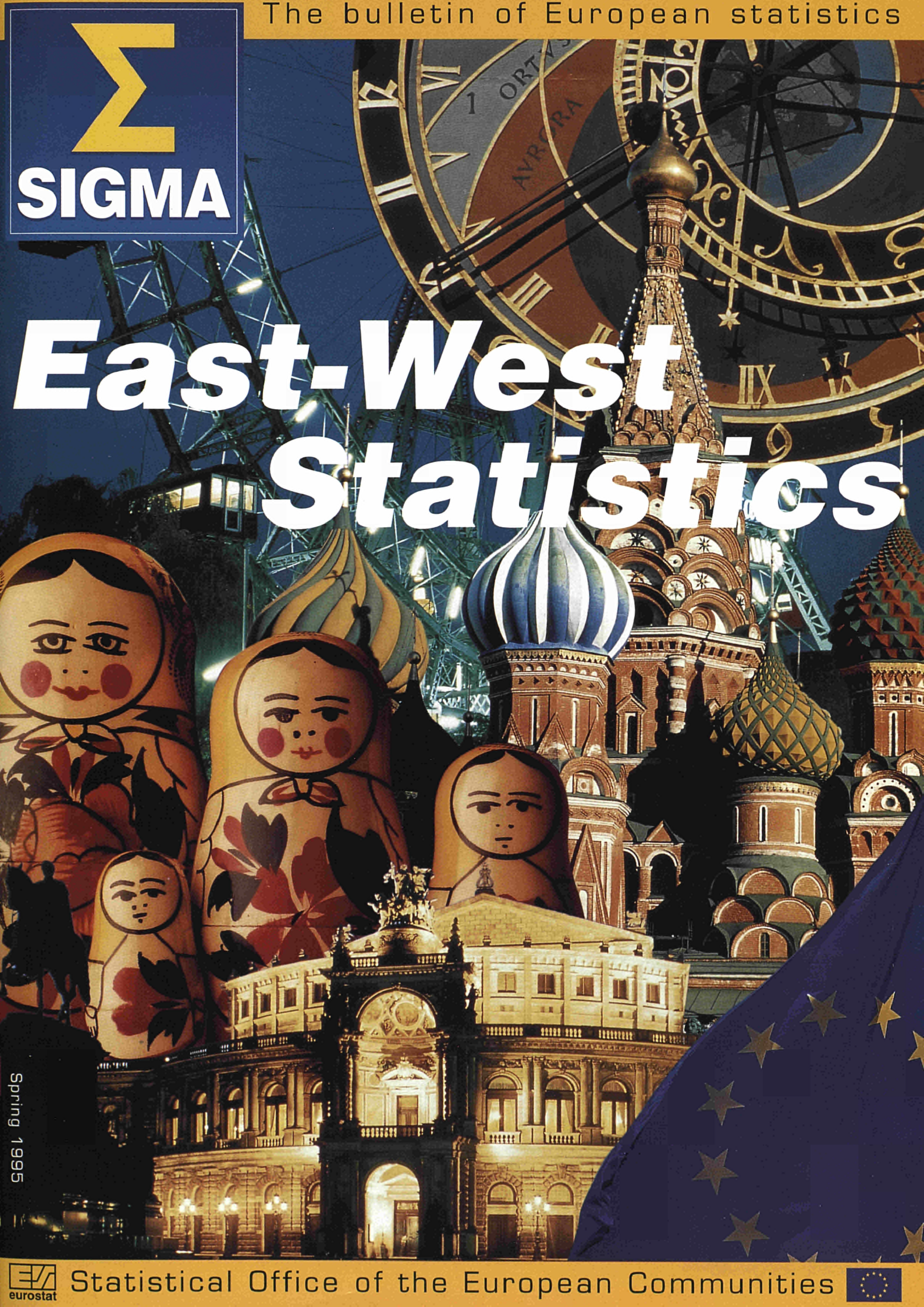


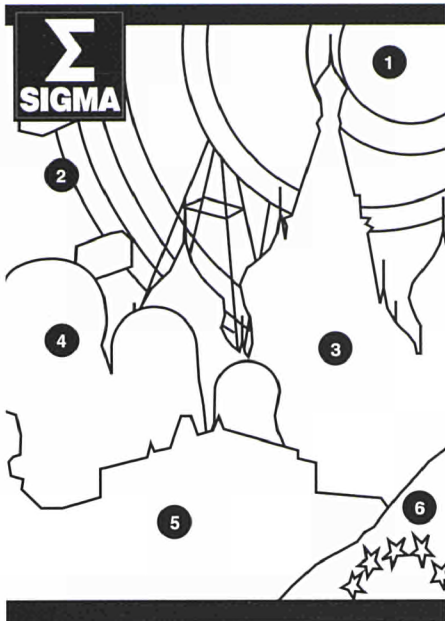


East-West Statistics



Spring 1995





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- ① St Nicholas's Church, Prague
- ② Prater, Vienna
- ③ St Basil's Cathedral, Moscow
- ④ Matriuschka - typical Russian wooden dolls
- ⑤ Semper Opera, Dresden
- ⑥ EU flag



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Yves-Thibault de Silguy*

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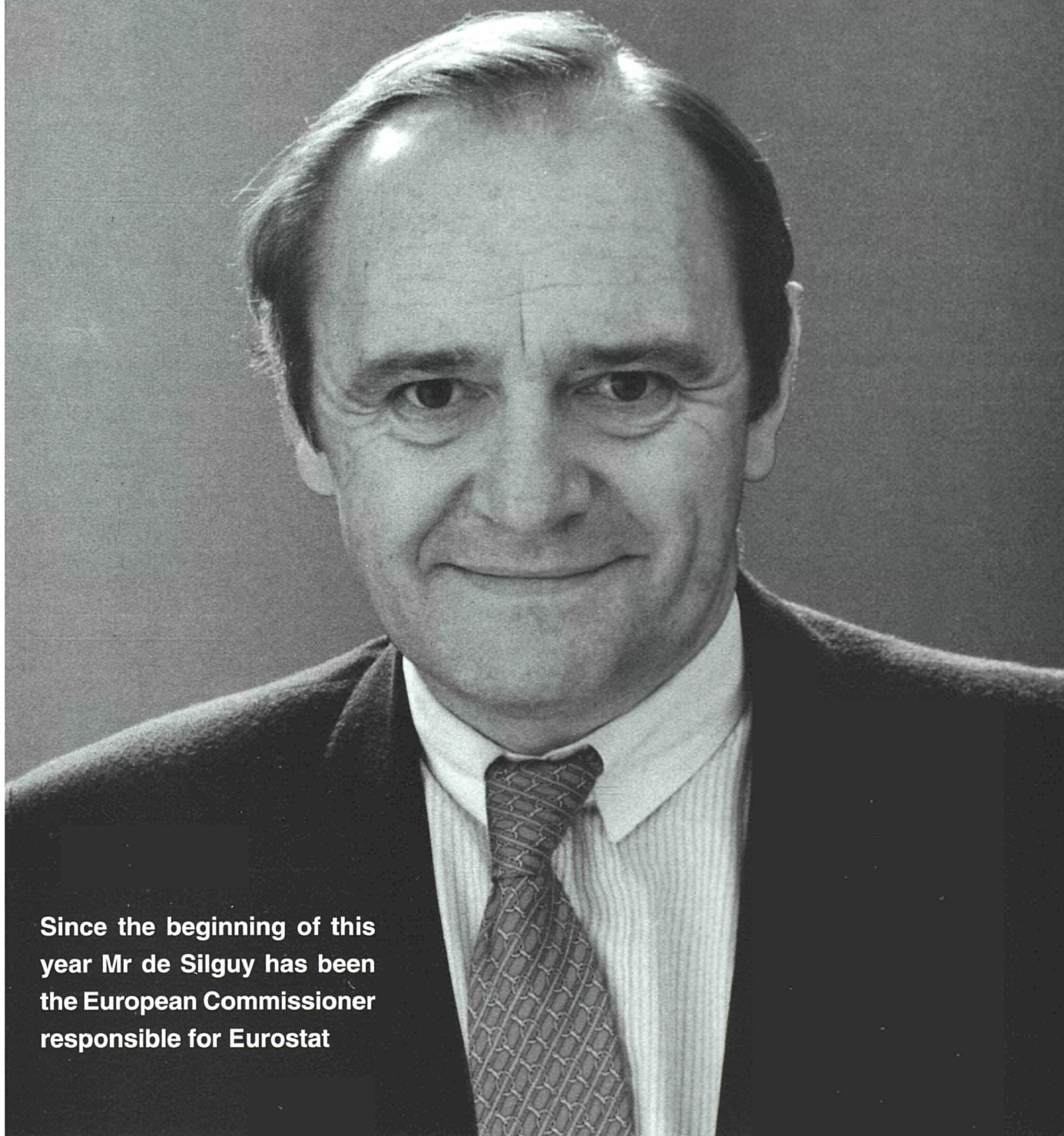
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SIGMA COMMENT

BY

YVES-THIBAUT DE SILGUY



Since the beginning of this year Mr de Silguy has been the European Commissioner responsible for Eurostat

The huge and rapid changes taking place in countries of Central and Eastern Europe (CEECs) and of the Commonwealth of Independent States (CIS) have profound implications for European statistics.

Depending on their history and geopolitical situations, the various CEECs and newly-independent states must adapt or even rebuild their statistical systems in line with their political and economic involvement into free societies and market economies.

A credible and apolitical national statistical system is one of the pillars of a democratic society and a market economy.

Its development is a long and complicated process.

In the case of countries in transition, the job is particularly difficult - in some countries

even daunting - because the inherent complexity and scale of the process of restructuring and developing the statistical systems is aggravated by the legacy of the past and, in some countries, by the difficulties of stabilising the institutional and political framework.

Eurostat's role is to bring together producers and users of Community statistics and to supply the EU with high-quality and harmonised statistical information. Those who aspire to membership of or a closer relationship with the Union will, of course, work towards closer links between their statistics and ours.

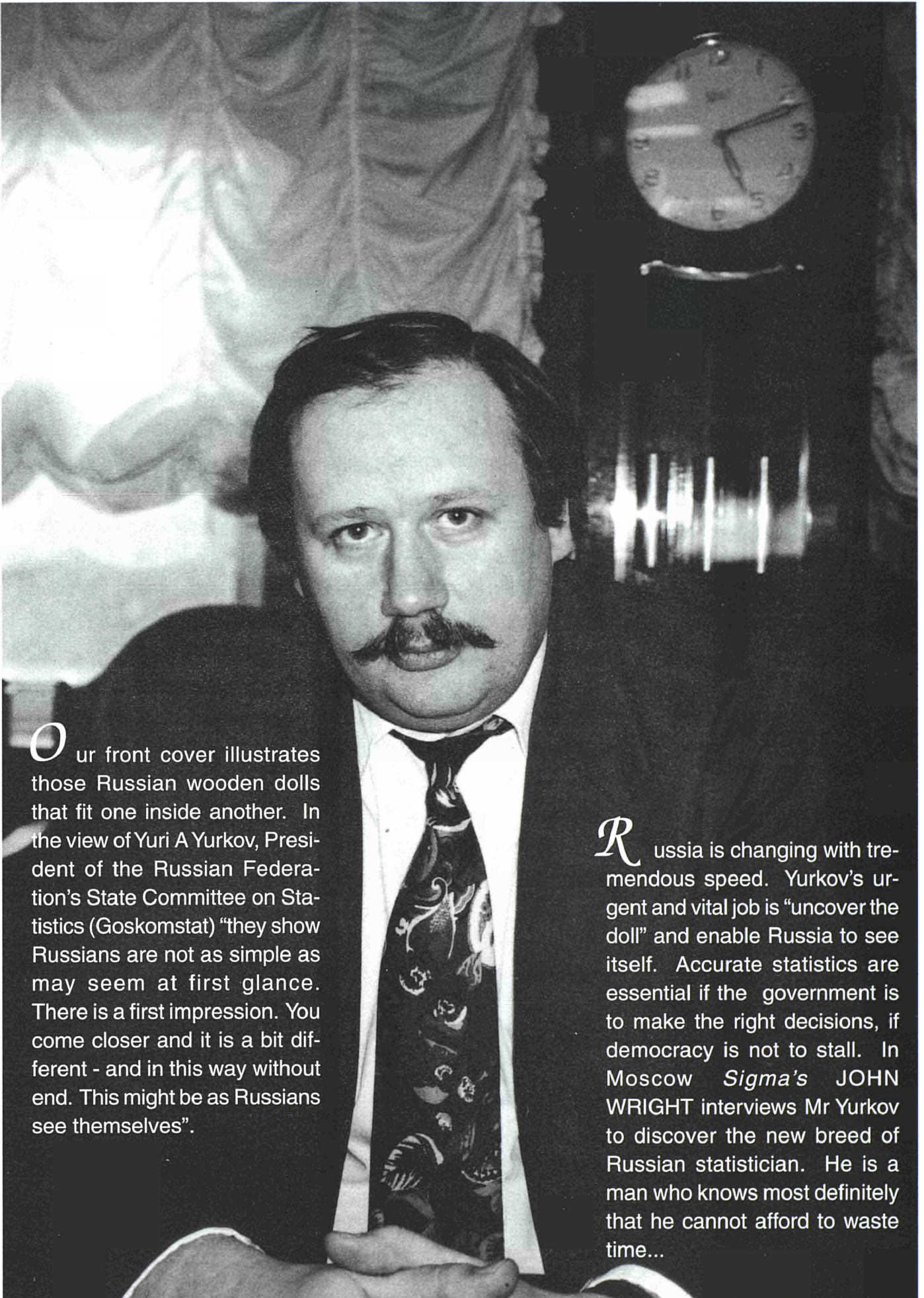
Statistics play a key role in the enlargement of the Union. The recent integration of Austria, Finland and Sweden into the EU statistical system took place without difficulty. This is because these countries - together with the other EFTA countries - began working with Eurostat years before membership.

CEECs - and to some extent countries of the CIS - are increasingly involved in the move towards greater

integration of European statistics. For the European Union it is a tremendous challenge to help those countries to effect radical changes in their statistical systems, thus reinforcing democracy and market economy.

The European Council meeting in Essen last December confirmed that CEECs could become EU members if they so desired and as soon as they were able to fulfil the necessary conditions. In line with those conclusions, Eurostat and the statistical offices of Member States are committed to following up Essen in terms of providing training, technical assistance and financing of data processing.

It is quite a task for Member States of the European Union as well as for the countries in the middle of this period of transition. I am convinced that the latter recognise the vital necessity of the cooperation on which we are now embarked. A statistical system in tune with the rest of Europe is one of the important steps on the way to the democratic, market-oriented partnership of nations that is the European Union.



