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**THE USE OF ADMINISTRATIVE SOURCES FOR STATISTICS AND INTERNATIONAL
COMPARABILITY**

Invited paper submitted by the Institut National de la Statistique et des Etudes Economiques (INSEE,
France)¹

1. This paper will address the three terms in the title of the paper -- the use of administrative sources, statistics, and international comparability -- with reference to actual cases whenever possible. Most of the examples refer to France, but could be of interest to the other national statistical institutes. The first section shows how significant use of administrative sources has contributed to shaping INSEE's culture. The second section examines the necessary conditions for producing a genuine statistical object from an administrative source. The third section examines the compatibility of that object with the imperative of building an integrated European statistical system.

I. INSEE MAKES VERY FREQUENT USE OF ADMINISTRATIVE SOURCES. THIS IS NOT SIMPLY A SPECIFIC FEATURE OF HOW INSEE OPERATES, BUT HAS ALSO CONTRIBUTED TO SHAPING INSEE'S CULTURE.

¹ Prepared by Paul Champsaur.

2. The possibility of using administrative sources is a principle enshrined in one of the main laws establishing the French statistical institute. Two major texts of law govern French public statistics. The Decree of June 14, 1946, created INSEE and defined its main missions. The Act of June 7, 1951, sets out the rights and obligations of INSEE and the ministerial statistical offices regarding the collection of data, notably data from enterprises. The 1951 Act is the de facto "statistics law" in France. Article "7 bis" of the Act sets out a crucial principle that is directly relevant to our topic. Information on individuals and legal persons can be collected by an administrative agency for two purposes: for a purpose corresponding to the specific missions assigned to the agency concerned, and also for statistics purposes. Potentially, therefore, the French public statistical system has access to all administrative sources. This principle, however, is associated with safeguards for respondents: microdata referring to named persons (or data which, without the name, could identify respondents) cannot be disclosed; in particular, such data cannot be released to administrative agencies other than the source agency.⁽²⁾

3. The French public statistical system uses administrative sources to a considerable extent, both in business statistics and in the area of demographic and social statistics. One point should be made at the outset. The decentralized structure of the French public statistical system (with the National Statistics and Economic Studies Institute, or INSEE, and several ministerial statistical offices, some of which are quite large) can be explained in part by the ability of the statistical offices to make optimal use of the administrative sources in their respective ministries. Another point is that administrative sources are a virtually free resource for INSEE. In France, standard interagency practice is for one administrative agency to charge another agency only a small amount, corresponding to the cost of making the information available, and not the cost of producing that information.

I.1. **Business statistics**, in France, are obviously based to some extent on direct surveys. There are a dozen direct surveys in all. The largest operation involves the "annual enterprise surveys" (Enquêtes Annuelles d'Entreprise, or EAE), which cover approximately 200,000 entities, and provide the basis for static and dynamic analysis of the structure of the industrial base. Other surveys focus on specific objects and a smaller sample; the survey of factory gate prices, for instance, covers 3,500 manufacturing firms.

4. Business statistics are also based on the utilisation, reprocessing and synthesis of four principal administrative sources.

1. The first administrative source -- the most important in terms of the scope and wealth of the information it provides -- is the annual income returns filed by French enterprises, which the tax authorities (the General Tax Directorate, *Direction Générale des Impôts*, or DGI) make available to INSEE. Approximately 1.7 million enterprises are covered, and, depending on the tax regime applicable to the enterprise, hundreds of variables are filled in. For the largest

² Article "7 bis" of the Act of 1951 is an amendment created by an act adopted in December 1986. This established a legal basis for INSEE's practice of using administrative data, which can be traced back to the late 1950s.

enterprises (approximately 600,000), a complete profit and loss account and a complete balance sheet are provided, as well as the notes to the financial statements on fixed assets and depreciation, in particular. This rich source can be used to analyze the enterprise from various angles, including its assets and investments, production and financial operations, debt, profitability, and so on.

2. The annual statements of payroll data filed by private-sector employers (*Déclarations Annuelles de Données Sociales*, or DADS) provide the second largest administrative source of data, in terms of volume. The approximately 35 millions records provide highly detailed data for each "local legal unit" (*établissement*) on the number of employees, payroll, annual changes, and labour qualifications.
 3. Third, the DGI also makes available to INSEE the monthly returns on turnover, which INSEE uses to calculate a monthly turnover index per industry.
 4. The fourth source is the monthly declarations on the trading of goods collected by the Customs Service, which are used to compile the statistics on intra-EU flows. Alongside that administrative source, the French Treasury provides INSEE with data on foreign investment in France.
5. Administrative sources thus constitute a mine of data for the public statistical system. INSEE is attentive to establishing synergies between the administrative sources and the six annual enterprise surveys, and has been carefully comparing the two for the past three decades. A common core set comprising nearly 100,000 enterprises and some forty variables has been identified. This has made it possible to establish a unified system of business statistics (the *système unifié de statistiques d'entreprises*, or SUSE). In general terms, comparing administrative sources against the surveys is worthwhile and results in more-robust information.

