feedback to the surveyed enterprises. 'So far, providing feedback information has proved very successful. The companies really appreciate getting their "personal" data, especially when compared with the branch average,' said Mr Oomens. © Netherlands Board of Tourism and Conventions

'The main advantage is that the same people always talk to the same persons in the company. This way we also build up knowledge about the enterprise and can reply to their demands more quickly and efficiently.'

'We are also intensifying our cooperation with our partners, such as business organisations and other ministries, but most important is to work on perceptions and make sure all businesses understand why their data are needed,' Mr Oomens concluded.

Statistical holidays

To reduce the perceived burden, Statistics Netherlands has introduced statistical holidays for small enterprises. This means that enterprises with fewer than 10 employees get a holiday for at least a year if they take part in one of two larger surveys. The surveys in question are on structural business statistics and investment statistics. Although not all smaller enterprises can be given a break, due to the risk of sampling errors, nearly 600 000 enterprises in the population benefited from a statistical holiday in 2008.

By Annika Östergren Pofantis, Eurostat Communication Unit

Future

Statistics Netherlands uses a four 'P' approach to reducing the burden: statistical programme, statistical process, partners and perception. However, the statistical office is not able to reduce the administrative burden by changing the statistical programme much more, as it has been streamlined to the furthest extent possible. The only possibility would be to change to a single-flow system of Intrastat, which means that companies would only report the products they export (or import). However, there is still room for improvement when it comes to processes (see also article on page 15). The Dutch office uses administrative sources whenever possible and is moving from paper to electronic surveys. Today 60–70 % of enterprises use the electronic online survey for structural business statistics data.



Statistics Netherlands has introduced statistical holidays for small enterprises to reduce the perceived burden. This means that enterprises with fewer than 10 employees get a holiday for at least a year if they take part in one of two larger surveys.

© Phovoir

Statistics Denmark: How to reduce the response burden by 25 %

Reporting statistics comprises 0.5 % of the total administrative burden on enterprises in Denmark. This is the result of 13 years of systematic work to measure and reduce the response burden. However, like all government services, Statistics Denmark has been obliged to reduce the burden by 25 % by 2010 compared with 2001. The recipe? 'We have taken a broad range of initiatives, for example moving to electronic reporting, using administrative registers, streamlining survey forms, etc., but the biggest impact is the reduced coverage for companies reporting trade in goods with EU Member States,' said Søren Andersen, Head of the Business Data Collection Division at Statistics Denmark.



Søren Andersen, Head of the Business Data Collection Division at Statistics Denmark. © *European Commission*

If information is not available in registers, for example data on production of services and commodities, Statistics Denmark uses optimised sample surveys, which constitutes the second pillar.

'We also have a general rule that when a sample is selected, the smallest enterprises are not asked to participate if it can be avoided. For some surveys, companies with less than five employees are excluded. For those with 5–49 employees, data are only collected from 10 to 50 % of enterprises, while all companies with more than 50 employees must participate,' said Mr Andersen.

As a result of the use of administrative registers, optimised samples' surveys and the cut-off limit for certain company sizes, only 20 % of all active enterprises report data in a given year within the non-financial sector.

'We have also taken initiatives to reduce the perceived burden, especially by digitalisation and communication with companies based on their needs and interest,' he added.

Statistics Denmark's strategy to reduce the response burden by 25 % is held up by four pillars. The first is the wide use of administrative data sources. Wherever possible, data collected for administrative purposes by other public authorities form the basis for producing statistics. In this way statistics are produced without imposing any further response burden on enterprises. Monthly sales statistics, based on information from the tax authority's VAT register, are collected this way. The quarterly employment statistics on enterprise level, which are based on information from the register of the Danish labour market supplementary pension scheme, are another example.

In Denmark all enterprises and individuals have a unique identifier, which makes it easy for Statistics Denmark to link data. On the basis of the various administrative registers Statistics Denmark creates a large number of different registers with full coverage of individuals and enterprises.