Our front cover illustrates those Russian wooden dolls that fit one inside another. In the view of Yuri A Yurkov, President of the Russian Federation's State Committee on Statistics (Goskomstat) "they show Russians are not as simple as may seem at first glance. There is a first impression. You come closer and it is a bit different - and in this way without end. This might be as Russians see themselves".

Russia is changing with tremendous speed. Yurkov's urgent and vital job is "uncover the doll" and enable Russia to see itself. Accurate statistics are essential if the government is to make the right decisions, if democracy is not to stall. In Moscow *Sigma's* JOHN WRIGHT interviews Mr Yurkov to discover the new breed of Russian statistician. He is a man who knows most definitely that he cannot afford to waste time...

Race against the clock at Myasnitskaya Street

Yuri Yurkov's father was a General. In what Russians still call the Great Patriotic War he fought in tanks: many great battles, many medals. "I have some of these features in my character", says the son.

I suggest that what he is doing is like driving a tank through Russian statistics. "I like this example", he laughs.

The interview is at 39 Myasnitskaya Street, home of Soviet - and now Russian Federation - statistics since 1946.

This man in a hurry allows me 40 minutes for the interview, although it lasts over an hour. As a statistician who despises meetings he probably calculates astutely that although ours takes roughly one per cent of his 90-hour working week it is cost-effective in terms of public relations.

He sits in front of a grandfather clock that chimes on the quarter hour. Deliberately or not, this reminds me not to waste his time, as does his very direct stare, which is unusual and disconcerting.

Despite his direct style, Mr Yurkov is fond of analogy. Mine on tanks is matched by a few of his own...

First: "I think the main role of statistics in a democratic society is to tell all the truth about itself.

Only if society sees itself as in a mirror can it develop - in the same way as a man. There is no other option."

Second: "Criticism (of Goskomstat) is like medicine - not pleasant to drink but must be taken. I cannot say that all criticism of us has had no basis."

Then: "I regard Soviet statistics and those of the West as two pyramids.

"The former was like a pyramid with its base at the bottom through which came millions of figures from different enterprises. But the output, through the apex, was minimal information. The Western pyramid is the other way round: minimal data in through the apex, maximum out through the base. Now we have put our old pyramid to one side; we must turn it round to be like the Western pyramid."

Yurkov on Russia and EU

Does Mr Yurkov think that in the foreseeable future Russia will become a member of the European Union?

"It's not a question for me I suppose but for the European Union. Historically we have no other place to go. But the situation for the near future is rather complicated. From my point of view, a European Union that has spent so much for so many years to create itself is hardly likely to allow a new member with such an unstable economy.

"The main thing now is to reach equal and just economic relations - partnership. And I am sure statistical structures are more compatible than the economic ones. The close cooperation with Eurostat just confirms this."

Serving the people

I ask what has been the biggest change in Russian statistics.

"Statistics now serve society, not only state structures. One of our main principles is that our data should be useful for banks and businesses; to assist all types of businessmen in their work; of value to possible investors. We must also allow ordinary people to estimate the situation in the country.

"We have made successful steps in transforming the previous system of compiling statistics. We are using the Western system of macro-economic indicators, moving from a balance of industrial production to proper national accounts.

"We are past the easiest phase - reforming at a macro level: the basic fundamentals of statistics; changes in statistical monitoring; roughly speaking, constructing a new basis for Russian statistics. Our specialists managed to apply new methods - new indicators - in their work. Now our consumers have also developed the capability to understand what we are saying with these indicators.

"Several years ago very few people in Russia understood gross national product. Now its use is widespread by the people. Scientists and state structures regularly use the concept. This is the main indicator we publish regularly. It is important people understand that the economy comprises not only industry but other sectors - services, including financial services, trade etc."



French lorries in Moscow

Political will

OK, easiest phase over - what, I ask, is the most difficult?

"Changes in the principle fundamental issues of statistics: creation of a real register of participants of a market, a new system of receiving information, passing over to new statistics at a micro level. In this we cannot rely only on our own resources but need the assistance of the Ministry of Finance, for example.

"The first phase we could overcome using our intellectual capabilities; this next phase demands serious financial expenditure and political will as well.

"But for now we have new indicators that enable our users to receive data in the system used everywhere in market economies; and, to a certain extent, our statistics are easily understood by our Western colleagues - including the World Bank and IMF.

"We have practically demolished the fence that divided Russian socialist statistics from European statistics.

"This does not mean we have no problems. Our product is similar to that of Europe but the difficulty is in obtaining the information for our indicators. These are not problems of statistics but of the difference between our economy and the European/Western economy.

*"Statistics
cannot be in front
of economic
developments."*

Is he, I inquire, the first top Russian statistician to give service to people and society as one of his main aims?

"I am not original in this statement. This was the ideology of people before me in the new Goskomstat. But only two years ago I was just a user of statistical information. Nearly every day I met problems of closed information. But now our society is becoming different with every passing day. And I cannot work otherwise than with such a principle."

Reports to Prime Minister

So just how important are statistics to what is happening in Russia?

"The role of Russian statistics is - let European statisticians complain about it, if they will - greater than it was before. In a stable economy statistics might feel a bit at ease. But for decisions in our country statistical information - correct information - is needed practically every day.

"Nearly every week I report to my Prime Minister about the inflation rate; twice a month about the level of production. almost all programmes of reforms are created with the direct participation of Goskomstat. More than that, I am officially authorised to estimate the situation in Russia. We are more than just a statistical board now."

I observe that perhaps these requirements against the background of Russia's rapid change make his job more difficult than for his Western counterparts.

He agrees. "Every half year there is a new economic situation in the country. So the process of privatisation is over...so the enterprises have acquired a new legal status. Now monetary privatisation begins - so they will buy the enterprises with money.

"It is not only the state that is changing but the psychology of the managers as well. To get information about a state enterprise



Moscow - an economy on the move

is very easy. It's quite another with a private enterprise.

"The economy is breathing and information is needed practically every day."

I suggest he occupies a key role in government.

"I wouldn't over-estimate this. But I am a member of a permanent planning and analysis group guided by the Prime Minister. This deals with projects leading directly to political decisions. I suppose when the situation becomes more stable I shall resume a more traditional statistical role."

Won't he find the job rather boring then?

"I am not so old that I will not find other interesting work", he jokes. He is 42.

Not an easy boss

I want to know what prepared him to be the right man for this job at this time?

"I worked in the statistical service until 1991 - the state commit-

tee of the Soviet Union: same building but another type of organisation. Before the break-up of the Soviet Union I was the chief of the department of methodology and a member of the governing body of the committee.

"When in 1991 the government of Gaidar came to power I was appointed first deputy director of the centre of economic analysis under the government of the Russian Federation. We were dealing with the development of economic programmes and making prognosis for the economic situation.

"The director was Yakov Urinson who is now first deputy minister of economy. Until October 1993 we worked together. Then the President sent him there and me here.

"This experience enables me to set statistical necessity and requirements against the problems of producing the data. I think my subordinates believe it is not easy work for them!"

Clearly a joke directed at the two other people sitting in on the interview - Nikolai I Tokmachev, first deputy chief of Goskomstat's international cooperation depart-

ment, and an aide (recently retired from the Army) who is making an excellent job of interpreting into English. From them (slightly nervous?) laughter.

Was he trained as a statistician?

"Moscow Economic and Statistical Institute. I graduated from the Faculty of Statistics in 1975."

(The clock chimes - 45 minutes gone. Now I am on borrowed time!)

His first job?

"In this building - to work in the department of industrial statistics."

Must resist political pressure

What, I ask, is your personal philosophy for statistics in a democratic market economy?

"The problem is there is always someone who does not like the results - government or trade unions or managers or people. But a statistical office must always tell the truth. It must resist the political pressure - from which side it comes it does not matter. I know this is the problem in all countries of the world. But as far as I know the statistical community is defending itself with all its will."

Does he come under pressure from any politicians to hide "unpleasant" figures?

"No straight political pressure. I believe that all our users are satisfied with the figures I give them. We have opened our methodology to scientific and other examination. After this it is very difficult to change any of our results."

"For more than six months we have not been scolded by the government or others forces for the information we have given."

"But I don't exclude the possibility that on the eve of elections they will exercise pressure and display their concern. I think that happens in all countries."

"I know many statisticians in many countries and this is the problem for many of them. People are people - everywhere."

Does Mr Yurkov ever get attacked by the press?

"More than once."

For what?

"They were accusing us of unreliable information."

"In 1993 my appointment as President of Goskomstat coincided with falling inflation. At the end of the year some important newspapers said it was clear why I was appointed - to show good figures. But when last year we published inflation at 24 per cent a month the reaction was different!"

Like the Army

"Now I would say we have friendly relations with press agencies and mass media. We make releases almost daily. And they have access to practically any information they want. Many journalists are accredited to Goskomstat. And we have considerably expanded the number of statistical issues published everywhere."

"But criticism is not such a bad thing."

Why?

"It is a view from another quarter. It means there is interest in your work. It gives you the incentive to look back and determine if everything you have done is right."

Now I am in "extra time", but it is a question I must ask: how would you describe yourself?

"It's a difficult question - one for my subordinates to answer."

Would they dare to tell the truth?

"In my presence they wouldn't dare!" Laughter but no disagreement from his two colleagues present.

So does he see himself as a man in a hurry?

"I must say that energy is needed and firmness is needed and in some cases a discipline like in the Army."

He is a reserve officer and for six years lived with his father during the occupation of East Germany. But despite his military allusions he comes, late father apart, from a family of economists, older brother being vice-president of one of Russia's most important banks.

Too aggressive, me? No!

I say I that it has been suggested to me that he is a fairly aggressive man. True?

"I don't think I am too aggressive. But it's impossible to do these things without decisiveness. We cannot allow ourself to feel at ease. If a person does not want to work the way I want him to work, he must go...away - because it may reflect negatively on our statistics. We have worked really hard to restore the position of statistics in Russian society but to lose it is just a matter of seconds. This is why all my team work smoothly and we understand each other."

Are there examples of people from the West coming here and being rather patronising or critical, thinking they can teach him a lot. Does this annoy him?



It clearly does! "I rejected this approach from the beginning. I don't like when somebody tries to impose his point of view. We decided it must be mutual work between our experts and those of the European Community - solution of concrete tasks. For a year we have been dealing with these concrete projects and at last we have reached agreed decisions and work.

"Frankly speaking, I dislike all types of meetings, conferences and seminars when the person who takes the floor says one thing while those who supposedly listen think about other things. I regard it as just lost time. All main points can be read in books on statistical methodology. We make our specialists read these books."

Eurostat does have rather lot of meetings, I point out. How can he do business with us?

"I send my deputies" is an answer that clearly delights his colleagues at the table. He adds: "This is the problem of all international structures.

Why invent a cycle?

"In some cases we need new know-how. This is the main advantage of our cooperation with the foreign specialists and saves time. Why invent a bicycle when you can just take it? I don't want to invent a bicycle. But when they start telling us what statistics are and the methods of obtaining data should be, well, we all know these things from the Institute.

"So that's why I ask my specialists to ask the European experts: why do you do it this way? This is when it gets interesting. Our Western colleagues have many small secrets that do not always correspond with instructions in manuals on statistics. From a certain point, the practice of statistics is a kind of art.

"What we can benefit from is the experience of not being afraid to work outside the field of complete statistical observation - to work with reduced sources of information.

"When my specialists see they can make adequate conclusions from a limited amount of input data, they undergo a psychological change."

Isn't it difficult, I want to know, given the Russian black/grey economy, not to mention crime, to come up with an accurate picture of GNP?

"We are trying to specify GNP including the influence of this underground market plus that part of the economy that doesn't pay taxes - not criminal structures in the pure sense of the word.

"According to our estimate underground structures account for 20 per cent of GNP - trade, services, foreign trade, financial services. We have developed methods of determining this figure. I cannot tell you that it is 100 per cent accurate but it is an indicator of the phenomenon. I officially decided this figure."

Can't predict the future

Russia's most remarkable indicator, says Mr Yurkov, is of "an economy that does not raise taxes on 20 per cent of its production and still exists. The second one is a rather mysterious Russian crisis. Sharp decline in material production but permanent growth of consumption. This indicates that our economic potential is very large.

"When they say in the West that production has halved many people forget that production of tanks, rockets and other military hardware has also halved. This is precisely the production not intended for people but just taken from the people's budget.

"You should just understand what events have been happening in Russia over the last few years. Despite predictions for several years of uprisings and disturbances, we continue to live and without such upheavals."

150 Years old

Officially Russian statistics began 150 years ago as a central statistical committee of the interior ministry. It was a powerful organisation. After the 1917 Revolution a statistical department was formed and worked until very recently almost without major change. Based on this, in 1987, a statistical committee of the Soviet Union was formed. In 1991 its powers fell to the present structure for the purposes of the Russian Federation with separate arrangements for the CIS. The Russian statistical office, historically, is much older and larger than many in the West.

So how does he see the future?

"If we don't go back on the policy of reforms, by the year 2000 Russia will enter the ranks of those countries with a quickly developing economy. But only if there are no political catastrophies. But such events I cannot predict."

"One thing I haven't yet mentioned is the very sharp difference in population in levels of income. There are extremely rich people and extremely poor. To obtain data on this phenomenon we are going to have new methods of instant surveys of the population - into different layers of the population and everything relating to this question."

But, I protest mildly, if you ask the very rich how they became very rich would they give a

truthful answer?

"For sure, no", says Yurkov, "but is this not the case in the West as well? Will they tell you?"

Probably not, I admit, and we all laugh. "Here", adds Yurkov, "is needed the art of statistics."

All men equal

In the context of Russia's current turmoil and her future prospects, I remark that many people have underestimated the Russians in the past?

The Yurkov democratic credentials are put firmly on the table although the sting-in-the-tail is not perhaps Western-style "politically correct"!

First of all, he says, he is not Russian - his mother was from Lithuania and father from the Ukraine.



Face of Mother Russia:
Goskomstat's cloakroom lady

He adds: "I suppose your remark applies to any nationality. The air of superiority is the main mistake in relations between people. God created everybody equal and we should follow this dictum. In this way we won't repeat the mistakes of the past - *only in relation to women!*"

The clock's chime tells me my 40 minutes have stretched to an hour. A quickie: how does such a man relax?

"Sometimes I manage to get away from my work. I must say I work 14 or 15 hours a day including Saturdays. If I have a chance of playing with my children (girls 16 and 12) it is good." But clearly no time for hobbies.

My time has finally run out. I thank him and say the interview is ten times better than I expected - that Russian doll again! Out of

courtesy I shall send a draft which he may change if I have upset him.

He replies: "My principle is that such articles should be corrected only by the authors themselves. It is wrong when bureaucrats start correcting such articles."

He kept his word.



