

*STATISTICS IN TRANSITION*-new series, December 2011  
Vol. 12, No. 3, pp. 553—558

## **NEW CHALLENGES WITHIN CROSS-BORDER STATISTICS**

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### **ABSTRACT**

The Czech Statistical Office has participated in the cross-border statistics since 1990, with first experience in the Euro-region among the Czech Republic, Poland and Germany (Saxony). The CZSO has later participated in several bilateral or multilateral projects focused on cross-border statistics together with Germany, Poland, Austria and Slovakia.

The cross-border statistics is not any one-way road. It gives possibility to exchange experience and knowledge among all participants. It should be an equal partnership of all participating countries and statistical institutions.

The cross-border statistics is a specific part of the official statistics. It is inhibited by identical limits as well and it shares the same statistical tools and methods and it has the same goals and challenges like the statistics in general.

The current statistics must respect two main restrictions: increasing budget and request to decline administrative burden. The consequential demand is to use more administrative data and data from usual statistical surveys.

The new requests on statistics in general have to be applied to cross-border statistics as well. The cross-border statistics should reflect new economic development. The movement of finance, manpower, goods and services has been rapidly changing nowadays. The permanent demand has been described by environmental conditions and factors, but it also should reflect new trends concerning well-being.

The future development of the cross-border statistics demands higher level of collaboration not only between neighbouring countries. It is very important to exchange and to concentrate experience and knowledge from many countries. This is a way to accelerate and to increase efficiency of the cross-border statistics in all countries.

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## **I. Experience of the Czech Republic**

Up to 1990 statistical experience in the Czech Republic did not involve any encounters with cross-border statistics. While national statistics were well-developed and provided wealth of information for various scopes of detail, from a municipal and district level up to regional statistics, compatibility on the international level was ignored. Year 1990 marked the beginning of profound changes in what used to be Czechoslovakia, political make-over first, followed by economical and social transition. Both the country and its economy started to open up to the world. Related to these developments new demands on statistics emerged. Among others, first requests for cross-border statistics were registered. Czech Statistical Office attempted to accommodate these demands by requesting relevant information from the EU member countries. However, advice received was based on already well-developed practices rooted in different political, social and economic conditions. A significant progress in establishment and development of cross-border statistics in the former Czechoslovakia and after 1993 in the Czech Republic can be accredited to setting up early contacts with the German colleagues in 1990, especially with those in the Federal State of Saxony. It was much more straightforward to apply experience from implementation of the statistical system of the so-called "old" German federal states in Saxony because of its similar conditions to those in Czechoslovakia up to 1989. Thus the first historical lesson learned is the fact that a preferred way is to take advantage of experience of a country which took lead and is either going through a similar transition process or have already accomplished it. Doing this is better than striving for adoption of well-established practices which work in quite a different social system.

The second lesson is in learning an importance of proper sizing of both resources and capabilities of statistical data, while balanced against the needs of cross-border statistics users. At the beginning of the nineties statistics in the Czech Republic has only started its transition to European Statistical System (ESS) methodology. The first task thus was to develop a new statistical methodology which is completely harmonized with the ESS methodology. This meant in the first place changing over statistical classifications and nomenclatures, ensued by changes in the system of statistical surveying. A significant change in the system represented switching from exhaustive surveys to sampling surveys. This step raised the quality level of statistical data and made it more effective on one hand, but on the other hand it reduced the scope of statistical data available at the municipal and district levels. Application of the concepts of confidentiality and individual data protection represented another fundamental change. Up to that point users were used to get data on any individual economical entity and all of a sudden these data either did not exist or it was not possible to provide them any longer. At that time a low quality level of information and communication technology (ICT) equipment represented another

limiting factor. Differences in legislature of the Czech Republic, EU member countries and other non-EU countries presented yet another significant problem.

As statistical data users, foreign investors coming into the Czech Republic were accustomed to information services provided by EU member countries' statistical offices and to nationally comparable data. By contrast a community of domestic users has only started to establish, along with their demands for statistical data. It took a rather lengthy enlightenment process before new users in the Czech Republic realized what they can expect from statistics and how they can utilize statistical data for their decision-making.

At the beginning of the nineties development of the Czech statistics could draw on the experience of Germany. On one hand it was a newly established statistical system in the Federal State of Saxony and on the other hand a mature system in the Federal State of Bavaria. Co-operation was also advancing quickly with our neighbours in Austria and Poland and – after the partition of Czechoslovakia – with the new neighbour Slovakia.