Going digital

The third pillar of the Danish strategy is the plan to increase the use of digital reporting, which is more efficient for respondents, as well as for Statistics Denmark.

'Our preferred choice are "system-to-system" solutions, where the data are extracted directly from the administrative systems of the enterprises. For the statistics of the trade in goods with other EU countries (Intrastat), 60 % of companies — accounting for 90 % of the value of all trade in goods — use the European application called the Intrastat data entry programme (IDEP),' said Mr Andersen.

Statistics Denmark is currently developing the IDEP application in close cooperation with the Danish tax administration and a private company. The idea is to link the reporting of data to the company's treatment of invoices. The result will be that the data are delivered automatically — at one time and one place — to two different administrations.



'Intrastat alone accounts for 70 % of the total statistical burden in Denmark. Thus, Statistics Denmark has strongly supported the idea that the coverage of Intrastat should be reduced from 97 to 95 %,' said Mr Andersen. Pictured is Copenhagen harbour.

© Cees van Roden, VisitDenmark

Statistics Denmark also aims to have all surveys available electronically by 2012.

'At the end of the day, increased use of digital reporting not only reduces the burden for the surveyed enterprises, it also decreases the burden for the statistical office. We can use fewer resources on data collection and error checking and save money,' observed Mr Andersen.

In 2008, the eight largest surveys were online, which means that more than 70 % of all data reported by enterprises could be supplied via an electronic questionnaire. However, companies had not completely caught on to the idea, as only 10 % of all data from enterprises actually came that way, which brings us to the fourth pillar of the Danish strategy: improved communication.

Improving communication

Despite the fact that the real administrative burden for reporting official statistics is a mere 0.5 %, the perceived burden is considerably higher — a situation which is not unique to Denmark.

'I think one of the main reasons is that companies do not understand why they have to report the data and they do not see how they could use the data for their own purposes. Our job is to explain this better,' said Mr Andersen.

Against this background, Statistics Denmark focuses on developing communication with enterprises. They publish articles in branch magazines, review questionnaires on a continuous basis and look into the possibility of providing electronic feedback.

'Partly the feedback would be in the form of a receipt for reporting the data, partly brief, tailored statistics in which the enterprise is included,' commented Mr Andersen.

'We are also working with flexible deadlines for reporting. In 2008, we piloted the idea of giving companies who fill in the surveys electronically a longer deadline than those who report data using paper forms. We will now analyse the results of this pilot. If it proves to be a success, we will try to extend this idea into more domains,' said Mr Andersen.

Further reductions possible within Intrastat

In the coming years Statistics Denmark will tackle, on the one hand, new requirements for statistics — which will increase the burden — and, on the other, simplifications and increased digitalisation aiming to counterbalance the rise. The most important simplification and digitalisation will relate to Intrastat.

'Reporting imports and exports of goods to EU Member States topped the list of the most burdensome statistics in 2007. In fact, Intrastat alone accounts for 70 % of the total statistical burden in Denmark. Thus, Statistics Denmark has strongly supported the idea that the coverage of Intrastat should be reduced from 97 to 95 %. This, together with more companies using the IDEP system, would be our two single largest actions which would lead to the fulfilment of the government's goal of reducing the administrative burden by 25 % by 2010,' explained Mr Andersen.

By Annika Östergren Pofantis, Eurostat Communication Unit

The Netherlands: Burden reduction through technological innovation



Statistics Netherlands (CBS) has been among the European leaders in the field of administrative burden reduction. Between 1994 and 2006 the burden on businesses was diminished by more than 70 % and thereby the target set by the Dutch government of a 25 % burden reduction in the years 2002–06 was met. CBS is presently introducing the use of the universal financial reporting language XBRL in their daily operations. *Sigma* spoke to the Director-General of CBS, Gosse van der Veen, to find out more.