Happy in their work: ladies of Goskomstat's national accounts section

RUSSIAN STATISTICS

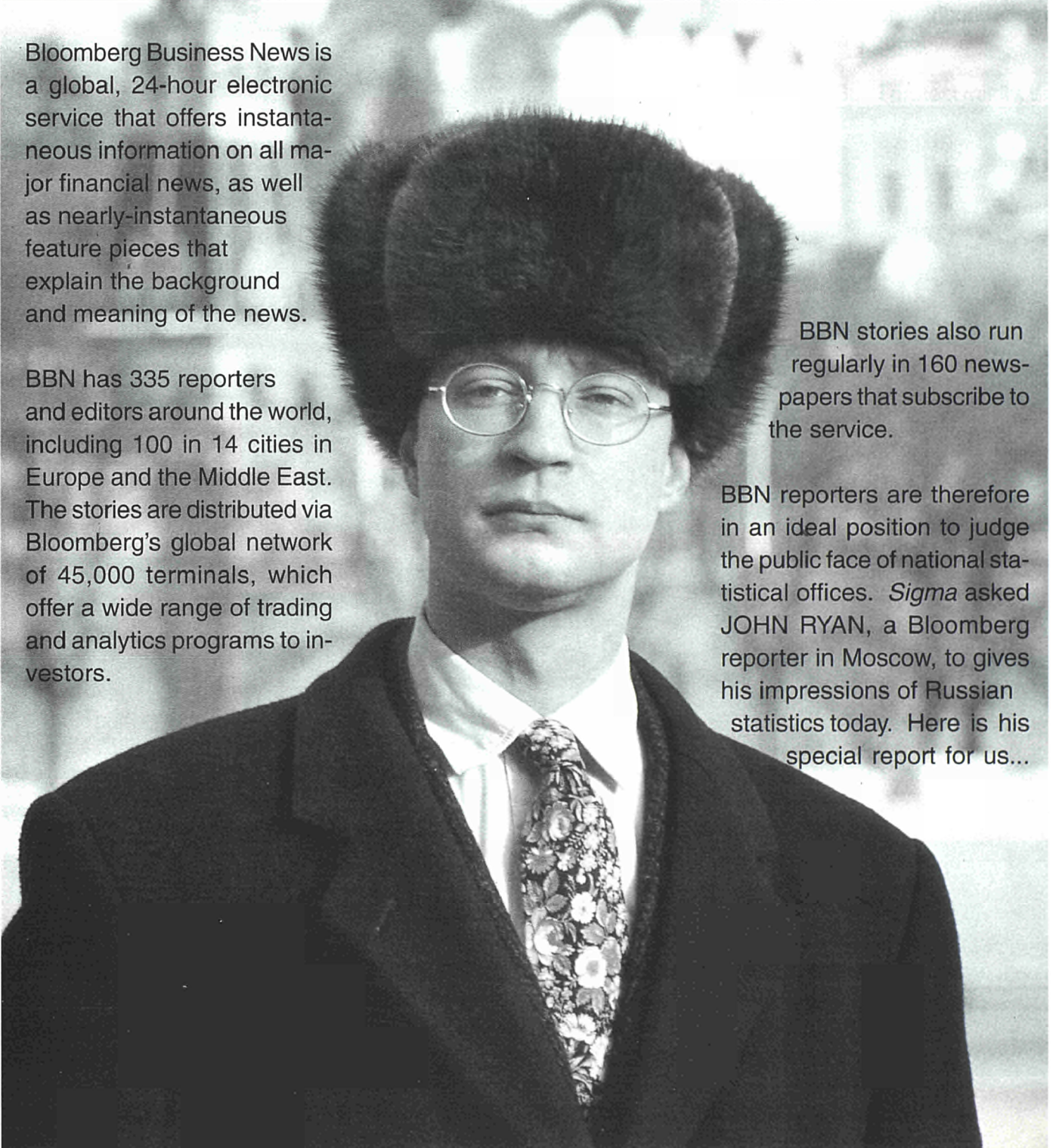
A JOURNALIST'S VIEW

Bloomberg Business News is a global, 24-hour electronic service that offers instantaneous information on all major financial news, as well as nearly-instantaneous feature pieces that explain the background and meaning of the news.

BBN has 335 reporters and editors around the world, including 100 in 14 cities in Europe and the Middle East. The stories are distributed via Bloomberg's global network of 45,000 terminals, which offer a wide range of trading and analytics programs to investors.

BBN stories also run regularly in 160 newspapers that subscribe to the service.

BBN reporters are therefore in an ideal position to judge the public face of national statistical offices. *Sigma* asked JOHN RYAN, a Bloomberg reporter in Moscow, to give his impressions of Russian statistics today. Here is his special report for us...



In the three years since the collapse of the Soviet Union, Russia's statistics agency Goskomstat has had to cope with a number of drastic changes, any one of which alone might be considered a disaster.

Economic uncertainty for employees of the Russian State Statistics Committee, in an environment of political upheaval for their employer, the Soviet government, was just one problem.

Goskomstat has also had to cope with a tight budget in a period of high inflation.

And it's had to deal with all that while struggling to switch over from the Soviet system of collecting statistics to the methods used in market economies such as those of the European Union. Western economists familiar with the changes say Goskomstat has coped well with a daunting job.

"Russia needs about a decade to transform and it's about half way through now", said Dr Christopher Davis of Oxford University. "You can definitely say there's progress being made."

THEY'VE DONE WELL

Dr Matthew Sagers of PlanEcon Inc in Washington DC agreed. "It's easy to trash their performance but they've done well", he said. "They are collecting a broad enough range of statistics now to help lower that uncertainty" about the Russian economy.

One reason for the improvement has been pressure from international lenders. "A lot of it has

to do with scrutiny from the outside, such as from the World Bank and the IMF", said the PlanEcon economist.

"Lenders are saying, 'If you want money you have to tell us this and this and this' - so they're adapting", said Sagers.

Apart from pressure, lenders and non-governmental organisations are providing financial help as well. According to Davis, the World Health Organisation is helping to finance reforms in the collection of health statistics - an area of significant differences from Western counting methods.

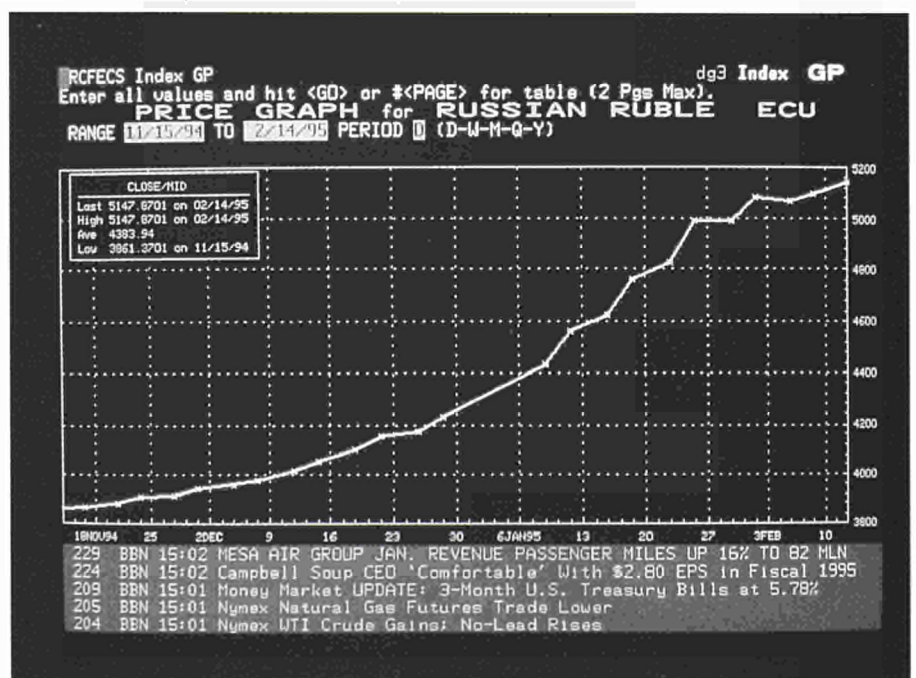
"For example, in the demographic area they used a different methodology to calculate infant mortality that wasn't the same as the Western one", said Oxford's Davis. "A number of high-risk infants weren't counted, such as those below a certain weight or shorter than a certain length, or those that died within two weeks.

"That resulted in a 15% to 25% under-reporting" in comparison with the WHO's counting system.

Perhaps the biggest changes in Russia's system of collecting statistics are in the economic sphere. Under central planning the most important area of the economy was industrial production, a situation reflected in the title of the Soviet Union's statistical system: net material product accounts

Under the NMP statistical system of looking at the economy "national income was generated by the productive sphere and distributed to the non-productive sphere", said Davis. "So it was accounted for" as a consumer of wealth rather than a producer of it.

"In the West all the components of the economy contribute value-added, whereas in the old Soviet system national income was generated in the productive sphere and part of it was used in collective consumption" such as education and healthcare, he said.



Rouble and ECU as seen on Bloomberg's worldwide screens

WEST'S 'HUGE ERROR'

That had serious consequences for the economy. "Emphasis was placed on investment in defence and production and agriculture" instead of in services.

With industry enjoying an advantage over services the Soviet economy grew along lines sharply divergent from the development of Western economies. Big Russian companies are in industry whereas in the West they are often in services.

Under the Soviet system enterprises and their managers were rewarded according to output instead of linking investment, growth and wages to that ideological anathema, profit.

It was easy for Goskomstat to collect statistics under those conditions, said Oxford's Davis. But they were often plain wrong.

"In the old days firms had an incentive to slightly over-report production for plan fulfillment and

absolutely no value, you get an economy in the range of 33% to 35% of the size of America's."

The US intelligence agency's error was huge: it overestimated the size of the Soviet economy by more than half.

Even under Goskomstat's current difficult conditions it's managing to get its job done while coping with the economy's transformation from central planning to market conditions, both economists said.

"I think the problem is that over the past couple of years the whole state apparatus has been breaking down", said Davis.

"But there's also a fundamental problem getting an agency like Goskomstat, that's used to collecting statistics in one way, to collect them in another way, operating with a completely different set of concepts."

hyperinflation and economic transformation even when you've got a perfect system."

The ability to compare different statistics is more important than their accuracy. "The fact that the GNP numbers aren't perfect is less of an issue than measuring the change", said Sagers.

Even though Russian statistics have some way to go before they can match the dependability expected in the European Union, they are far more useful than they were under central planning.

The changes being asked of Goskomstat are too big to be made overnight. "You have to re-train everybody down to the lowest level, to teach them what the new statistical concepts are", said Davis. "The problem with Russia is that they're trying to change everything all at once with no resources."

Goskomstat is still in the middle of shifting from the Soviet statistical system to the system of national accounts used by Western market economies.



THE MAN WHO FELL FROM

Heaven

In his wallet Edvard Outrata has two business cards. Put them together and they show the dramatic change in his life created by the collapse of the Iron Curtain.



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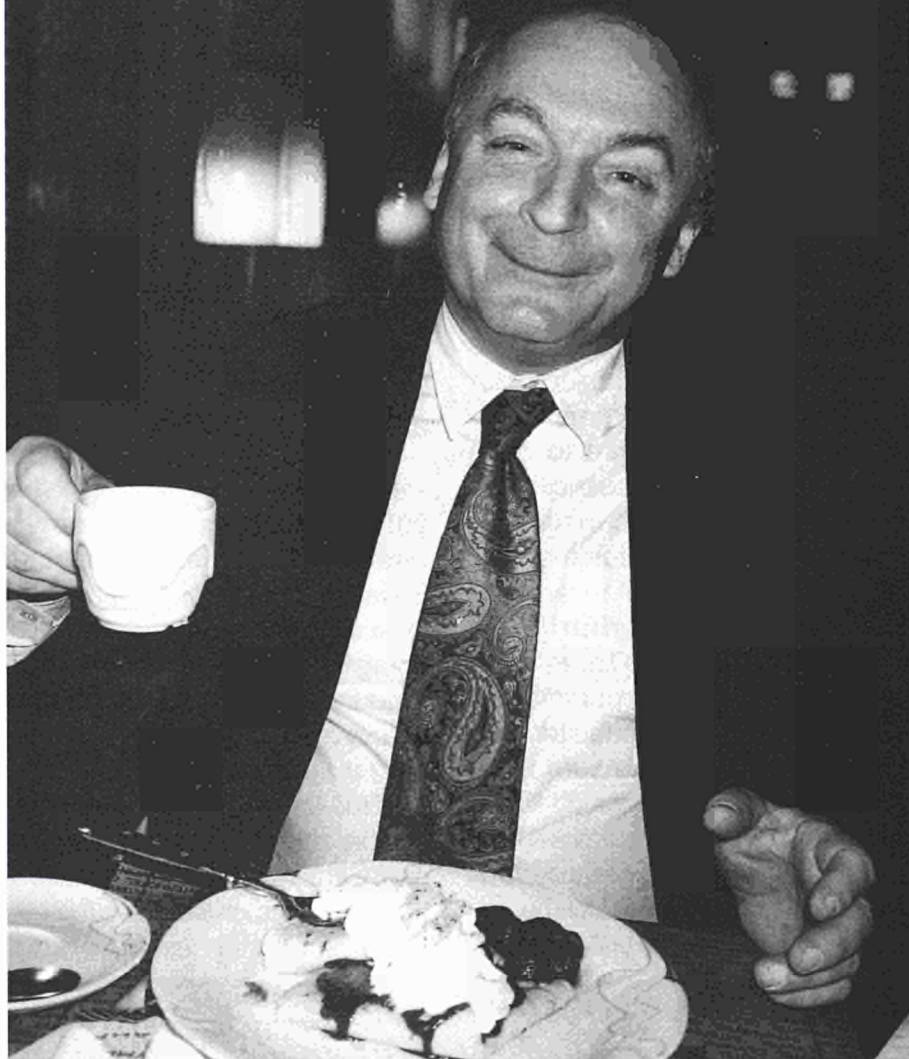
SOKOLOVSKÁ 142
186 04 PRAGUE 8
CZECH REPUBLIC

The second: *Edvard Outrata, President, Czech Statistical Office.*

Look at his life. It seems destiny always intended a key role for him in shaping Czech democracy.

In 1939, when he was three, his family fled the Nazis. His father became Finance Minister of the Czechoslovak government in exile in London. He spent the war at school in England.

They returned to Czechoslovakia in 1945. Edvard's father, at first in government, later faced "disgrace" and prison under communism. Edvard himself spent the next 20 years or so "in different states of acceptability". But he managed to emerge as an economist and computer specialist.



He relishes his job as much as his traditional pancakes!

1968. Russian tanks crushed Prague's dream of democracy. Edvard fled once more - this time to Canada.

He started working for Statistics Canada. He stayed for 24 years. He ended up with the title on the first business card: a Canadian citizen, a success in a new country. Back in Prague democracy finally won. In 1993 Edvard took early retirement from Statis-

tics Canada and returned to his native land. It was, he says, for personal reasons. Perhaps it was also destiny playing its trump card?

