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# Miscellany

## The structure of the data collection system of economic statistics at the Hungarian CSO

In the past, the Hungarian economic statistics programme operated within the framework of the centrally controlled economy and was set up to observe the state and cooperative sectors.

The data collection system was adapted to this framework and could be depicted by full-scope surveys, conducted several times a year with very detailed data of units of a relatively small number.

As the performance of the private sector (with the exception of agriculture) was not significant, the measurement of it was based upon rough estimates. Sampling surveys had no significant role in the field of economic statistics.

Direct statistical data collection involving every sector of the economy and providing commonly used data files had never been developed. From the point of view of statistics, the sector consisting of enterprises and cooperatives with legal status (the so-called socialist sector), as well as the private-like sector consisting of organizations without legal status and private entrepreneurs (e.g. artisans, retail dealers and farmers) were sharply separated. Compulsory data collection was carried out for the socialist sector while data for the latter was obtained by estimates and other methods.

The last few years have resulted in a stormy transformation of the economical system. The number of units with legal status was 15 thousand in 1989, about the same as the number of new establishments in 1990. But in 1991 it rised up to 22 thousand. At the end of 1991 the number of units was over 51 thousand. At the same time, the number of organizations without legal status and of private entrepreneurs has also increased, exceeding altogether 400 thousand, giving them an increased role in the economy. As a result of the new legislation, organizations with or without legal entity as well as private entrepreneurs can hardly be separated from the point of view of qualification and interpretation of the economic processes. It is not the legal status in which the distinctions like large and small scale industry, manufacturing and handicraft, and large and small establishment manifest themselves. Though the large businesses are generally legal personalities, the majority of the organizations with legal status are small enterprises. Moreover, the majority of the small enterprises are private businesses, but amongst them there are many of medium and large size.

The changes that have taken place in the organization and structure of the Hungarian society and economy required the transformation of the statistics system as a whole. The demands for detailed and rapidly accessible information keep growing from day to day and are not always met by the present system of the CSO. Often data is not provided for the users in time and in the requested form.

Apart from national demands, the reorganization of the system is urged by the need to suit international (European) standards, and the transformation will influence the methodology, data collection and processing technology as well as the reporting requirements and the wide variety of means of dissemination.

The reshaped information system has to ensure:

- the publication of statistical indicators presenting socio-economic aspects;
- the use of the methodology and nomenclatures according to international recommendations;
- the availability of information for economic policy making;
- the accessibility of information necessary for the business world and foreign investors;
- adequate information for the public by using the press and other media.

In this situation questions on data collection related to the business sphere have to be given special attention, and new categories and principles must be formed. Such substantive questions are:

1. **Is there any need to have a unified data collection** (with identical content) **encompassing the whole business sphere and each economic branch** which would be a basis for the SNA and the study of ownership and business types, etc.? (Such kind of data collection has been put into operation in the French statistics system.)

A system like that would inevitably be useful and necessary. Nevertheless, the CSO thinks at the moment that it should engage in it only when forced. According to previous practices, if possible, the role of the unified statistics should be played by the financial reports replacing the balance sheet reports of the enterprises in the future, so that they can be added to by some indicators required by the CSO. Furthermore, the CSO should receive those reports through the channels of the tax authorities. It seems that there is an inclination from the side of the partner institutions towards this arrangement. The concept of a unified statistical reporting system should be dealt with later, under more consolidated circumstances.

2. **Should the data collection system of economic statistics be extended on the whole business sector with some regularity in their scope?**

The answer is yes but in 5–10 year periods, when – suited to the programmes of the international statistical organizations – censuses are conducted in the different economic branches. Between censuses well-defined economic units which have no significant role in the economy (on the basis of the data collected during the previous census) should be omitted from regular data collections. Their performance can be estimated from tax statistics data on a yearly basis. After the evaluation of a census it is reasonable to review the subpopulation omitted and to correct it if needed.

Considering mainly the resources of the CSO and not the necessity of the execution, the accomplishment of the individual censuses can be planned for the forthcoming years as follows:

1993 – mining; manufacturing, construction and electric energy industries;
1994 – trade, lodging and catering;
1995 – transport, storing, post and telecommunications;
1996 – overall agricultural census.

Between censuses, the regular suveys will be sample surveys with full-scope observation of the larger units. The frequency of the data collection (i.e. monthly, quarterly, yearly) will be influenced by the demands of the users and the ''importance'' of the data.

The intention is that interim data collections will focus on a minimum circle of indicators but these will be co-collected from each unit involved in the observation.

**3. For the lack of censuses, what criteria should be the basis of determining the subpopulation of the units to be omitted from regular data collections?**

The aim is to omit as much as possible the small units which are unable to develop dynamically. There can be three criteria: the legal status, the bookkeeping obligation and possibly a natural indicator denoting the size of the business.

Under the present circumstances, among the business size indicators it is the size category in terms of number of employees which seems to be suitable: it is easy to interpret in both domestic and foreign relations; there is much international evidence for this, and this data could be produced relatively easily and in time. It is likely that a considerable part of businesses with small staff (individual and family businesses) will remain permanently in the starting category.