Gosse van der Veen is Director-General of Statistics Netherlands.
© Statistics Netherlands

Mr van der Veen pointed out that the aim of the project in the Netherlands was to reduce the administrative burden by the simplification and standardisation of the response procedures.

Close cooperation with chambers of commerce and tax authorities

XBRL (extensible business reporting language) is the universal standard for disseminating finance and accounting information. Created by an international non-profit consortium, the digital language is an open standard, free of licence fees. It was started and is being further developed in order to facilitate the demand, production, sharing and analysis of financial information.

'We have been exploring ways of reducing the burden on our data providers for a long time,' said Mr van der Veen. 'The growth of Internet-based applications has given us a huge boost in recent years. Today, almost all of the Statistics Netherlands surveys for enterprises are available in electronic form. When we manage to gather financial data from the administration of the enterprises directly by means of XBRL, it will be a real breakthrough.'

Mr van der Veen explained that so far the use of XBRL is limited to companies employing 50 or fewer employees. 'Larger companies have a much more complicated structure, involving for instance many legal and administrative departments, often making cooperation between statistical and administration units difficult.'

A new law defining the legal position and official tasks of Statistics Netherlands, adopted by the Dutch parliament four years ago, states that CBS should use administrative data already available to other government agencies before conducting their own business surveys.

'So, logically, together with the Dutch chambers of commerce and the tax authorities, Statistics Netherlands has created a taxonomy, or classification, of the business administration,' said Mr van der Veen. The scheme involved the Dutch tax authorities contributing their tax formats, the chambers of commerce sharing their annual reports and the Dutch NSI making available their statistics on, for instance, capital formation or turnover of SMEs.

'Combined with a system for transporting XBRL data it means that a company can use XBRL to send its tax returns, the annual report and various statistics by means of automated messages directed at the appropriate institution, making it easier to comply with their reporting obligations. I am convinced that, when better known, the system will be popular with companies, as it offers greater efficiency, accuracy and cost saving.'



The 'extensible business reporting language' (XBRL) system means that a company can automatically send its tax returns, the annual report and various statistics to the appropriate institution, making it easier to comply with their reporting obligations. © Phovoir

The challenge lies in accelerating the implementation to increase the number of companies reporting through XBRL. 'One needs several business partners — software companies, accountants, government agencies — to create this successful chain,' observed Mr van der Veen. 'Developing a clear business case for each party to illustrate the benefits versus the implementation costs is complex and, therefore, it is difficult to create a sense of urgency. Also, one must remember that things look differently in the countries where such projects are compulsory for the members of the business community, which our scheme is not.'

However, Mr van der Veen said that the situation was changing. 'The tax office had a good information campaign aimed at highlighting the benefits of the system. For our part, we are talking to enterprises, advising them on the benefits of adopting XBRL for their financial and statistical reporting.'

The CBS has estimated that the total benefit of a more universal use of the system would save approximately EUR 700 million per year for the country. 'Not to mention the obvious direct benefits for our statistical system, such as much more timely and exact statistical data concerning the companies taking part in the project,' added Mr van der Veen.

Despite its relatively modest results so far, the Dutch taxonomy project is a clear sign of things to come. To Mr van der Veen this way of gathering data promises great advantages for the future. 'No matter how reluctant enterprises might be now, it must be clear to everyone that the administrative

burden connected with an electronic questionnaire is a fraction of that in a traditional paper form. One day soon, we will have electronic gathering for most business statistics.'

By Lukasz Augustyniak, Eurostat Communication Unit



Statistics Netherlands estimates that if the XBRL system was used to its full potential, it would save approximately EUR 700 million per year for the country. 'Not to mention the obvious direct benefits for our statistical system, such as much more timely and exact statistical data concerning the companies taking part in the project,' said Mr van der Veen.