In Prague Edvard Outrata, now a sprightly 59-year-old, tells Sigma's JOHN WRIGHT how he became President of the Czech Statistical Office...of the challenges he now faces as the country's highest-placed civil servant.



The surrounding streets are fairly dismal. The greyness of its recent past lingers in the corridors of the Czech statistical office. In sharp contrast one immediately senses the dynamism and self-confidence of the President - even more than a hint of impish flamboyance.

But clearly Czech now: no longer Canadian.

Edvard Outrata describes what happened when he came home to Prague in 1993...

"There was a big row over statistics. A few months before Czechoslovakia had split. The President of the new Czech statistical office and the Prime Minister took a great dislike to each other. This became public. Very soon the whole thing was an absolute disaster.

"Everybody was intriguing against each other. There were suggestions of 'improper interference' by the Prime Minister with the CSO. I am nearly sure there wasn't but I wasn't here.

"Certainly my predecessor thought that. Eventually he re-

signed on principle. Now they were stuck. There was a big press campaign against the CSO. The government couldn't find a neutral personality for President.

"So I fell from heaven!"

He continues: "When I arrived there was a media blitz. Deep crisis! I managed to get the CSO and the government out of that very quickly. The press trusted me."

NO ETHICAL PROBLEM

The Czech statistical office has 2050 employees. Most served under the communist regime. Says Mr Outrata: "I do get unease from those who ask: what are you doing with all those people who produced all those awful figures before?"

"But fundamentally there isn't the big ethical problem that everyone's looking for. Members of the Party from the old days are in-

distinguishable from the others here because basically all are statisticians and have been all along."

He adds: "There is something few people appreciate when they talk about the transition..."

"In the communist system you were looking at the whole economy as if it were one company. You had your planning department and next to them the accountants - the CSO - who collected data to see if the national plan was working.

"So some of the things that looked like distortions really weren't: they were consequences of a different philosophy. This explains why there isn't a fundamental ethical problem. If the statisticians had been up to dirty tricks they would have had to be completely corrupt.

"But it wasn't that way at all. Their task was very different. They were doing it quite openly and doing it rather well.

"Somewhat exceptionally in the Eastern Bloc there was never pressure here from the Party that led to the direct distortion of data. Such pressure certainly existed in Russia and the GDR.

"People here are very proud of that. It's fundamental for the ethical position of those involved in the old system.

"Of course, there was no protection of individual data. But there wasn't meant to be. There were statistical summaries that somehow were matched to Western statistics, particularly later on; but that was secondary to 'accounting' for the national plan. By the 80s, of course, everyone was preparing for the sort of changes we're undergoing now."



Outrata mingles with young Czech journalists



Making a point at a new-style Prague business school

Do the statistics allow *now* to be compared with *then*? "Yes and no", the President replies.

"Demographic statistics were always very good, with no significant difference between the way they were done here and in the West.

"The real problem is with economic/industrial statistics. They just didn't collect certain types of data.

"There were no unemployment figures because by definition there was no unemployment. There is now.

"Price indices were computed centrally in an office. Because all prices were state controlled you could produce your price index as a result of your plan. It might not have meant anything because of all the interesting things done outside the system.

"All shops were state owned but many goods were bought and sold under the counter - a criminal offence but difficult to detect. So these prices were never recorded in the statistics.

"But in an accountant's way it all worked.

"Modern price indices were introduced as early as the beginning of '89, anticipating the Revolution.

"Foreign trade statistics until '91 were collected at company level not from customs. There were very few companies and they had a monopoly of foreign trade.

"There was a system of national balances to monitor the five-year national plan based on communist theories of productive and non-productive work. This served a similar purpose to national accounts in the West but with the difference that you always got them right (accounting again!).

"And money certainly wasn't a controlling mechanism.

"So, yes we have the same people. The reservation has nothing to do with integrity but rather with a state system that worked in a certain way and which is very hard to turn round. Individual staff react very differently to that, as they do to change in the West. But

if anything change is easier here because the attitude in the West often is: why bother - we've always done it that way? Here that line won't stand."

EAST MEETS WEST

So how did he - in effect a transplant from one of the world's most advanced statistical offices, Canada - tackle the challenge?

The President explains: "It usually doesn't work - people from the West dropped into a senior position in a former communist state. I sort of know why...

"If you arrive that way you are usually persuaded that you are coming 'to save the world'. That is a completely false approach. I have never felt that way. I wanted to get completely integrated. I knew I was going to come just as one of many with special experience to contribute.

"Of course, I had the advantage that I worked in similar circumstances in Czechoslovakia in the '60s. That was a good time - when change was in the air. And clearly I am influenced by my years in Canada.

"But the last thing you want to do is to start giving the impression that you know it all because you are from the West - that they are all stupid.

"First of all, in my case, it's wrong because in Canada I was mainly involved in computers not directly in statistics. More importantly, by the time I arrived there was very intensive development organised by the EC under the PHARE programme, which was very effective in opening their eyes.

"I was agreeably surprised by the knowledge they had of systems in EU countries and the development projects they were working on. If I had started to impose something I would have been stupid."

CHANGE

Mr Outrata continues: "The thing I have introduced and am fighting for is internal reorganisation."

"Of the 2050 CSO staff only 450 are here in the centre. The rest are in local offices at district or county level. That was done so there was always someone close to the accountant of each company, collecting data on a personal basis."

"Communism in Czechoslovakia was much the furthest developed in abolishing all private enterprise. Even writers had to be members of the Union. So the CSO system made sure everyone reported data as they should."

"What I should like to do, but can't, is centralise. There are lots of loyal people in all these places: I can't fire them and start hiring again in Prague. So I am trying to put some key central operations into the districts."

"We are changing from systematic collection of data on material production from industry to the Western system of a combination of added value and an index of particular products. I would like to use that switch to devolve responsibility from the centre to the seven regions."

"For example, Pilsen would collect and process industry sta-

tistics for the whole country, while in Hradec Kralove it would be prices and so on... In the centre there would be only subject matter, methodological control, national accounts and analysis."

PRETTY GOOD SHAPE

So what are the main differences now between the Czech statistical office and its Western equivalents? And to what extent do the Czechs meet Eurostat criteria?

Says Mr Outrata: "I think we're already in pretty good shape for the EU. Since 1989 we've moved, with very few exceptions, to Western classifications. We have all the basic statistics - very much within the scope of the Union."

"We produce national accounts (quarterly GDP), foreign trade, inflation since '89 (currently around 10%) and unemployment figures (currently under 3.5%). The one thing still different, but changing this year, is the way we measure production, as I have already described."

NEW STATISTICS ACT

One of Mr Outrata's top priorities is a new Statistics Act, due to become law around the time this article is in print.

He explains: "One of its important aims is a change in philosophy. It defines the CSO as a 'service', to the people as well as government. Before there was this idea of high status, an office of the state - very old Austrian!"

"It defines data that is to be protected and exactly who in the service can deal with them. People will be required by law to give us data; we shall be bound to keep them completely confidential from everybody, including the Secret Service."

"It defines exactly the circle of people with access to those data with much harsher penalties for any breaches. They will have to swear an oath binding them for ever."

"Originally we were going to call the service 'independent'. But there were legal difficulties; and, in any case, as funding is from the civil service budget we can't be fully independent."

"However the Act states that I am independent in all decisions affecting methodology, all aspects of data collection and date and time of publication. For example, we are starting a tradition of announcing exact publication dates a long time ahead. Inflation is published on the tenth working day of each month and everybody knows that."

"There will also be a Statistics Council that I shall choose from people respected in society and the media. For me that will be protection - I can say they approved my actions. Otherwise I could be quite isolated by government, or even the opposite - lumped with the Cabinet."



Outrata and his driver: statistics in Prague merit a flashing blue light and the fast lane

SELF-CONFIDENCE

So, as he describes, Mr Outrata is rapidly bringing the Czechs fully into line with "best practice" in Western official statistics. Soon should come membership of OECD. He knows - his government knows - that the standards on which he is insisting - impartial, internationally-respected data, free from political interference - are one of the cornerstones of democracy. Certainly they are essential if any country is to be accepted into the European Union.

His appointment might have been seen at the time as the best way out of a political mess. In the longer term it may well be regarded as inspirational.

Above all, the new President is generally recognised in the European statistical community as an excellent ambassador for the new statistical order in the Czech Republic. He himself puts it this way...

"One of the big problems of the Czechs, I felt when I returned, was a lack of self-confidence at the level that is both natural and desirable. This results in some of the less attractive aspects of things now. But I am glad to say they are either gaining it quickly or I am getting used to it.

"My tremendous advantage is self-confidence."

Few would argue with that.

Edvard Outrata is the highest-placed civil servant proper in the Czech Republic. As he says: "The position of the CSO is extremely elevated."

He attends Cabinet meetings with the governor of the central bank, like a Minister, but cannot vote. All the other six 'independent' offices of State are represented in Cabinet and Parliament by a Minister.

Why? He says: "It's in the rules and they have got used to it and I am not going to change it because it gives me a lot of independence and a marvellous view of what's in the minds of important people. In the long term it will pay dividends."

He adds: "Of course, I can be fired but this has to be approved by the Cabinet under the eyes of the press. So this is a lot of protection. But, of course, there has to be a way of getting rid of me in case I go mad!"

How big is the Black Hole ?

The Czechs now produce unemployment figures comparable with those in the West according to ILO definitions. At present the figure is low - under 3.5%, around the same as Luxembourg. Why?

Edvard Outrata explains: "It's true that big companies are shedding jobs. But the people displaced are finding jobs elsewhere or dropping out of the labour force. People now make these decisions easier: wives stay at home and such.

"Partly it may be that they slip into the black economy. I think the black economy is stabilising now but this is an area where you can believe what you want. I don't think it is distorting the true picture of the economy but opinions differ and we have a small group looking into it.

"It certainly grew quickly after the Revolution. It could now be in the region of 10 to 15%. It's certainly not Italy - more the sort of thing you could find in the rest of Western Europe.

"People here realise there is a legal structure and are careful. They may be cheating a little bit on their taxes, which will be reflected in the statistics: there's about as much opportunity to do this as in the West, the same kind of risk.

"There are a few areas that might be specific. There was a big increase in prostitution but this has now stabilised. Purchase parity is much lower than the exchange rate so Czech labour is extremely cheap on the deutsche mark market. People go to Germany to work, come back - might not declare it.

"Then there's crime: certainly an increase since the communist days. Organised crime includes stealing cars and selling them in Poland or the Ukraine; and drugs - with evidence that we are becoming a target as well as a transitory country.

"We're still too busy with the proper national accounts to worry too much about the black economy in our data. We surely don't want to do what the Italians did: add a big figure and pay more in fees to the UN!"

The Czechs have sketchy official statistics back to the 1870s. The real beginnings were in the first years of the century in Bohemia and Moravia with the Czechoslovak statistical office created in 1919.

Mr Outrata takes up the story: "It worked quite well between the wars and through the German occupation. During the war it split with the Slovakian office but quite miraculously kept some ties. There is a fantastic and unbelievable yearbook for Czechoslovakia for 1939 published in 1941 by the two offices in cooperation under the noses of the occupiers. They took the line that you had to finish and publish the statistics to the very end of Czechoslovakia, which they did.

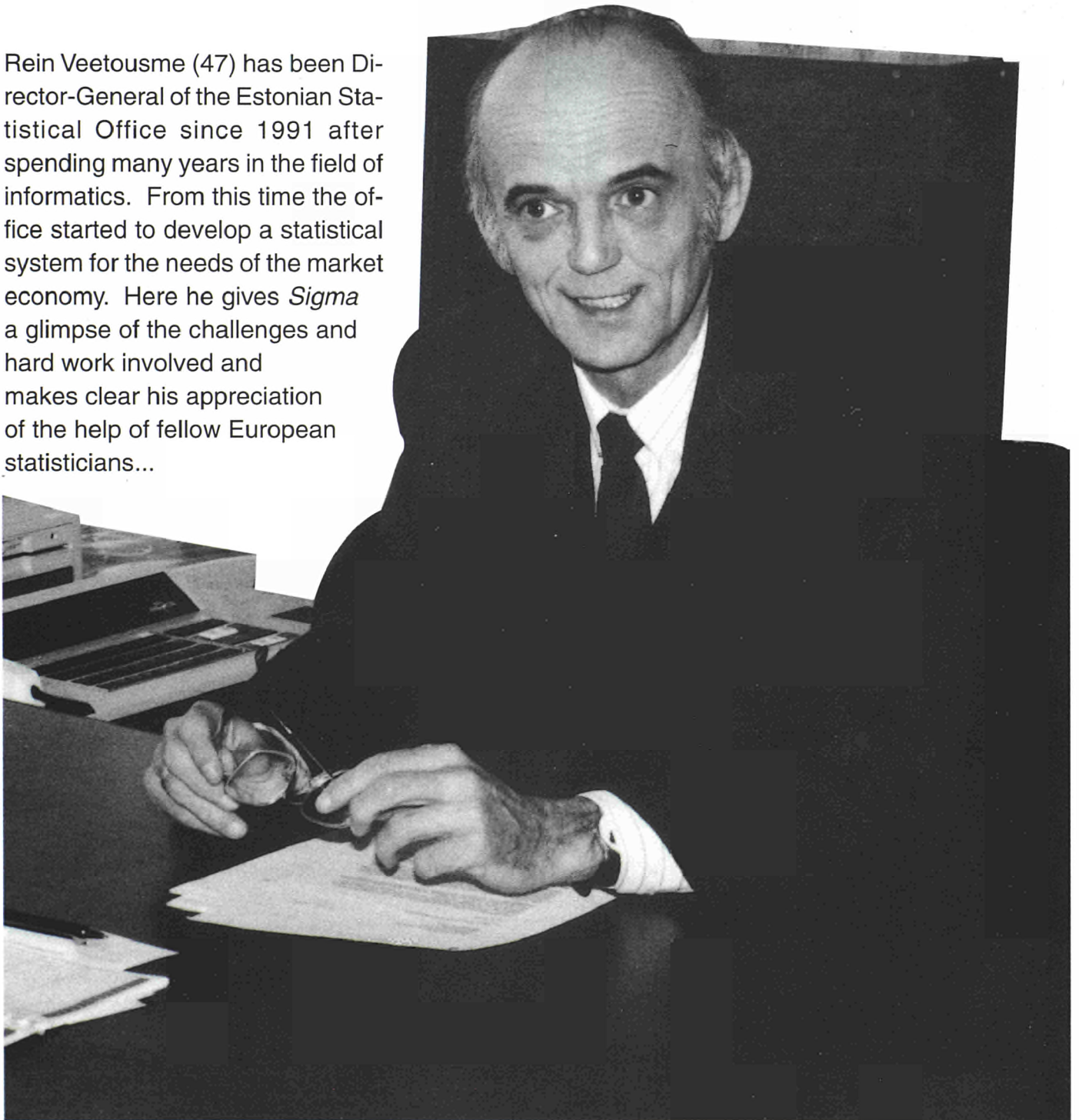
"After the war there was a very short period of democracy before the office became the servant of the communist party in the manner I have described."