The number of employees as an observation criterion can be applied to those data collections where the observation unit is the enterprise itself. Otherwise (e.g., for retail trade sales, tourism, individual invetments, etc) other criteria which better describe the data collection must be chosen.

**4. If the units to be omitted are determined by the size category, what should be the actual limit?**

In the absence of a census no data is available sufficient enough to draw a principle limit concerning the omission of units because of their weight in the economy.

A basis would be international experience, but it should be considered that the countries coming into question have relatively stable structures of economic organizations and this is why the expectation for knowing the performance of the small businesses is not so intensified as in Hungary.

Therefore, this questionable limit should be determined in a purposeful way by taking into account the resources and some psychological factors under the present circumstances.

In the case of the units with legal personality it is reasonable to keep invariably 50 employees as one of.the limits, over which full-scope surveys are conducted. The subpopulation to be omitted from the regular observation cannot be provisionally identified by introducing a further limit, because in the case of the units without legal personality (the area where most of the businesses including private entrepreneurs are working) the CSO register does not contain data on employment and at the moment that data cannot be obtained without specific data collection.

Taking into consideration what was mentioned above, the following provisional arrangement can be applied:

- in the case of the units with legal personality with less than 50 employees, they would be surveyed by sampling as was the case in 1991. The introduction of a further lower limit for size category would not be justified at present (for psychological reasons) and it would be seen as a backstep;
- in the case of units without legal personality the full-scope surveys would be extended to those having double bookkeeping (and also to those which had simplified double bookkeeping in 1991), while those having single bookkeeping would be surveyed by sampling (i.e. the former ones would be in a common category with the units having legal personality and more than 50 employees, while the latter ones would be altogether with the remainder of them);
- the units obliged to have only cash book but not bookkeeping will be omitted from the regular surveys (their data will be obtained from the yearly tax returns and by conducting censuses every 5–10 years).

This arrangement is a compromise, in consequence of which the number of organizations involved in observation is more than 100 thousand, representing a rate of 20% in number and more than 90% in terms of production value. The final (expected to be permanent) solution will be then developed by considering the results of the censuses.

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**The interim consumer price index of Albania – Description of methods used**

1. *Scope*: The new index is a national urban index designed to provide accurate results for the overall index and for major commodity groups (but not for subgroups which are only for internal use). In the construction of the index internationally recommended methods have been used. It is called an interim index because of the need to revise the weights within a year or so.

2. *Market basket*: The 203 items included in the basket were selected from the available lists (150 items and 330 items, respectively) based on data on retail sales. These items represent the goods and services most commonly used by an average urban household.

3. *Weighting systems*: The item weights were derived from detailed data on retail sales and services in 1990 and from a household expenditure survey based on a small sample of households. The weights assigned to items that are sold both at

controlled and free prices are approximations based on estimation by pricing agents and other Directorate staff; in general, very small weights were given to the free market component of these items, except in cases where such items were available in many district centers.

4. *Price collection*: For each item, prices are collected by local pricing agents fror four outlets in each of 26 districts centers. The collection takes place between th fifteenth and twentieth of each month. About two thousand price quotations arₓ obtained and used in the index calculations each month.

5. *Formula*: The Laspeyres formula (with fixed weights) is used. Calculations are made on computer on the base December 1990 = 100.

$$I = \frac{\Sigma \left\{ P_{oj}\, Q_{oj} * \left( \frac{P_{nj}}{P_{oj}} \right) \right\}}{\Sigma \; \{P_{oj}\, Q_{oj}\}}$$

6. *Publication*: The index is released for publication on the third day of the following month. Data are provided for the overall index and for eight major groups.

Table 1.
Consumer Price Index for Period December 1989–January 1992

| | Items | Weights | Dec. 1989 | Dec. 1990 | Dec. 1991 | Jan. 1992 |
|---|---|---|---|---|---|---|
| | Total all items | 1.000 | 97.6 | 100.0 | 204.1 | 224.4 |
| 1 | Food, beverages and tobacco | 0.630 | 96.6 | 100.0 | 211.2 | 232.2 |
| 2 | Cloting and footware | 0.125 | 97.6 | 100.0 | 211.5 | 230.8 |
| 3 | Rent, water, fuel and power | 0.053 | 105.0 | 100.0 | 115.2 | 119.4 |
| 4 | Household goods | 0.057 | 100.0 | 100.0 | 217.4 | 247.8 |
| 5 | Medical care | 0.006 | 100.0 | 100.0 | 100.0 | 100.0 |
| 6 | Transportation & communication | 0.045 | 95.8 | 100.0 | 123.0 | 126.1 |
| 7 | Rec., educ. and culture[1] | 0.074 | 100.0 | 100.0 | 202.9 | 228.1 |
| 8 | Personal care[2] | 0.010 | 100.0 | 100.0 | 494.8 | 559.6 |

[1] Include radio set, TV set, school books, newspapers, cinema, etc.
[2] Include toilet soap, tooth paste, lipstick, etc.

| Index of prices in percentage | |
|---|---|
| Dec. 1991/Dec. 1990 [(204.1/100.0)-1]*100 | 104.1 |
| Jan. 1992/Dec. 1991 [(224.4/204.1)-1]*100 | 9.9 |
| – excluding seasonal impact (fruits & vegetables) | 8.1 |