© Bernd Sterzl, www.pixelio.de

Administrative sources: The way forward in Lithuania

Statistics Lithuania is working hard to make better use of administrative data. ‘The biggest reserve for the reduction of burden on business in Lithuania is definitely the use of administrative data sources, so that is what we are focusing on. Crucial is improved cooperation with other governmental bodies and business organisations,’ said Vilija Lapėnienė, First Deputy Director-General at Statistics Lithuania. The aim is to increase the share of statistical indicators based on administrative data from today’s 35 % to 40 % by 2012.



Vilija Lapėnienė is First Deputy Director-General at Statistics Lithuania. © European Commission

‘Statistics are sometimes collected twice, first for administrative purposes, like taxes, financial data, employment and earnings, then for statistical purposes through surveys. This double burden can be avoided if legal acts regulating statistical and administrative records are coordinated. This way we can keep the statistical burden to a minimum and sometimes even reduce other administrative burdens.’

One showcase example of the cooperation is the use of annual financial reports for the compilation of structural business statistics, which was complicated and time-consuming for respondents.

‘We looked for a method which could be used to calculate annual indicators based on short-term statistics and information from the State Social Insurance Fund Board. The result is that 40 000 enterprises no longer need to fill in the annual questionnaire — a significant reduction in burden,’ said Ms Lapėnienė.

Other success stories include the use of administrative data for labour indicators for the short-term statistics collection and the reporting of EU imports and exports for Intrastat.

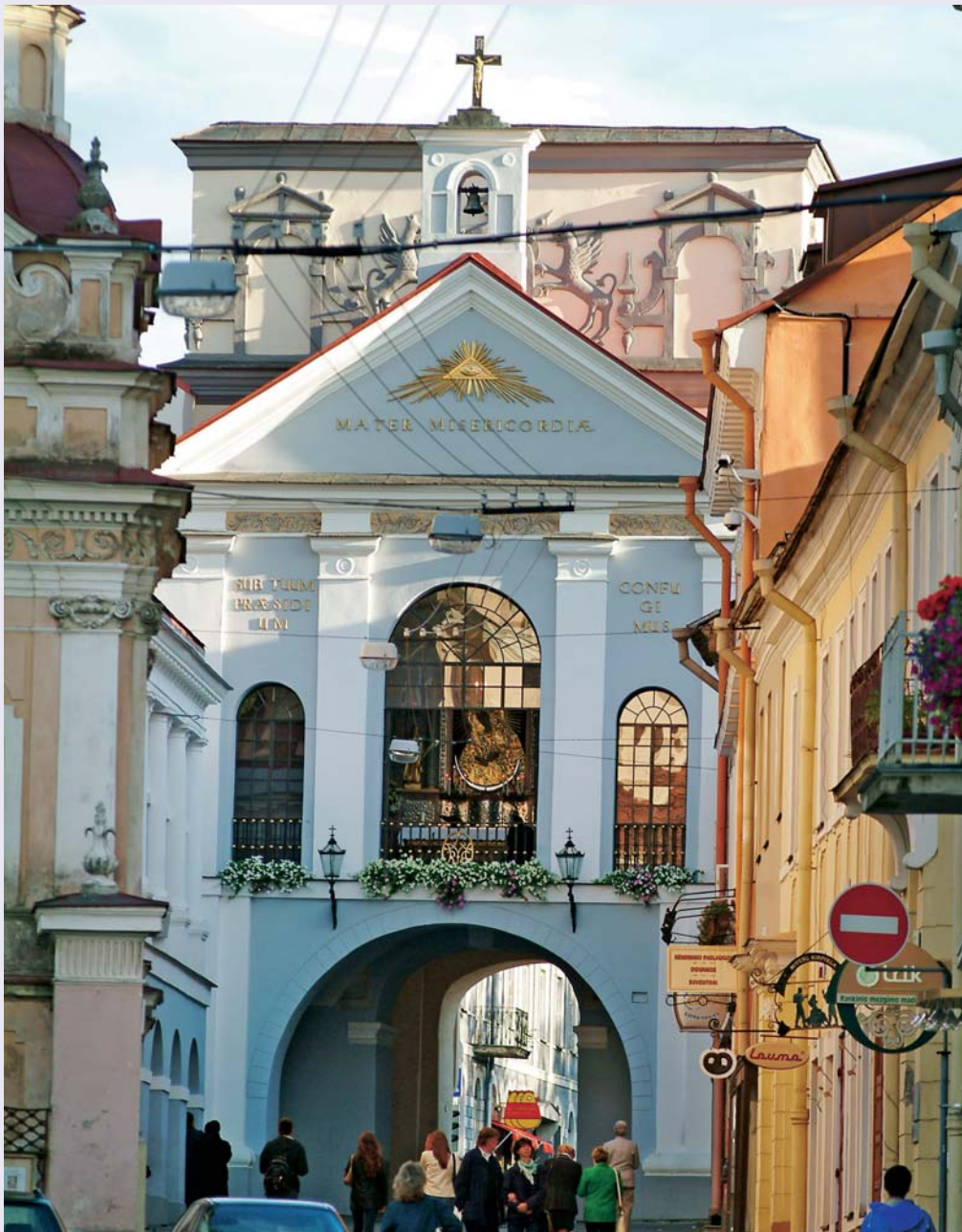
In Lithuania, three factors have made the use of administrative data easier in the last few years. Thanks to the Lithuanian statistical law from 1999, the statistical office has a legal right to access administrative information for statistical purposes. A single identification code for all companies allows the information to be compiled and used efficiently. In addition, Statistics Lithuania has built up a close cooperation with the national administrative bodies which collect data.