Change

IN ESTONIA

ALL
BY REIN
VEETOUSME

Rein Veetousme (47) has been Director-General of the Estonian Statistical Office since 1991 after spending many years in the field of informatics. From this time the office started to develop a statistical system for the needs of the market economy. Here he gives *Sigma* a glimpse of the challenges and hard work involved and makes clear his appreciation of the help of fellow European statisticians...



Estonia, like all Central and Eastern European countries, is in transition to a market economy. This means that our statistical system has to go through big changes in a very short time. How is this affecting us in the Estonian Statistical Office?

At the end of 1990 we worked out what we call our Concept of Statistical System Development. In this document we tried to identify the priorities in building up an independent statistical system.

First priority was establishing a statistical information system, notably business registers and changes to the classification system. And we now have some working registers: for example, an enterprise register and a register of construction among others.

All these registers were based on the Registers Law which was worked out in 1991. The enterprise register enabled us to use sampling in economic statistics, starting last year, and we began with sample surveys of production and trade from the first quarter of 1993.

The present Statistical Law was adopted in 1990. This was a time when Estonia was part of the Soviet Union. In our new situation there is a need to change this Law: in particular we must give guarantees to enterprises on the security and confidentiality of the data they supply. In working out the new Law it was very useful to be able to use the expertise of Eurostat.

One of the biggest challenges we face is training the users of our statistics as we change to a market economy-oriented system. In this we lean heavily on colleagues from the statistical offices of other countries, the IMF and World Bank.

NEW ROLE

Gradually our users are understanding the new role of statistics in our country - and the possibilities it offers. One of the most interesting projects, in cooperation with the Ministry of Social Affairs, is a population register and system of social registers.

We are seeking to publish more and more statistics. And, of course, by far the best way of encouraging greater use of the data is to make them comparable with other countries. In 1992 we started to change classification systems and now the ISIC, Harmonised System (HS), ISCED, ISCO and some others are in use.

Since January 1992 we have been publishing our monthly bulletin in Estonian with an English translation. All the most important publications are now also in English.

In 1990 we started to publish a quarterly cost-of-living index - from November 1991 every month until July 1992. After that we started

publishing a consumer price index on the fifth working day of each month, thanks to the help of specialists from the IMF working with our own people.

Today there are more and more people in Estonia who want figures from us. But the new problem we face is that of data confidentiality.

At present we do not have a data security law here. But we have decided - and informed our users and all those who send data to us - that we shall not give individual data about an individual person or enterprise to anybody. This is something new for our long-standing "customers" because they are used to getting all the data they want from us, and sometimes they cannot understand why they should not now receive the same service. We have to work with them and make them understand; but it will not be an easy task.

Adapting the statistical system to the new needs and expectations of users is not possible with-



The Estonian Statistical Office is divided into six statistical divisions and three that serve them - statistical development, marketing and dissemination and informatics. Each division should have a group of experts attached to it. Some of these groups are already working - for example, on price statistics. The office has a total of 370 staff - 130 of them working in regional bureaux. Pictured here is the information office

out changes to the statistical production system. With the help of our colleagues from EFTA and Eurostat we have started to reorganise the structure of our office.

Big changes have taken place in our staff. We now have many new people - the sort of people

able to face the challenge of producing the statistics necessary for a market economy.

I think the changing of our statistical system will take six or seven years. Of course, the main

burden will fall on us but I hope and trust that we shall continue to receive invaluable help from our colleagues in the international statistical institutions.

BALTIC STATES STEP CLOSER TO EU

By cementing their relationship with Eurostat, the Baltic States have taken a step closer to the European Union.

The statistical offices of Latvia, Lithuania and Estonia on 30 March signed an agreement with Eurostat aimed at developing statistical systems in these countries that provide reliable, impartial, timely, comparable and relevant statistics - a necessary ingredient for the development of their democratic processes.

The signing ceremony in Tallinn, was attended by Mr Yves Franchet, Director-General of Eurostat, and a team of his officials. On 28 March Mr Franchet visited the Latvian statistical office and on 29 March the Lithuanian statistical office, in advance of the signing ceremony.

The common declaration is within the framework of the high priority given by the EU to relations with countries of Central and Eastern Europe.

It follows declarations signed by Eurostat in Brussels at the beginning of last year with Bulgaria, Hungary, Poland, Rumania and the Czech, Slovak and Slovenian republics.

The declaration was signed for Estonia by Mr Veetousme; for Latvia by Mr Avrils Sautins, President of the Central Statistical Bureau; and for Lithuania by Mr Kestutis Zaborskas, Director-General of the Department of Statistics.

The declaration, like the earlier ones, states that these three offices and Eurostat have together drawn up a work plan in preparation for the further strengthening of relations between the European Union and the three Baltic States...

- to put in place the necessary legal and administrative measures for the establishment of statistical services suitable for a democratic society and a market-driven economy

- to continue to set up statistical standards, classifications and methodologies used in the European Union and internationally

- to enable the three countries to supply all statistics to the European Commission in the same way as the EU Member States, and

- to prepare for transmission of data needed for various purposes.

Insofar as they have not yet done so, the three statistical offices will initiate the necessary legal and administrative steps to found their statistical services on the principles of impartiality, reliability, pertinence, cost-effectiveness, statistical confidentiality and transparency.

In deciding priorities and making progress in the transition process the three statistical offices need to develop a strategy for ensuring that statistics keep pace with the direction and pace of political, economic and social changes in the countries.

It is essential that:

1. the statistical programmes cover the relevant demographic, social, economic and environmental information and are regularly updated

2. statistics are produced in an objective, scientific and unbiased manner, free of any pressure from political or other interest groups, with particular regard to the choice of the most appropriate scientific methods, definitions and methodologies

3. the results are made available to all users, including the general public, business and decision-makers, with a minimum delay and with due regard to the principles of impartiality and confidentiality

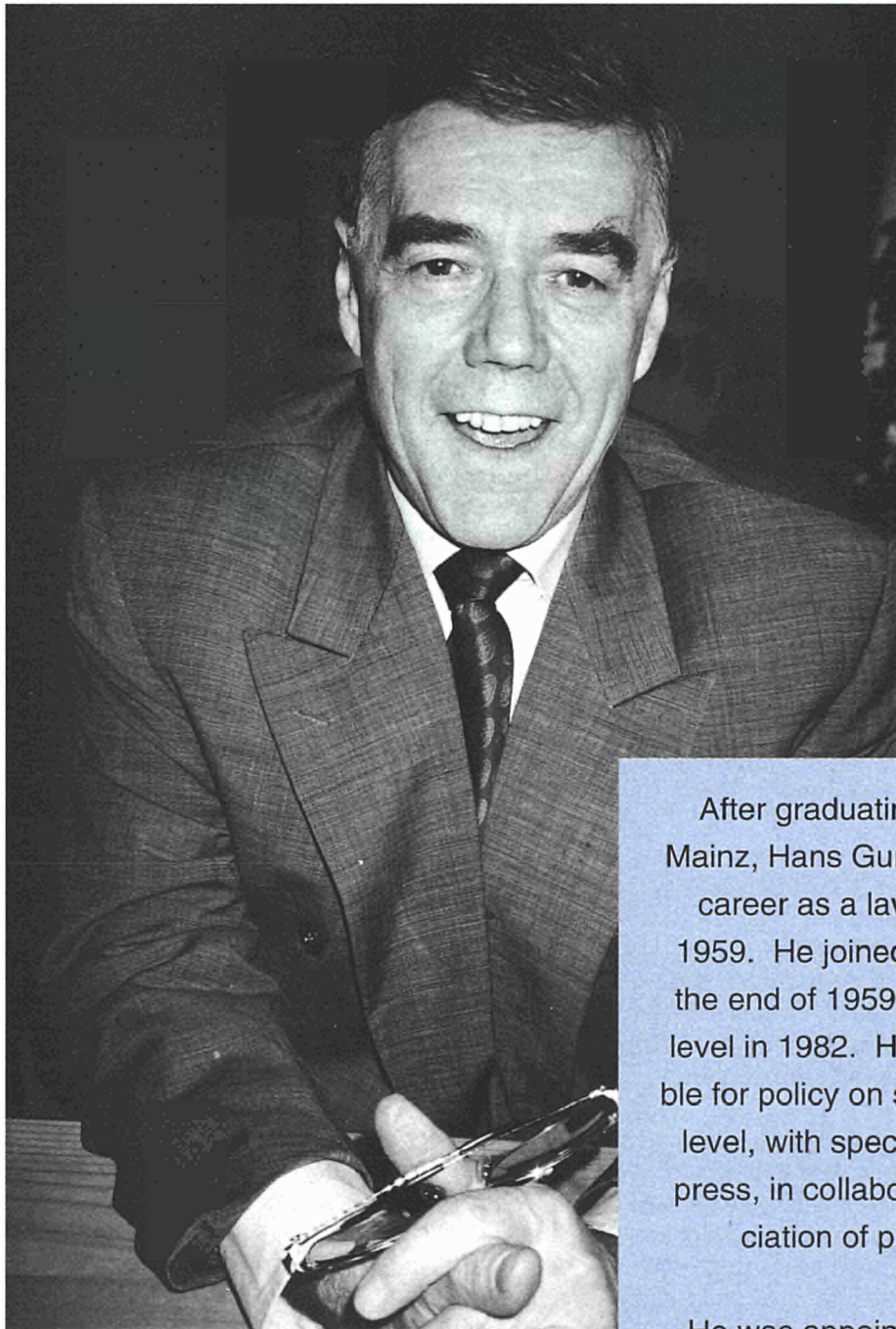
4. users get the necessary information about the sources, methods and procedures used to produce statistics

5. optimum use is made of available sources, notably administrative registers, in order to minimise the burden on respondents

6. individual data on persons and socio-economic operators obtained directly for statistical purposes or directly from administrative or other sources are protected against non-statistical use and unauthorised disclosures, and

7. providers of statistical information are entitled to obtain information about the legal basis, the purposes for which the data have been requested and the protection measures to be applied.

NEW STATISTICS FOR THE G e r m a n y



For official statistics German reunification was an event with no historical precedent. In this article the President of the German Statistical Office, HANS GUNTHER MERK, describes what took place, and offers some thoughts on statistical change in neighbouring countries in transition.

After graduating in law at the University of Mainz, Hans Gunther Merk, now 64, began his career as a lawyer and became a judge in 1959. He joined the Ministry of the Interior at the end of 1959 and reached head of division level in 1982. He was subsequently responsible for policy on sport and the media at Federal level, with special interest in the rights of the press, in collaboration with the German association of publishers and journalists.

He was appointed President of the German Statistical Office - the Statistisches Bundesamt - in June 1992.

There had been 40 years of completely different development: statistics serving the interests of the leaders of a centrally-controlled economy in the East; an information service for citizens and a market economy in the West. The transition demanded hard work and goodwill on both sides.

Nearly six years after the change, the new statistics in a unified Germany have become daily routine. This year we shall fill more gaps. A census of dwellings and one of crafts will give us important data bases. Last year there were exhaustive inquiries into distributive trades, hotels and restaurants - an area insufficiently covered by the statistics of the former GDR.

In view of the short time the change has taken us - and the fact that it has been accomplished without friction - it is understandable that transition countries want to profit from our experiences, or find a "general rule" for the challenge they face.

I am convinced that our "model" is useful for them only with some reservation. The problems might be similar - created, as they were, by the socialist system - but the transition of statistics in Central and Eastern Europe is taking place in a different environment and under different conditions.

AN EARLY START

First meetings of the Presidents of both statistical offices were held in December 1989, immediately after the political change in the East. Working groups on each side kept in contact. The group from the Federal Statistical Office in Wiesbaden then moved to Berlin to give their colleagues in the East intensive support in establishing statistics for a market economy.

Even before unification the GDR statistical office presented consumer prices and national accounts for 1980-89 transformed in a makeshift fashion to the SNA concept.

CLEAR PRIORITIES

Political developments set the pace for us and determined our statistical programme. Our cooperation intensified and accelerated after the first treaty between the German states.

Data were needed as soon as possible as a basis for political decisions. This is why the treaty on economic, social and monetary union, which became law on 1 July 1990, included agreements on statistics. In this treaty the statistical programme fixed priorities in the key areas of the labour market, production, turnover, foreign and retail trade and prices.

One of the most essential tasks was to provide consumer price indices comparable to those in West Germany. For the cost-of-living index that we have provided since July 1990 we had to take as the basis the structure of consumers' behaviour from the 1989 GDR statistics.

We did not make a new computation of the index weighting before we had the results of household budgets surveys over a 12-month period. For December 1991 we computed the index for the first time on the basis of the new weighting pattern. Problems in collecting prices were caused not only by the disappearance of old products and appearance of new ones but also the frequent change of reporting units. A modified basket of good has taken into account the new products since May 1991.

The different definitions and classifications of GDR statistics were gradually approximated to the Federal statistical system. Conversion of enterprises to the industrial classification of economic activities required special care. Differences between our classification and that of the GDR were much bigger than between ours and the classifications of other Western countries.

STEP BY STEP

Following the treaty of unity on 3 October 1990 the Federal Statistical Law became valid in the former GDR. In the last six months of 1990 we succeeded to a large extent in adjusting their statistical system. As a result we were able to produce nearly all our statistics in a comparable way from January 1991 onwards. Special regulations enabled the production of additional statistics to observe the fundamental change in the new Lander.

Conversion of national accounts from the Material Product System (MPS) to the Western System of National Accounts (SNA) was an important task. Exact data about cost structure was needed. These had played a more secondary role in a state system concentrating primarily on the production process in volume terms. Basic data necessary to compute SNA aggregates were built up first.

The continuous political abuse of statistics in the GDR generated a crisis of credibility. Thus special efforts were necessary to right the growing reluctance of reporting units. For example, in a survey aimed at establishing the micro-census (annual multi-purpose statistics on population and the labour market with a sample of 1% of the households) we had to exert ourselves far more than usual to achieve a satisfactory rate of response.

Even more difficulties were caused by statistics dependent on the development in the East of new forms of administration and the consequent regulations. Population statistics were in transition until 1993, although we had not expected any special problems in this field as there were enough reliable data and no significant methodological differences. The major problems were in migration statistics: in the former GDR they were based on the central register of inhabitants; now they are reliant on the building up of local registration offices.

During the transition period data about building activity was essential to learn about the economic situation and investment activities. But here we had to cope with considerable delays. First, the appropriate administrative structures had to be built up; then they were overburdened. As a result, data on

the stock of dwellings in Germany have been out of date.