## **II. The current position of cross-border statistics in the Czech Republic**

In the past 20 years we have succeeded in building cross-border statistics into an important component of the national statistical services in the Czech Republic. Its methodology is fully comparable with those of neighbouring countries. Statistical information is provided through state-of-the-art ICT tools and by far most of statistical data are available through the web pages of the Czech Statistical Office in Czech and English. A number of statistical databases are maintained in bi-lateral or multi-lateral co-operation of national statistical offices. Based on demands from the principal users, statistical data sets are custom-processed and publications generated on so-called euro-regions. Apart from securing the functional methodology and technical base for cross-border statistics, we manage to secure operational financing as well, especially for on-demand publishing.

The areas of cross-border statistics methodology, technical support and finances have been provided for by the headquarters of the Czech Statistical Office. However all field activities have been conducted by its regional statistical offices (on the NUTS 3 level).

The main areas of utilization of cross-border statistical data are:

- Provision of data to investors for conducting their research, development of programs and projects supported by EU funds.
- Mutual research and recognition of ways of living in border regions of neighbouring countries.
- Education

- Tourist information

There are, however, new challenges emerging, aside from the successful results achieved so far.

### **III. New challenges**

#### Budget

Global financial and economy problems resulted recently in budget cuts in the area of national statistical services as well. For example, during the last two years Czech Statistical Office had to cut the number of its employees by almost 20 %. Further cuts are probably still ahead in the coming years. Cross-border statistics service must look for ways of securing service continuation for its users on a lower budget, just like all the other parts of the national statistical service, while maintaining its performance.

This means improvement of exploitation of all data acquired during statistical surveys is necessary. Better utilisation of administrative data sources is needed as well. In recent years we have been able to achieve better utilisation of administrative data from the Ministry of Finance databases (tax payers, distribution of tax revenues, subsidies to municipalities and regions, various government subsidies). The Ministry of Interior made available data that were previously obtained from municipalities, such as migration of population, natality and mortality, foreigners. Co-operation with the Ministry of Agriculture and Environment has grown more effective as well. Data are now available on agricultural production, land utilisation, wastes and pollution. All these statistics are also important for cross-border statistics.

#### Statistical information contents

Contents of cross-border statistics corresponds to general contents of statistical data. Fundamental discussions on future developments of statistical data contents must therefore touch cross-border statistics as well. It will be necessary to continue to provide statistical data on population, land or economy on regional level. But there is also an open question whether regional GDP is the best indicator of a level of regions' economical development and also a measure of a standard of living of regions' population. While new approaches have been devised and tested to define a state of well-being on national and international levels, these methods must be applied in regional statistics too. Of course this holds true even under the limiting condition of constrained budget. Undoubtedly, most indicators characterizing well-being on the national level will also apply on the regional level, but each region has its own specifics. When dealing with cross-border statistics, additional specifics between neighbouring countries need to be

considered as well. This implies that a general solution of the problem described above will require specific modifications for regional and cross-border statistics.

#### Provision of statistical information

In the recent years availability of statistical data has shifted from a printed form to electronic one. Getting data on the Internet is a common matter nowadays and there is a new question whether and how to involve official statistics into social networks. Statistical information should be available not only on web pages of statistical bodies, but it is desirable to make it accessible through web pages of municipalities, chambers of commerce, professional associations, regional schools and colleges or tourist information centres. A specific language complexity involves databases with cross-border statistics spanning territories of several countries. E.g. a successful euro-region, which covers three border regions of the Czech Republic, Saxony and Poland, publishes its information in three languages. This requires additional human and financial resources related to creation and maintenance of database data translated in three languages. Streamlining can be achieved by settling on a single language, but this solution is usually not welcomed by users.

### **IV. Recommendations**

Experience of the Czech Statistical Office accumulated so far and new solutions of current issues has laid a base for putting forward several recommendations aimed at further development of cross-border statistics both in the current EU member countries and in other non-EU countries:

1. When establishing and developing a cross-border statistics system, it is advisable to utilise experience of statistical bodies of countries which got through a similar process. These countries can share their knowledge of the process outcome, but also their experience from overcoming various problems while implementing the system.
2. Cross-border statistics cannot be fully successful unless official statistical bodies of the participating countries use internationally comparable statistical methodology, including both classifications and data acquisition and processing methodologies. It is also necessary to consider implications of national legislatures, even though this is beyond competencies of statistical offices.
3. It is important to know well the needs of cross-border statistics data users and to find effective ways of filling these needs. Provision and technical means of presentation of statistical data to users should be based on the same principle.
4. Systematically develop information campaign aimed at potential users of cross-border statistics. Focus on the young generation, school and college

students who represent the future user group on all society levels. Gain support of mass media for promoting utilisation of cross-border statistics to the public.

5. Current conditions require joining forces and sharing best practices to eliminate the impact of budget cuts. Similarly, join efforts to share best practices and look for ways of finding new contents of statistical data information. In particular, develop solution to the problem of expressing state of well-being on a regional level and in the international context. The key role in this respect should be assumed by Eurostat and statistical divisions of other prominent international institutions.