‘The possibility of using administrative data is not a magic wand,’ says Ms Lapėnienė. ‘Differences in definitions of indicators, deadlines for reporting, technical problems, legal and organisational aspects, as well as differences in the aims of the institutions for which the data are collected, complicate the use for statistical purposes.’

However, Statistics Lithuania is determined to find a solution and to reduce the burden for enterprises. In 2007, a special commission was set up with members from different ministries and other public authorities. The commission has looked at ways of using administrative data more efficiently, to ensure that important data sources are not lost due to changes in legislation and to avoid the duplication of requests.



Despite certain challenges in the use of registers — differences in definitions of indicators, deadlines for reporting, technical problems, etc. — Statistics Lithuania is determined to use more administrative data. © European Commission



For Statistics Lithuania the future lies in automatically extracting accounting data from enterprises, as well as developing the Tax Data Warehouse. The Warehouse will make it easier for the six institutions involved to receive high-quality, timely data without separately having to ask enterprises to provide them. Pictured is the Gate of Dawn in Vilnius. © Lithuanian State Department of Tourism

not only for enterprises, but also for governmental bodies,' said Ms Lapėnienė.

The possibility to automatically extract accounting data from the enterprises' accounting systems has also been studied by Statistics Lithuania. The conclusion was that about 30 % of the data which could be extracted from the accounting systems could be used for statistical purposes. In some cases they would have to be slightly modified to meet statistical requirements.

'As over 20 % of data are produced by enterprises, especially for statistical purposes, it might be a good opportunity to start using accounting data directly,' Ms Lapėnienė commented.

The future: Tax Data Warehouse and automatic reporting

Statistics Lithuania also cooperates closely with representatives from the business sector and public authorities. They have looked at possibilities of discontinuing surveys, improving sample surveys, introducing electronic questionnaires and using registers and data from the *Interinstitutional Tax Data Warehouse* more extensively. The Data Warehouse is a state information system which collects tax data. The aim of the Warehouse is to make it easier for the six institutions who are involved to receive high-quality, timely data without separately having to ask enterprises to provide them.

'The companies will report their data once and all institutions will have access to them. This will be a major advantage

She is convinced that the future lies in the wider use of administrative data both for social and business statistics and it is in this direction that the statistical office is heading. For the population and housing census in 2011, Statistics Lithuania plans to use register data to develop indicators on, for example, population, employment, households and families. Administrative sources will also replace data of surveys on income from employment, social transfers, taxes paid and social insurance contributions.