In the fields of trade and crafts we were not able to fall back on GDR statistics as a basis. First thing was to build up a "population" by extensive counting. There are still deficiencies - hopefully soon to be eliminated following last year's census of the retail and hotel and restaurant trades and census of crafts and of dwellings planned for this year.

In several statistical areas we still give separate results for both parts of Germany to enable observation of different developments east and west. But all-Germany results dominate most of our statistics. This January we had an all-German unemployment rate for the first time. In the middle of the year we shall probably publish the first consumer price index for the whole of Germany.



Mr Merk with staff

ENORMOUS EFFORTS

Enormous efforts were involved to master this task - in both West and East.

Since the middle of 1990 the activities of the working parties have been supplemented by an exchange of experts. Experts in corresponding fields keep in contact on preparatory work for final implementation.

The new statistical offices being set up in the new Länder were supported materially and with personnel by the Federal Statistical Office and even more by the statistical offices of the old Länder in close one-to-one relationships.

Of course, statistical development was greatly assisted and supported by the general establishment early in the life of the new Germany of the right political and legal conditions.

NO GAPS

Even though the major problems involved in adapting statistics to market conditions might be similar in Central and Eastern Europe to those in Eastern Germany, both deriving from the socialist system, the background is different.

The Federal Republic was able to offer a complete system to the new Länder: not only in the political and economic sphere but also in the statistical area. Once the decision to

merge had been taken we were free to focus on it with all our energy. This is not the case with the other countries in question. Here statistical systems have to be opened up and adapted to national information requirements gradually.

In addition, the rapid change prevented gaps from arising. A complete system replaced a relatively well-functioning one before anything could be lost. On the other hand, in the other countries, structures are already often broken by continuously changing economic reform and the transition process. Numerous enterprises springing up and shutting down, shifting activity, the hidden economy and trade on the lowest level - all these enable only incomplete knowledge of the economic situation.

It is difficult for statistics to give an accurate picture of the economy when its detailed shape is still being formed. Prefabricated models are not very helpful in the present transition process because the development of the statistical system must keep pace with - and be able to adjust to - the political, economic and social changes of the country.

Priorities should be established first in the most important areas of the economy before secondary problems can be solved. It is not necessary for these countries to aspire to the highest international standards immediately in every field.

And, of course, the politicians have to take care that they create the proper conditions for administrative systems to work in elementary areas.

Pools of competence - experts from different European countries - can be carefully directed to support the solution of these problems. In addition, comprehensive training and exchange of experts are indispensable. Cooperation in concrete projects and - most important - over a lengthy period is essential for the adjustment to be a success.

It is my personal belief that by Europeans working together we shall master this challenge.

MORE THAN ONE CHANGE

For statistics in the new Länder it was not only the step from a centrally planned to a market economy. We also had to tailor the change to the requirements of the single market.

At the same time we had to introduce a federal system of statistics to the new Länder - previously they had all been centrally organised. Until a number of different statistical offices had been established the common statistical office of the new Länder - comprising the major part of the former statistical office of the GDR - undertook their duties.

East-West Statistics *an overview*

BY ALAIN CHANTRAINE, EUROSTAT DIRECTOR, INTERNATIONAL RELATIONS

Recent change in Central and Eastern Europe is one of the most significant events since World War Two. It presents everyone - east and west - with the interests of democracy at heart with a tremendous challenge.

As statisticians we are key players on this stage. We all know that a credible statistical system in tune with other statistical systems is essential if countries are to prosper in freedom.

That is why the European Union, in the shape of Eurostat, is putting so much into helping the countries in transition to reshape their statistical systems, and this is described by Mr de Silguy, the Commissioner responsible for Eurostat, in our introduction to *Sigma*.

As you will have seen, what we have done in this issue is to go to two of these countries - Russia and the Czech Republic - to interview their top statisticians and hear their side of the story, how they see and are facing the challenge.

Mr Yurkov sits in Moscow and tells us that "the main role of statistics in a democratic society is to tell the truth about itself"; that Russians statistics "now serve society, not only state structures".

In Prague Mr Outrata is adamant: neither wild horses nor the secret service would drag confidential data from him.



Such remarks demonstrate the enormity of the changes in statistics - and in society at large - that have overtaken such countries.

For these statisticians it is a daunting task - their economies can change monthly, the scale of the hidden economy makes estimation difficult, and so on. But let us not assume that everything was wrong in the "bad old days".

No ethical problem

Mr Outrata puts it nicely. Some of the statistics that looked like distortions under communism were not: they were the consequence of a different philosophy; they were recording different things in a different way. He has no ethical problem with his statisticians who served the old regime.

So let us neither preach nor judge. Just help and will them to succeed.

Just how is the European Commission in the shape of Eurostat helping?

In the past the statistical systems of these countries were responsible for a number of tasks that in a market economy are usually entrusted to other bodies. Their role was mainly administrative supervision, rather than providing public data on the nature of society and the way it was changing.

During the transitional period statistical offices must move from a mainly *administrative role* to that of an *information supplier*. This presents a challenge, in terms of both legitimacy and credibility, and requires...

- a change of attitude by statisticians, in particular as regards their role and motivation

- the use of modern communications systems for the acceleration of economic processes and the functioning of society

- the introduction of new legal, administrative and methodological frameworks, particularly in relation to ethical considerations, statistical confidentiality and the organisation of the collection and dissemination of statistical information.

Within the European Union the politician or decision-maker who is making increasing use of

statistics has one common characteristic: he doesn't want to wait long for the answers. This puts a lot of pressure on statisticians.

Statisticians constantly have to be anticipating the questions that politicians will ask in four or five years' time. In the EU in the last ten years they've been lucky: twice - in the case of the Single Act and the Maastricht Treaty - leaders of Member States gave early indication of the questions they would like to look at together in the medium term.

Nevertheless, the collapse of communism has given us something of a jolt in our relationship with Europe as a whole - back in the 80s Eurostat never expected

to be working as closely with the CEECs as it has been doing progressively since 1991.

Tremendous challenge

Old data sources disappear or become unreliable and new ones have to be found. Increased comparability with the outside world is necessary, and data are required about phenomena such as inflation, unemployment, creation of new enterprises etc. In such areas statistics are playing their part in closer cooperation between the EU and our eastern neighbours.

The statistical systems of most countries in transition are already at a high level of development, staffed by capable and hard-working professionals. Even if full implementation of comprehensive and consistent statistical systems is a long-term task in most areas progress is very positive with concrete results already achieved.

EU membership in mind

Such results concern notably the adoption of standard classification systems; progress in setting up enterprise registers and business statistics compatible with a market economy; the gradual adoption of the Western System of National Accounts; and progress in compilation of producer and consumer price indices.



Down comes the Berlin Wall - the rebirth of statistics in Central and Eastern Europe is a direct consequence

Technical assistance has also been instrumental in helping CEEC statistical offices in defining legal frameworks in which statistics can perform their function.

To enable CEECs with EU membership in mind to supply statistics to the EC in the same way as other Member States, Eurostat has distributed a "blue book" on its data requirements. This contains descriptions of all statistics produced by Eurostat including, for each kind of data, the legal bases, methodology and variables required.

After four years of cooperation the kind of problems encountered in the ongoing transitional phase continue to vary from country to country. However, the following needs can be discerned in a large number of cases:

- *ensuring the strict independence of official government statistics*: official statistics can play a part in democracy and the market

economy only if they are reliable, neutral and objective, and regarded as such by the the population at large

- *protecting individual data*: individual information collected by official statistical bodies needs to be protected by strict privacy provisions if their quality and continuing supply are not to be jeopardised

- *establishing priorities in statistical work*, in accordance with available resources and the requirements demanded

- *reducing the burden on respondents* by making maximum use of sample surveys and administrative records

- *developing good contact with the main users* and training them in the use of statistics

- *ensuring proper coordination among the various producers of official statistics*, in particular

ensuring centralised or highly-coordinated action in the areas of methodology, training, planning, data processing, research etc.

Phare and Tacis

Eurostat's policy towards the transitional countries of Central and Eastern Europe (CEECs) is different to that for the countries of the former Soviet Union.

In the former the aim is that by approximately the year 2000 we shall have helped them to have the same statistical systems as ours - at least for the basic data. Together with Member States Eurostat has a strategy, sector by sector, to enable them to reach this goal.

Some countries wish to go quicker in some fields than others - the choice is up to them.

At the beginning of last year, in Brussels, seven Central and Eastern European countries - Bulgaria,



Last year's signing ceremony between Eurostat and seven Central and Eastern European countries

Hungary, Poland, Romania and the Czech, Slovak and Slovenian republics - signed an agreement aimed at winning the confidence of their citizens with accurate, reliable and politically-impartial statistics, and committing Eurostat and Member States to an intensive programme of assistance, and the countries involved to establishing key statistical norms and standards.

This spring a similar agreement was signed by the Baltic States, who have already received considerable help from their Nordic neighbours.

The programme of assistance is called PHARE - so called after economic restructuring aid to Poland and Hungary, the first countries to be involved.

Former Soviet Union

Here the strategy is different.

Russia is a large and powerful country with good human resources well-trained in the statistical field - but in the old system. To ease the transition to a market economy they must clearly reform their statistical system. The aim of Eurostat is - and must be - to offer them the level of assistance that the Russians deem necessary in the circumstances, and treat them as equal partners in this task.

In the other republics of the old Soviet Union the problem is different. Clearly they want statistical autonomy but lack the expertise. Most of the experts and the knowledge was centralised in Moscow and sent to them like a "product". They have a steep learning curve and their willingness to learn from Eurostat is manifest.

The programme of assistance to the former Soviet Union and Mongolia is called Technical Assistance to the CIS (TACIS). At present it is at the stage of both sides getting to know each other. There was due to be a meeting in Moscow this April to formalise the programme. EU funding should follow and projects should then begin.

There are 15 countries involved in TACIS; 12 in PHARE.

A seminar was due to be held in Budapest this April with the aim of bringing together the heads of statistical offices in PHARE and TACIS countries. The aim was to enable the former to share their experiences of cooperating with Eurostat and Member States and the assistance received.

Phare away

The new PHARE programme on statistical cooperation amounts to 17 million ECU and covers the period 1995 to 1997. It involves the following:

Study visits: Short and long term visits by CEEC statisticians to Eurostat and statistical offices of Member States and G24 countries are an important way of obtaining practical and operational experience, and easing the process of integration.

Consultancy: Consultancy missions by statistical experts of EU and G24 countries form a focal point of technical assistance. They are part of a well-structured programme with defined priorities by statistical area, with projects varying according to individual countries' specific needs and objectives.

TES courses: Training of CEEC statisticians in the Training of European Statisticians (TES) programme is a key element of cooperation between these countries and Eurostat. In the new PHARE programme an initiative will be launched to address specific needs of the CEECs, such as the impact of high inflation on statistics and basic sampling techniques. Custom-tailored courses will be organised in the PHARE countries.

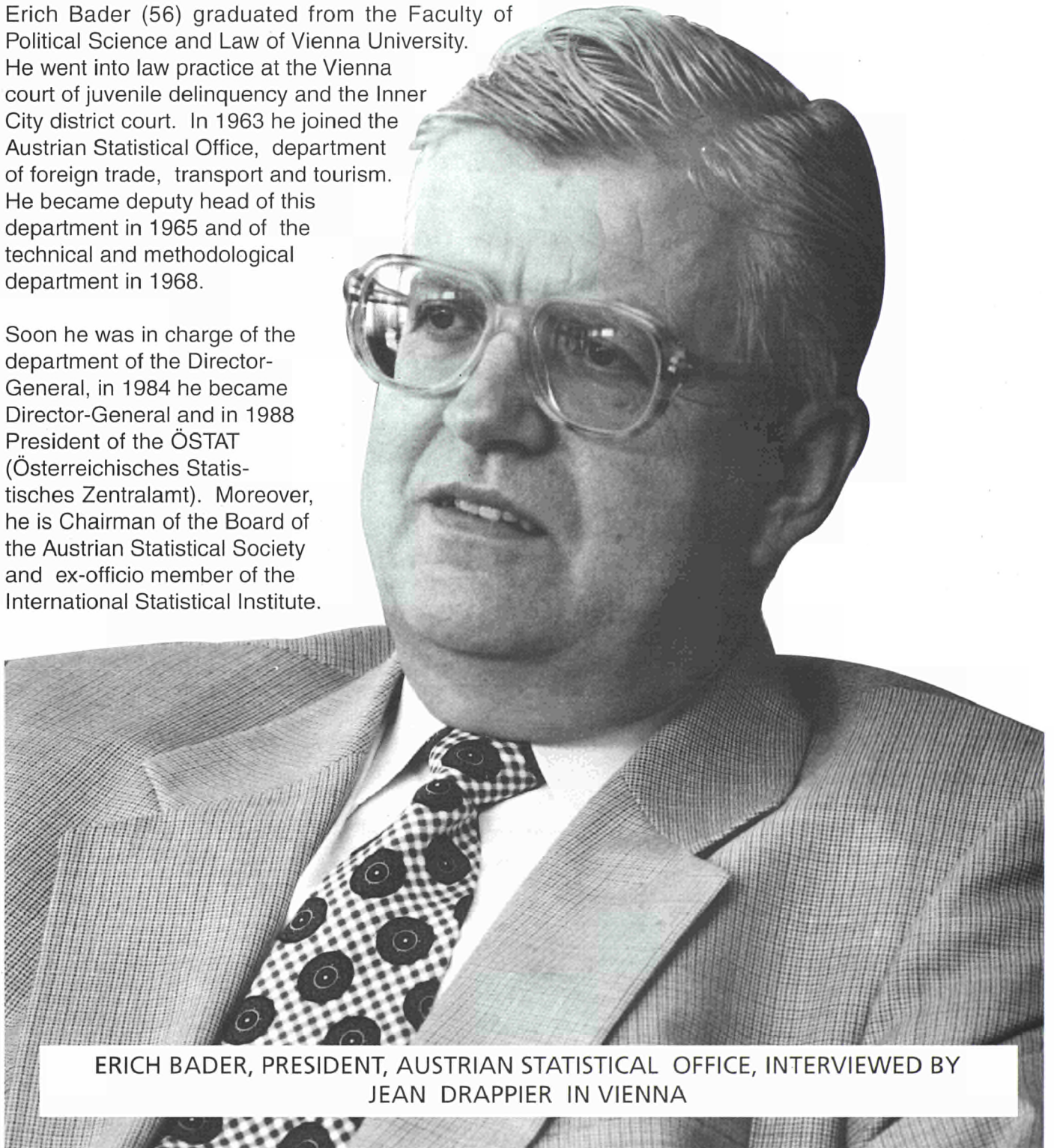
Seminars & working groups: Participation of CEEC statisticians in seminars and working groups at Eurostat and in Member States, G24 countries and the CEECs themselves is an effective way of transferring knowledge in basic methodology, classifications etc.