I.2. INSEE also has numerous administrative sources available for compiling **social statistics**. Without reviewing them all, we can mention the main ones. The vital records files are an important administrative source employed for statistics purposes. For statistics on unemployment and employment, we have the sources of the national public employment service (3) and the body formed jointly by employer representatives and employee unions to manage the unemployment-insurance system. In the area of wages and salaries, for employees in the private and semi-public sector we have the annual statements of payroll data (DADS, mentioned above), and for government employees we have the government service payroll files; taken together, these provide exhaustive coverage of salaried employees. The DADS data, along with other administrative sources, also provide information on numbers of employees.

³ Agence Nationale Pour L'Emploi, ANPE.

6. Finally, the DGI makes available to INSEE its entire file on personal income tax. This administrative source is evidently very rich. It provides precious assistance not only for compiling statistics, but also for the many studies done by INSEE in socio-occupational areas, for instance on earnings distributions.

I.3. Following this brief description of the administrative sources used by INSEE, the following point must be stressed: the fact that a statistical institute frequently uses administrative sources is not just one characteristic among others entering into how it operates and the output it produces. It also has an impact on the *culture* of the institute. Four examples can cast light on how this fits in with the construction of a European statistical system.

- First, INSEE can use a large number of administrative sources, which ultimately provide a very satisfactory degree of exhaustiveness. From this viewpoint, the French institute is privileged in comparison with some other statistical institutes in Europe. In the preparation of European regulations, this situation can lead INSEE representatives to express strong *reservations regarding ex nihilo construction of specific surveys, insofar as INSEE representatives know they already have access to proven national sources.*
- Second, recourse to administrative sources is a long-standing tradition: for instance, use of the payroll records in the DADS (though the name has changed several times) goes back to the 1950s. This means that INSEE has data that it uses to build time series that are long, stable, and interpretable throughout an entire economic cycle. Insofar as INSEE is mandated by law to carry out economic and social research, and also to make short-term macroeconomic forecasts, *this time dimension is absolutely essential.* The time dimension reinforces and legitimates INSEE's attachment to the use of administrative sources.
- Third, the exhaustiveness (or near-exhaustiveness) of the administrative source makes it possible to compile statistics and to conduct research *at a detailed geographical level.* Only a very "heavy" survey could achieve the same results with the same robustness. In France, the major institutional reforms of the early 1980s stemming from decentralisation increased the powers of local and regional authorities. That has increased demand for information on smaller geographical units.
- Fourth, insofar as the use of sources for statistics purposes occurs only as a sub-product, as it were, of the administrative agency's own activity, it does not increase the burden on respondents. This question answers a recurrent issue facing the European statistical system: the burden imposed on respondents, and how to measure that burden. In every area in which we use administrative sources, the statistical burden is zero. *Insofar as certain national statistical institutes in the European Union primarily use surveys, while others make widespread use of administrative sources, we consider it irrelevant to establish a single quantified, harmonised European measure for the respondent's burden.*

7. That provides an overview of the national context, viewed from the factual angle and from the cultural angle.

II. FROM THE ADMINISTRATIVE SOURCE TO THE NATIONAL STATISTICAL OBJECT.

II.1. *Seen from a strictly statistical viewpoint, administrative sources have a number of specific qualities.* First, as we have seen, these are generally mandatory declarations, and the related administrative audits *ensure a response rate that is practically equal to one.* This is due largely to the importance of the tax authority sources. Obviously, few individuals or legal persons are prepared to run the risk of a fine for failing to file, whereas a statistical survey can be treated with much greater negligence. It is recognised that the nonresponse rate to certain European surveys can be high. Second, the administrative sources provide remarkably consistent within-year data, despite their broad scope of coverage. Third, most of these sources correspond either to long-standing obligations (for instance, the obligation to pay taxes), or to the filers' right to receive something (for example, payment of a subsidy or a benefit). Administrative sources therefore are generally highly acceptable to reporting entities, which is not always the case for surveys. Finally, as mentioned above, they provide an inexpensive source of information.