'With the increased use of administrative sources, more electronic surveys and automatic solutions, Statistics Lithuania is confident it will reduce the time and cost spent by companies on surveys by 25 % by 2012,' Ms Lapėnienė concluded.

By Annika Östergren Pofantis, Eurostat Communication Unit

Application of the standard cost model in Germany



Christian Zipse from the Destatis Standard Cost Model Unit. © Destatis

The Federal Statistical Office Destatis has just finished the first assessment of the scale of the administrative burden in Germany using the standard cost model (SCM). The system was introduced in Germany by the government in 2006 to help reduce bureaucracy and lower costs caused by the official reporting obligations for enterprises. *Sigma* spoke to Christian Zipse from the Destatis Standard Cost Model Unit to find out how the system works.

Mr Zipse started by saying that in the past it was difficult to measure the administrative burden in Germany because no uniform assessment system had been available. At the same time, experiences of other countries showed that it was

possible to systematically identify and assess individual administrative costs, the elimination of which led to significant savings in many areas.

'This is why, in 2006, our government adopted a programme for bureaucracy reduction and better legislation and decided upon the introduction of the internationally proven standard cost model. For the first time, we attempted to measure the scope of bureaucracy at a federal level by means of a standardised method.'

'Thanks to the SCM, we were able to define a major share of existing administrative burdens, such as applications, forms, statistics and supporting documentation, directly attributable to mandatory reporting obligations imposed on companies by the authorities', observed Mr Zipse.

An independent National Regulatory Control Council was established to assist the federal government in its task of reducing existing administrative costs caused by regulations and avoiding the creation of new ones.

Since 2006, the Council has been examining governmental regulatory proposals to see whether they comply with the principles of standardised administrative cost measurement and to see if more efficient alternatives are available.

The German *Standard cost model manual*, containing binding definitions and explaining the different process steps to be followed, from the identification of information obligations to the determination of time consumption and the calculation of their costs, was also published to help with the SCM implementation.

'In a nutshell, the manual not only explains how, with the help of the SCM, we can identify and analyse the administrative costs resulting from legal regulations but also formulates concrete goals, determines to which degree these goals have been achieved and presents them in a comprehensible manner', explained Mr Zipse.

Destatis actively involved from the start

From the very beginning, the Federal Statistical Office was closely involved in all methodological aspects of the standard cost model application in the country. A dedicated Internet-based data entry programme, developed by Destatis, enabled systematic mapping of reporting obligations at individual federal ministries.

'The programme is based on the data entry system developed by statistical offices for online surveys', said Mr Zipse. 'Once we modified it to suit the requirements of the SCM measurement, it enabled us to unify the documentation and store the entries made by various ministries in one central database. Before the nationwide introduction of the SCM, ministerial staff had to undergo specialist training.'

A total of 161 obligations imposed on businesses by official statistics

Mr Zipse went on to say that the SCM measurement identified 161 administrative obligations imposed on enterprises in Germany by official statistics. They accounted for 1.5 % of the covered obligations in all legal areas. The cost of fulfilling those obligations was estimated at about EUR 350 million, not much more than 1 % of the total information and reporting burden.

The analysis also showed to which extent the mandatory EU regulation contributed to bureaucracy existing at national level. 'Two thirds of all official statistics in Germany are based on European legal acts', said Mr Zipse. 'This means that, even



if we wanted, we would not be able to eliminate a significant part of the administrative burdens imposed on industry in our country.'

Mr Zipse remarked that a further interesting observation made in the process of the SCM measurement was that 81 % of the statistical burden in Germany was caused by only 10 statistical requirements, with foreign trade statistics responsible for the main costs. It shows that reducing the overall burden will only be successful if the highest cost items, such as the regulations relating to foreign trade or manufacturing, are treated first.'

Drawing on experience

While closely cooperating with the government at all stages of the SCM introduction and development, Destatis was

Mr Zipse said that the standard cost model measurement identified 161 administrative obligations imposed on enterprises in Germany by official statistics, which accounted for 1.5 % of the obligations in all legal areas.