Multi-country pilot projects: This is a new initiative. Statistical cooperation up to now has been confined to long-term actions designed mainly to improve the basic infrastructure of recipient countries' statistical systems. After four years of such efforts it has become apparent that current institutional and methodological advice must be balanced, but not replaced, by a number of specific initiatives to help CEECs put their newly-acquired knowledge into practice, while providing evidence of progress made so far. One key aim of such a project would be to produce concrete results within a limited time.

A BRIDGE between **EAST** and **WEST**

Erich Bader (56) graduated from the Faculty of Political Science and Law of Vienna University. He went into law practice at the Vienna court of juvenile delinquency and the Inner City district court. In 1963 he joined the Austrian Statistical Office, department of foreign trade, transport and tourism. He became deputy head of this department in 1965 and of the technical and methodological department in 1968.

Soon he was in charge of the department of the Director-General, in 1984 he became Director-General and in 1988 President of the ÖSTAT (Österreichisches Statistisches Zentralamt). Moreover, he is Chairman of the Board of the Austrian Statistical Society and ex-officio member of the International Statistical Institute.

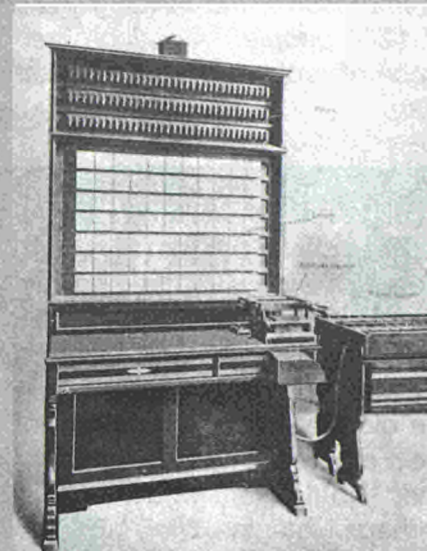


ERICH BADER, PRESIDENT, AUSTRIAN STATISTICAL OFFICE, INTERVIEWED BY
JEAN DRAPPIER IN VIENNA



1934 census

The 1890 population census was a milestone in Austrian official statistics. Austria was the first country in Europe to use the counting machine invented by Hermann Hollerith, who had emigrated to the United States from Austria and was the founder of the Tabulating Machine Corp (1896), which later became IBM.



Otto Schäffler (*left*), an engineer/technician from Vienna, developed a machine that was more suitable and more efficient for the purposes of statistics (*above*).

“Through our cooperation within the European statistical system we can help to create a common statistical language. We had already contributed to it at the EEA level. Now, as full members of the EU, we are committed, with our partners, to applying it as globally as possible.”

THE IMPACT

Erich Bader continues: “The most positive impact of our EU membership on the domain of statistics? To me: new possibilities to improve the harmonisation and comparability of European statistical information. We may now contribute to developing common bases and participate in joint projects from the very beginning. Real team work. And the most

important aspect that I find in this development is the common statistical programme of Eurostat and the NSIs, an efficient method of planning for several years to which we fully adhere.

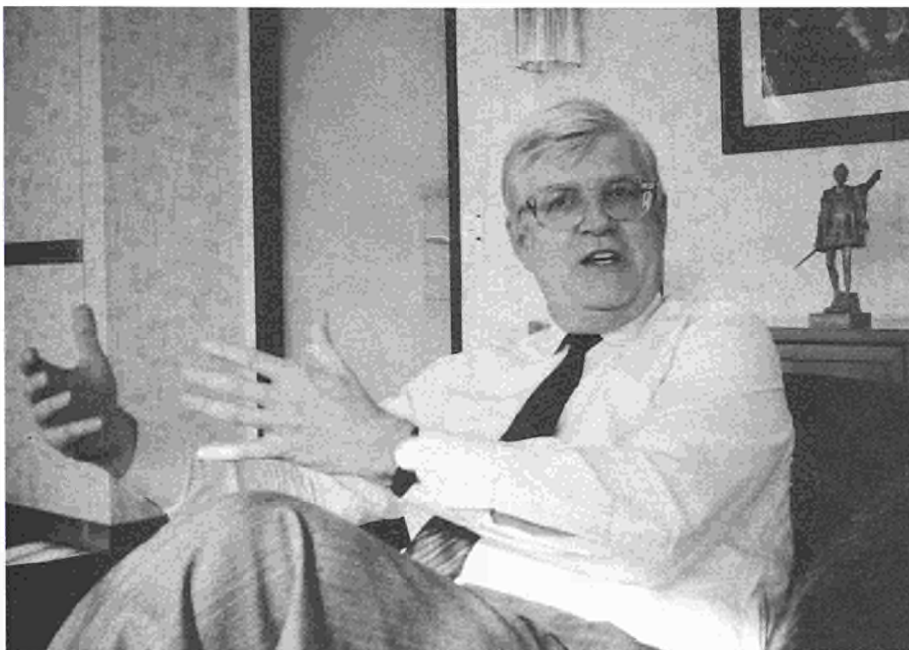
SOLID LEGAL FOUNDATIONS

“We enter a European Union which seems to be the first community of its kind really able to formulate legislation in the name of its members, a guarantee that all projects that we develop together will be achieved. Until now, be it at the level of the United Nations or OECD etc, all we were doing was deciding on recommendations. Now, with stable legal foundations, we’ll be in a position to build solid and concrete founda-

tions for statistical developments. To me this is one of the most important advantages that we derive from our new membership.”

Any strong points in which Austrian statisticians are ahead of their partners?

“Just as in the Nordic countries”, continues Mr Bader, “we insist very much on environmental statistics. We also concentrate on tourism and transport statistics. But our real strong point is undoubtedly our ECP project (European Comparison Project), very significant in view of the central position of Austria between western and eastern Europe. Our expertise in this field is widely recognised.



"We have also very much to learn. INTRASTAT, for example, is something very new - a real kind of 'euro-statistics', still requiring many adjustments. This is true not only for us at Östat, but also for many exporters and importers who were facing considerable problems in the first year of the introduction of the system. But certainly the situation was the same in all other EU countries.

THE EXPECTATION

"What I do most expect from Eurostat and from the European statistical system (and this must be the case in all Member States)", explains Mr Bader, "is strong support to enable the national statistical institutes to solve most of the statistical problems resulting from their membership.

"One certainty for all of us is that there will be increasing demand for statistical information. Our modern societies and democracies always require more information. But, paradoxically, at the same time, our governments make vigorous cuts in personnel and operational budgets. Of course, we can rationalise and we have done so permanently. But this is possible only to a certain extent. I think we have reached the limit of what is feasible.

"Here, the Commission and the Council should interfere, and make sure that those resources are allocated

that are required to meet the increased demand for information. If they do not, I'm afraid that these restrictions will impede us from fulfilling our obligations on the European scale. There will be no common statistical system, no common language, if resources are obviously distributed unequally in the various countries."

What about creating resources from selling statistical information?

"Our statistical law", continues Mr Bader, "obliges us to publish all our data - with no restrictions - provided they are not protected by confidentiality. Basic information must be offered free to the users. But, of course, for specific projects, for 'on-demand' requests, we must get paid. When, however, does a public service become subject to charge? This is a frontier not easy to draw. But we must try and exploit to the utmost all the possibilities to sell our product."

A PIVOTAL COUNTRY

In Austria's special position between European commercial partners from east and west, do Austrian statistics have a key role to play?

Erich Bader first insists on the very long tradition of cooperation which exists with the neighbouring statistical offices. "Austria and Hungary, historically, have long had deep administrative common roots and we've worked closely with most of our neighbours.

"The drastic changes that took place in many of their political systems brought a new situation, a new start for many of our colleagues. Today there are manifold opportunities for cooperation...



Vice-President Dr Kurt Klein

"Besides our cooperation with the EU on working with Central and Eastern Europe (within the PHARE framework), we had developed a common programme with the EFTA countries. I personally, for instance, chaired the EFTA delegation during a seminar held for statisticians in Milocer with the ex-Yugoslavian Republic in 1991. We have also maintained excellent bilateral cooperation with countries in Eastern Europe.

"Ever heard of the Central European Initiative (CEI)? Let me show you..."

The President shows me a brochure entitled *CEI in figures...* Here is a first publication resulting from the close cooperation within the working group for statistics of this community of states, founded in 1991, with Austria holding the permanent presidency. Statistical experts from Austria, Croatia, the Czech Republic and Slovakia, Hungary, Italy, Poland and Slovenia are members of this working group.

"This is a common production - very humble, I agree, when compared to what the EU is now accomplishing - which, however,



Left to right: Vice-President Dr Kurt Klein, Dr Wilhelm Kovac (head of administrative division), President Erich Bader, Dr Karl Messmann (deputy head of administrative division)

enabled us to bring together people from countries with very different statistical systems, members and non-members of the EU. Our next meeting, in Ljubljana, will be dedicated to the following up of environmental statistics and migration statistics in the neighbouring regions."

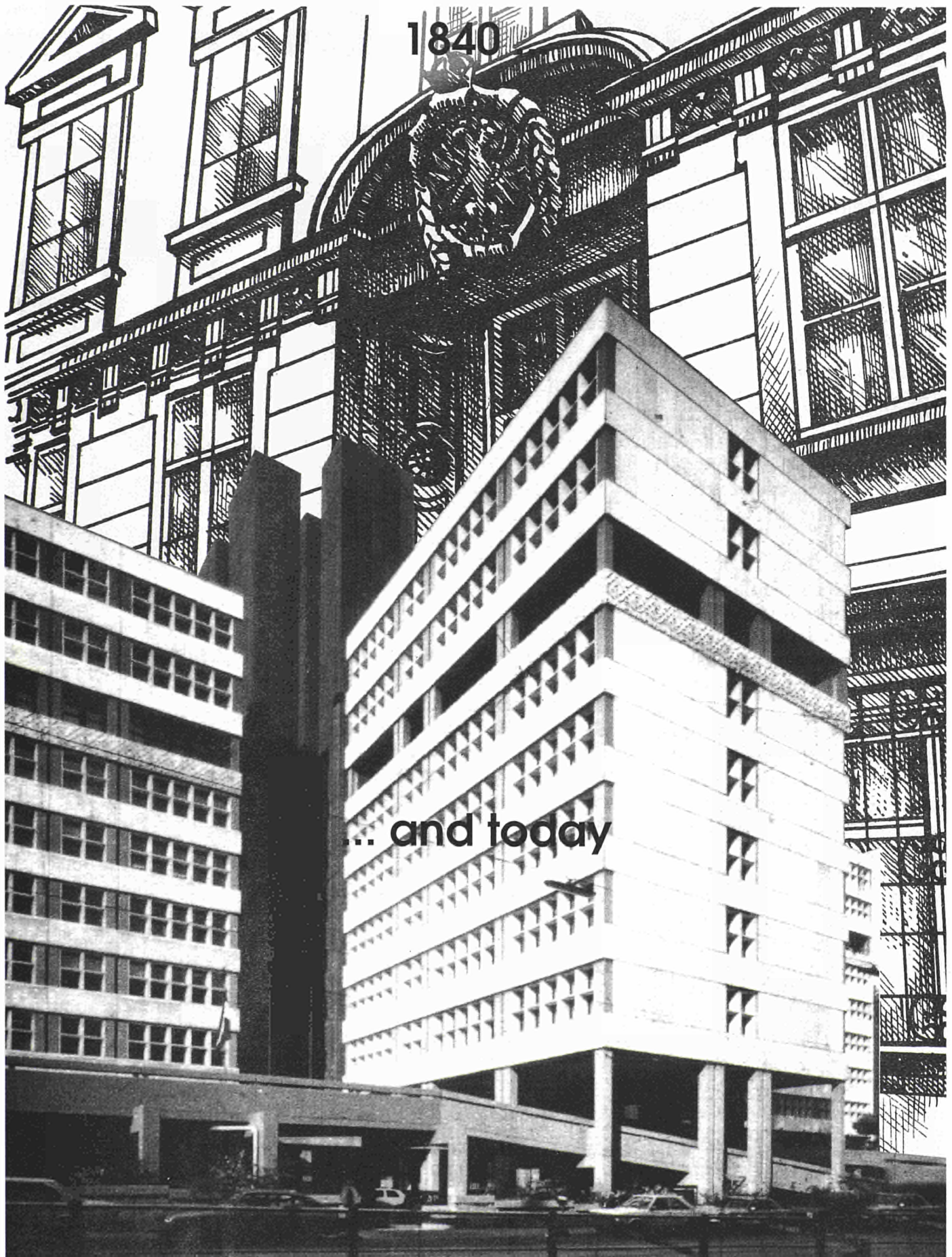
Some Europeans fear that Austrian membership, following integration of the ex-DDR, might lead to the revival of a "German bloc" at the heart of Europe...

"On the contrary", replies Mr Bader, "our belonging to the EU will now enable us to cooperate equally with all our partners, while diversifying and keeping our own strong identity. Fine, if our language is shared. After all, German is one of the main languages of the EU. But we remain ourselves, with our own special regional characteristics. A bridge between East and West. Our statistical system will continue to reflect this."



Left to right: Brigitte Rojs (assistant, sub-division for publications), Margret Mitteregger (head of sub-division for publications and general information service), Eva Bachmann (secretary to Dr Kovac) and Anneliese Breschan (secretary to the President)

Official Austrian statistics? An institution more than 150 years old. Officially founded in 1840, it took over from the Statistical Bureau which had been in operation since 1829.



SILVER JUBILEE OF SOCIAL TRENDS

BY JENNY CHURCH

The British Central Statistical Office's Social Trends recently celebrated its 25th year of publication. It has become famous - both in the UK and way beyond - and has set a new trend in the user-friendly presentation of social statistics. We invited the current editor to describe the CSO's most successful product.

When the 25th edition of *Social Trends* was published as usual it received full newspaper coverage and was featured on breakfast television and national and local radio.

Unusual treatment for a statistical publication? But what *Social Trends* has aimed to do over the last 25 years is to make social statistics accessible to the lay person. It uses simple tables and charts, interspersed with explanatory text, to put over messages about the UK's ageing population, the increase in women's participation in the labour force, changes in housing patterns, how much television we watch, and so on.

The media coverage for the book seems to show that we are meeting our aim, and its editors have to be prepared to be "famous for five minutes" on the day of publication.



The Social Trends team - Jenny Church third from left

Looking back to the first edition of *Social Trends*, you would see that the concept behind the book has changed very little in 25 years. The 13 chapters cover social policy areas such as education, health and employment, and in each chapter data are drawn from a wide range of sources to illustrate both the current situation and trends over the last few years - in the 25th edition of course we tended to focus on trends over the last 25 years.

Sources are mainly from within the UK Government Statistical Service but we also use outside sources particularly in areas such as leisure. International comparisons have always been an important part of the book and we now try to include at least two international comparison items in each chapter, most of which tend to be European.

CHANGING WITH THE TIMES

Although the concept has not changed, the social context within which we produce *Social Trends* has changed considerably and the content of the book has to reflect this. Thus, for example, whereas in the first edition of the book there was only one table on the environment, there is now a whole chapter devoted to the subject. Similarly we now recognise that people's perceptions are often just as important as facts about their social conditions, and so we include information on attitudes wherever we can.

What has also changed is the range and variety of statistical sources from which we can draw information. Back in the late 1960s, when the first edition was planned, there was only a handful

of household survey sources available. Statistics derived from the administration of, for example, the health service or the law courts were designed to measure the performance and output of those institutions, and were not "people based". Thus people's experience of crime could only be seen through the eyes of the police, whereas now we have available the British Crime Survey which collects information directly from people themselves about their experiences as victims of crime.

Social Trends is, and always has been, a collaborative effort between many different government departments. Although the Central Statistical Office plans the content, collates the data, prepares the copy and publishes the book, we could do none of this without the help of our Government Statistical Service (GSS) colleagues. They advise us on new sources of data, provide the raw material for the book, and help us to ensure that the statistics are correctly interpreted - they are the experts after all.

SHOP WINDOW

I think there is sometimes a sneaking irritation that we then get the "glory", but I hope that this is offset by the fact that *Social Trends* brings their data to a much wider audience. I see it as a "shop window" for GSS activities.

An alternative approach to compiling a social report is not to take social policy areas as the framework, as *Social Trends* does, but to structure it around different social groups ie children, the elderly, ethnic minorities and so on. At one time both approaches were used in *Social Trends*, but gradually the social groups material was subsumed into the social policy area chapters.

However, we recognised that the social group approach still had considerable advantages but thought that it merited more space than could be made available within *Social Trends* itself. Thus in the summer of 1994 "child of *Social Trends*" was born. The new series is entitled *Social Focus* and the first edition presented statistics on children under the age of 16. The second edition will be published this summer, taking as its subject *Women* to coincide with the UN Conference on the Advancement of Women which will be held in September.

STATISTICAL TERMS BANNED

For a statistical publication to appeal to the non-statistician, presentation is extremely important. For this reason we have always laid great emphasis on the need for simplicity in the tables and charts and also in the text of *Social Trends* - statistical terms are banned; they must be described in everyday language!

Social Trends production methods are now very different from 25 years ago. Compilation of tables and charts on spreadsheets means that we can offer all the data contained in the book on diskette, and a CD-ROM has been developed which contains the whole of the first 25 editions. Desk-top publishing has revolutionised our ability to take in late-arriving data - although this is not always an advantage.

SET A PATTERN

When *Social Trends* was first published in December 1970 it set the pattern for social reports in many other countries. I am sometimes asked to what I attribute its success 25 years later. I would suggest three factors:

Firstly, the fact that it is produced regularly in the last week of January every year. It is expected, and it is therefore noticed by the media. Librarians, academics, schools, officials - all can depend on its arrival, thus saving them time and energy seeking out other data sources. The regular production also ensures that statistics are as timely as possible, though this is an area where users would of course always like to us to do better.

Secondly, the fact that even with the explosion of data sources available to us we have kept the size of the book below 250 pages. This imposes a discipline which ensures that the presence of each item has to be justified; there is no "padding". It also means that the book has remained manageable both in size and price.

Thirdly, the fact that we change the content substantially from year to year to ensure topicality: around one third of the tables and charts change each year. This of course requires more resources than would otherwise be the case, but we feel it is fully justified in keeping the material fresh and also in ensuring that over a period of time a wide range of topics and sources are covered.

PRIME MINISTER

The silver jubilee was celebrated in style, with a reception hosted by the then CSO Director Bill McLennan in the QEII Conference Centre, a stone's throw from the Houses of Parliament, and a message of congratulations was received from the Prime Minister. This mentioned how well-established *Social Trends* has become as the primary source of social statistics in the UK, and wished the book well for the next 25 years.

NEW TOP MEN FOR TWO NATIONAL STATISTICAL OFFICES

Two new heads of national statistical offices in Member States have been appointed recently. They are Professor Tim Holt in the United Kingdom and Mr Jan Plovsing - both with a similar background in social statistics.

JAN PLOVSING

On 1 April Mr Jan Plovsing, 49-year-old Director-General of the Danish National Institute of Social Research, took over as Director-General of Statistics Denmark. He succeeds Mr Hans Zeuthen who resigned earlier this year.

According to the press, the new National Statistician has several important priorities. Firstly, statistics should be of the highest possible quality, useful for society, visible to potential users and comparable to statistics of other countries. Then he wants higher priority given to analysis and interpretation of the huge output of Danish statistics, with greater emphasis on more studies and comparisons in order to throw new light on Danish society: one example of this is his recent study showing that almost half the Danish population receives public transfers.

"A convincing choice in terms of leadership, a forceful personality and other excellent human qualities" wrote one Danish newspaper. It continued: "Jan Plovsing has the ideal background for this: during his five years' leadership of the National Institute of Social

Research he has transformed its reputation from something of a mess to that of a serious working research institute of vision as well as international outlook."

"And made it a good business as well", another newspaper added. "He led the institute through a series of outstanding and reliable studies, the latest a comprehensive one on how social and labour market conditions compare in Europe."

Mr Plovsing was member of the European Commission's Advisory Group to Combat Poverty from 1977-1978 and has been a member of many other important committees on social security matters. He is a member of the International Social Security Association's advisory committee on social security research, the Board of the Danish Research Academy and Chairman of the Assembly of Directors of Government Research Establishments.

Recently he joined the Danish Government's Social Commission. He has lectured - as Associate Professor - at the University of Copenhagen as well as at other institutions of higher education and written several books on social security matters.

Mr Plovsing is a strong supporter of the EU cooperation in providing comparable statistics. "They are very important tools to politicians as well as to other decision makers", he told a newspaper. Other priorities are environmental and labour market statistics. "But his first task in Statistics Denmark" - a newspaper pointed out - "will be to overcome criticism of the timeliness of some data, especially unemployment figures."

Colleagues and friends describes him as a cheerful and positive person, but readers of the Danish newspapers will know that beneath his benign appearance is someone often harshly critical of



some aspects of the Danish welfare state. He is a great believer in participating in the public debate on this subject.

In private life his ambition is to see as much of the world as possible together with his wife, a local community director of social security matters. His energy comes from "gardening, jogging and reading plus annual Norwegian winter holidays".

Any weaknesses? Opera, Mr Plovsing admits!

PROFESSOR TIM HOLT

On 1 July Professor Tim Holt takes over as Director of the UK Central Statistical Office (CSO) and Head of the Government Statistical Service (GSS). He follows Bill McLennan who has returned to Australia to head the Australian Bureau of Statistics. Professor Holt is 51-year-old Leverhulme Professor of Social Statistics at the University of Southampton and its Deputy Vice-Chancellor.

Significant changes seem possible in the UK statistical scene since the London components of the CSO and Office of Population Censuses and Surveys (OPCS) are to be relocated on a common site at the end of this year. OPCS is the main data collection arm for social surveys and censuses whereas the CSO is responsible for key statistics needed for economic management. Consideration is being given to their possible merger and some observers speculate that Professor Holt's appointment reflects a possible shift in the CSO towards social data.



He himself stresses the central importance of the CSO in providing the main economic indicators and has stated that nothing will be done to undermine this vital role. However, he does acknowledge that there is a need for stronger co-ordination of social statistics across the GSS and will look for improvements to be made.

Tim Holt started his career working at Statistics Canada before moving to the University of Southampton. He has published extensively on sample survey theory and practice and has been a consultant to several national statistical agencies.

He has been active professionally in the Royal Statistical Society - as chairman of the social statistics section and editor of its journal. He has also been Vice-President of the International Association of Survey Statisticians and is

a fellow of the American Statistical Association.

Like Jan Plovsing he is a strong supporter of international cooperation and looks forward to contributing to further integration of national statistics within the EU.

As Deputy Vice-Chancellor at Southampton he has been closely involved in management through a period of turbulent change in British universities. He notes that the CSO has a more focused mission compared to the university but sees similarities. "Both organisations are knowledge-based and depend on the professionalism and commitment of their staff to sustain the high standards that are achieved", he says.

Professor Holt is married with two children in their 20s. He enjoys the theatre. And like Mr Plovsing he jogs.

EC TEAM

Statistical breakthrough for



Left to right: Keith Smith, Werner Grunewald, Mikael Åkerblom, Jeremy Howells, Per Nymand-Andersen, Eric Ng Shing and Enrico Deiaco

For the first time new data on innovation output and innovative activities of the European enterprises have been collected in the European Union plus Norway. The operation is called the Community Innovation Survey (CIS).

CIS is a joint project of Eurostat unit D3 and the European Innovation Monitoring System (EIMS) of the European Commission's DGXIII.

Over 75,000 European enterprises have received a harmonised innovation questionnaire, jointly developed with

OECD and national experts. The CIS has collected data on some 200 variables from each enterprise and today the database consists of data from over 40,000 individual enterprises from 13 European countries.

The harmonised questionnaire is also the basis for innovation surveys in the United States, Canada, Australia and other OECD member states.

Until very recently the main data for innovation analysis consisted of R&D statistics and bibliometric and patent data. Although much has been

achieved in this way, it has fundamental limitations when it comes to mapping the innovation process which covers a much broader range of activities.

Team member Per Nymand-Andersen explains: "The innovation process is related to all activities in the development of new products or processes. It starts when an enterprise wants to realise the idea of a new product/process or to modify an existing product/process. It ends when the product/process is introduced to the market.

"The process involves various activities within the enterprise: investigation of market possibilities, research and development (R&D), design, prototype development, acquisition of technology, training and tooling up and market testing, and so on."

Why is such data needed?

Mr Nymand-Andersen goes on: "Up to now policy-makers have had very little information on the resources required for innovation in different enterprises, industries and countries. Information is lacking on

how enterprises acquire, develop and transfer technology and the role of innovation in the development of enterprises and growth of industries.

"It is certain that innovation processes are characterised by considerable diversity, both within enterprises and within different industries. Throughout Europe we have been lacking information about innovation activities that might enable us to first map and then analyse such diversity."

Serious obstacle

"This lack of information has been a serious obstacle to the development of soundly-based economic and industrial policies - policies that can support enterprises in the innovation and diffusion of new technologies. The CIS project can among others contribute to solving this problem."

CIS data will provide industry and policy-makers with comparisons on the following topics, among others:

- The R&D and non-R&D inputs to innovation and their importance
- How innovation spending varies with and across industries and countries
- The significance of R&D

- cooperation for innovation
- Factors hampering innovation
- How innovative are industries with low R&D intensity
- Main objectives of innovation
- How enterprises acquire and transfer technology, and
- How innovation output varies across industries - and its effect on growth and employment.

Maximum security

The data sent to Eurostat have been declared confidential by Member States because they consist of sensitive individual data from enterprises. Eurostat has undertaken strong security measures to prevent identification of individual enterprises when publishing aggregated results. Up to now this has resulted in two databases:

- Micro-level, which is confidential, and
- Micro-aggregated, which does not allow identification of individual enterprises and access to which is restricted.

"An aggregated database is also planned at industrial level that is not confidential, and a set of tables will be available to the public", adds Mr Nymand-Andersen.

The team

In addition to Mr Nymand-Andersen the CIS team currently consists of Mikael Åkerblom, Mr Werner Grunewald, Mr Eric Ng Shing, Ms Anne-Francoise Van Schingen, all Eurostat; Mr Enrico Deiaco, EIMS' DGXIII; Mr Jeremy Howells, consultant to EIMS; and Mr Keith Smith, a project consultant.

The CIS team is advised by an external steering committee, which consists of national experts.

They have just published the first of a series of publications about the status, background and objectives of the survey. In addition EIMS have started over 14 different projects analysing the data.

FURTHER INFORMATION

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SEMINAR ON STATISTICS & NEW TECHNOLOGIES

The impact of new information and communication technologies on statistics is growing rapidly and there is much interest in new development.

In 1992 the first seminar on this topic was arranged by Eurostat and the German Research Centre GMD. Now a second seminar - New Techniques and Technologies for Statistics (NTTS-95) is being held in Bonn from 19 to 22 November this year.

As before, the idea is to provide a forum for researchers and official statisticians to present and discuss new ideas and developments in the application of information and communication technologies for statistics.

MAIN TOPICS OF INTEREST WILL INCLUDE:

1. Survey design and data capture

- questionnaire design
- computer-assisted data capture
- use of EDI and telematics
- remote sensing
- exploitation of administrative and other data sources
- nomenclature systems including automatic data coding.

2. Data analysis and knowledge extraction

- exploitation of contextual information
- analysis of time-referenced data
- analysis of spatial data
- knowledge extraction
- small area estimation
- visualisation techniques
- concept formation, manipulation and analysis.

3. Dissemination of results and knowledge

- electronic dissemination including multi-media
- integration with other telematics services.

Aim is to bring together researchers and users of these techniques, including those working on 4th Framework R&D projects to share experience, knowledge and enthusiasm in both formal and informal environments.

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DECEMBER

- 15 Report stresses strong economic ties between EU and North Africa**
- 19 EU industrial production still rising** - by 5.8% between September '94 & '93
- and Agricultural income: early data for 1994** - an estimated 5.7% rise in '94
- 21 EU annual inflation : 3% in November**

1 9 9 5

JANUARY

- 9 EU unemployment: 10.7% in November**
- 19 Luxembourgers - More purchasing power than Japan or USA** - figures show position of the 12 in GDP per head
- 23 The EU working week : Longest (UK) & shortest (Belgium)**
- and EU industrial output up 5.2% in 1994**
- 26 EU annual inflation rises to 3.1% in December**

FEBRUARY

- 1 EU trade gap narrows - Big increase in intra and extra EU trade**
- 3 EU/USA trade gap shrinks in '93** - to 2.2 billion ECU from 13 billion in '92
- 8 EU unemployment: 10.8% in December**
- 13 EU steel production up 5% in 1994**
- 17 EU industrial production up slightly** - by 0.3% in September to November '94 compared to the three previous months
- 21 EU's richest and poorest regions** - regional GDP per head in purchasing power
- 28 Annual inflation - first figure for EU 15: 3.1% in January**

MARCH

- 1 EU agricultural prices - Largest rise since 1989: 2.8% between Q3 '93 and Q3 '94**
- 14 EU GDP up 2.5% in first 9 months of '94**
- 24 EU industrial production still rising** - by 1.3% between Q4 '93 and Q4 '94
- and EU annual inflation up slightly in February: to 3.1%**
- 30 Baltic states step closer to the EU** - Agreement signed between Eurostat and the statistical offices of the Baltic states.



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