© Rainer Sturm, www.pixelio.de

able to draw on its vast methodological competence, its independence and previous experience in measuring administrative burdens.

Today, it actively assists the authorities in the further implementation of the SCM in the country, is responsible for setting up and maintaining the system's databases and, in cooperation with enterprises and associations concerned, for determining the time needed for the completion of administrative tasks.

'Our measurements show in an objective way that, contrary to popular perceptions, official statistics cause only a small share of the overall administrative burden in Germany.'

'However, while being aware of the need to cut red tape and simplify the life of businesses in our country, we must also recognise the limitations of our actions as selective reductions can have serious consequences upon the system as a whole. Official statistics are a system of basic statistics which build upon one another. Every "well-meant" administrative change that goes too far can destroy the well-balanced structure of the national accounts and the consistency of the system of business statistics,' concluded Mr Zipse.

By Lukasz Augustyniak, Eurostat Communication Unit



Mr Zipse warned that selective reductions can have serious consequences upon the statistical system as a whole. 'Official statistics are a system of basic statistics which build upon one another. Every "well-meant" administrative change that goes too far can destroy the well-balanced structure of the national accounts and the consistency of the system of business statistics.'

© Rainer Sturm, www.pixelio.de

94th DGINS Conference, 25–26 September 2008, Vilnius, Lithuania

Reduction of administrative burden through official statistics

Agenda

Opening of the conference

Mr Gediminas Kirkilas, Prime Minister of the Republic of Lithuania

Mr Algirdas Šemeta, Director-General, Statistics Lithuania

Keynote address

Mr Joaquín Almunia, Commissioner for Economic and Monetary Affairs

Opening session — Measurement of response burden within the ESS: a way to achieve harmonisation

Chair: Mr Algirdas Šemeta, Director-General, Statistics Lithuania

Experiences on measuring the burden on businesses — **Eurostat**

Measuring the response burden within the EU context: some principles for a measurement tool at the EU level — **Austria**

© Lithuanian State Department of Tourism



Session I — Statistical methods and tools to tackle response burden on enterprises and individuals

Chair: Mr Gerry O'Hanlon, Director-General, Central Statistics Office, Ireland

Discussant: Mr Walter Radermacher, Director-General, Eurostat

- I/1 — General principles of the reducing respondent's burdens in agricultural statistics — **Hungary**
- I/2 — Potential for reduction of the burden on businesses through European sampling approaches — **Eurostat**
- I/3 — French methods and practices regarding the statistical burden — **France**
- I/4 — The response burden in business statistics. The Spanish experience — **Spain**
- I/5 — The Dutch approach to reducing the real and perceived administrative burden on enterprises caused by statistics — **The Netherlands**
- I/6 — Response burden — how to reduce it by 25 % — **Denmark**

Session II — Modern technological solutions to reduce the response burden

Chair: Mr Jan Fischer, President, Czech Statistical Office

Discussant: Ms Karen Dunnell, National Statistician, Office for National Statistics, UK

- II/1 — The Dutch taxonomy project and structural regulatory business reporting: impact for Statistics Netherlands — **The Netherlands**
- II/2 — Strategy for reducing the response burden — **Norway**
- II/3 — Structural business statistics: an integrated and simplified system to comply with multi-obligations. The creation of the IES in Portugal — **Portugal**
- II/4 — Tools for reduction of the response burden in Italy: respondents' database and software for coordination of samples — **Italy**
- II/5 — How far can IT standards and tools help to reduce the response burden? — **Eurostat**

Plenary session I: Interinstitutional cooperation at national and EU levels with the view to reducing administrative burden

Chair: Mr Luigi Biggeri, President, ISTAT, Italy

Discussant: Mr Oystein Olsen, Director-General, Statistics Norway

- P I/1 — Strategic issues in reducing the response burden with the emphasis on cooperation with other governmental bodies — **Slovenia**
- P I/2 — Development of business data collection and cooperation with data providers — **Finland**
- P I/3 — Make better use of administrative data through strengthened cooperation and coordination — **Lithuania**
- P I/4 — Removing barriers to sharing data between national institutions and reducing response burdens — **UK**
- P I/5 — Large enterprise management — Higher quality and lower burden through better relations — **Sweden**
- P I/6 — Format of interinstitutional cooperation and recent developments/trends — **Eurostat**

Presentation of the Lithuanian statistical system

Mr Algirdas Šemeta, Director-General, Statistics Lithuania

Plenary session II — Report on the work of the parallel sessions

Chair: Mr Gosse van der Veen, Director-General, Central Bureau for Statistics, the Netherlands

Rapporteurs are the chairs of the parallel sessions:

Mr Gerry O'Hanlon, Director-General, Central Statistics Office, Ireland

Mr Jan Fischer, President, Czech Statistical Office



Plenary session III — Balancing between demand and supply: measures to be taken on the demand side

Chair: Ms Heli Jeskanen-Sundström, Director-General, Statistics Finland

Discussant: Ms Halina Dmochowska, Vice-President, Central Statistical Office, Poland

P III/1 — From contradictory needs between demand and supply to regulation norms in business statistics — **Switzerland**

P III/2 — Meeting ECB users' demands in a rapidly changing environment — **European Central Bank**

P III/3 — Ways to change the negative perception of statistics — **Romania**

P III/4 — Administrative burden: identifying, measuring, reducing it with the standard cost model — **Germany**

Round table discussion — Future challenges in combating the statistical burden

Chair: Prof. Dr Peter Hackl, Director-General, Statistics Austria

Participants:

Mr Jean-Philippe Cotis, Director-General, INSEE, France

Mr Reno Camilleri, Director-General, National Statistical Office, Malta (paper: 'Some implications of EU requirements regarding the statistical burden imposed by small NSIs on their respondents — the case of Malta')

Mr Walter Radermacher, Director-General, Eurostat

Mr Steven Keuning, Director-General Statistics, ECB

Mr Hans-Joachim Haß, Director-General Economic Policy, Federation of German Industries (BDI)

Mr Paul Cheung, Director, United Nations Statistics Division, UNSD

Closing statement

Mr Algirdas Šemeta, Director-General, Statistics Lithuania

Your free access to European statistics

All Eurostat data are available
FREE OF CHARGE
on its Internet site!

ec.europa.eu/eurostat

Information published on the Eurostat site is available in English, French and German and can be downloaded free of charge. This enables consultation, seven days a week and 24 hours a day, of Eurostat's statistical information and data.

Please try the new **Data Explorer**,
the **single** extraction tool for all open data sets.

© Comstock Images

Eurostat is the Statistical Office of the European Communities.

It publishes official harmonised statistics on the European Union and the euro area and offers a comparable, reliable and objective portrayal of a changing Europe. A vast range of data broken down by region and country of the enlarged European Union and by candidate country is available to you. Via the Eurostat alert option and RSS feeds you can be sure you are updated on new data releases.

Overview publications

Statistics in focus: This collection provides updated summaries of the main results of surveys, studies and statistical analyses. It is published for all the themes and comprises 4 to 12 pages per issue. More than 200 issues are published per year.

Data in focus: Similar to *Statistics in focus*, although the emphasis is on publishing the latest data as quickly as possible (with no accompanying analyses).

Statistical books: Comprehensive studies, often focusing on a particular subject; usually quite lengthy, providing analyses, tables and graphs from one or more statistical themes.

Pocketbooks: These are pocket-sized publications providing the main indicators for the European Union, the euro area, the Member States and their partners.

Methodologies and working papers: Intended for those who want to consult methodologies, nomenclatures, or specific studies on a particular data set.



Publications Office
Publications.europa.eu

KS-BU-08-004-EN-C