8. Some of the drawbacks of administrative sources are the price to pay for their positive qualities. In particular, the exhaustiveness and richness of the information collected can make management cumbersome and can take longer to process, thereby reducing the freshness of the data. High acceptability is also due to the fact that administrative questionnaires are familiar to respondents; but it is often hard to make any changes in the questionnaires. Further, use of several administrative sources can lead to different analyses, which depend on the specific administrative concerns at the origin of each source. This occurs with unemployment data, for instance, where there can be discrepancies depending on whether the data are based on the number of persons enrolled at the public employment service (ANPE) or the number of persons receiving unemployment benefit. Last, and most significantly, the variables that are important for the statistician -- and which determine the "quality" of the product -- are not always the same as for the administrative manager.

II.2. To resolve these difficulties, the ideal situation would obviously be for the statistician to be closely associated in designing the administrative files and the related questionnaires. Yet that is seldom the case. The statistician must therefore do considerable work to transform the administrative sources into genuine statistical data. This work consists in reprocessing the administrative data, in providing overall consistency, and in enriching the data through specific surveys.

- *Reprocessing* the administrative sources involves *technical operations* and work on *concepts*. Because of the limits that sometimes occur with an administrative source, the statistician may have to employ relatively sophisticated technical processing methods in order to use the source; these could include exhaustiveness tests (e.g., by matching data for two consecutive years), tests on data consistency, manual processing of anomalies, corrections, and so on. Reprocessing can also lead to delimiting sampling frames in an (exhaustive) set of administrative data; that is what we do, for instance, for our "incomes survey" based on income tax returns. In other situations, the statistician has to match the administrative files (or parts of those files). In this way, the administrative source is improved by the

statistician's work downstream. When this happens, the statistician has to establish a genuine "quality" assessment of the source, in a more or less formal manner.

9. Even more difficult is the work on concepts. We use analogies and "conversion tools" in an attempt to make administrative concepts -- which are generally highly dependent on specific public policies -- amenable to statistical analysis. This happens, for instance, with the tax authority sources. INSEE uses the concept of "household" (*ménage*), understood as a unit residing in the same dwelling, whereas the tax authorities use the notion of "tax household" (*foyer fiscal*), which is defined as the unit that files a joint personal income tax return. An unmarried couple living together is considered to form two "tax households" but only one statistical household. On the other hand, two parents who have a son or daughter living in a university dormitory will be considered to form a single "tax household" but two statistical households.⁽⁴⁾

- *Imposing consistency.* Using two different sources -- administrative and statistical -- requires taking methodological precautions. It is necessary to ensure that the sources of information are consistent and provide information on the same units of observation. In the area of business statistics, this issue has been resolved by the fact that the French authorities set up, starting in 1973, a national business register for identifying enterprises and their "local legal units". The register is known by its acronym, SIRENE.⁽⁵⁾ It contains a comprehensive set of "vital records" on enterprises, including their principal economic, legal and employment-related characteristics. Moreover, insofar as INSEE is responsible for managing this system, it is obviously consistent from the statistician's viewpoint. Millions of records are added each year (on the creation or termination of enterprises, changes in their main activity, changes in the number of employees, changes in the company's articles, and so on). Accordingly, *a unique identifier* -- an arbitrary number with no inherent information content -- is assigned to each enterprise and to each local legal unit. Use of the number by the enterprise (or local legal unit) is *compulsory in all its dealings with administrative agencies*, and obviously in all responses to statistical surveys. The identifier is thus the backbone that provides consistency throughout the information system, whether it is fed by administrative sources or by direct surveys.

10. Using the SIRENE business register for statistical activities provides two types of benefits. First, as mentioned above, there is the certainty that data will be consistent. Second, the register is a remarkable tool for analysis and investigation, in its own right. The register's exhaustiveness (with approximately five million entities) and the richness of the economic and employment classification variables it contains, make it an excellent base for sampling frames; it also provides a frame for research, in particular for sectorial studies, geographical studies, or studies in business demographics. More generally, it forms a reference system that can be tapped by a variety of surveys, at a marginal cost equal to zero for respondents.

⁴ The difference is quite significant. There are estimated to be 1.3 "tax households" (*foyer fiscal*) for each statistical household (*ménage*).

⁵ *Système national d'Identification et Répertoire des Entreprises and de leurs Etablissements.*

- Finally, there are cases where *the administrative sources must be supplemented by narrowly focused statistical surveys* (including, incidentally, to meet the needs of the administrative agency itself). This is notably the case for new societal issues, such as social exclusion, or the homeless. This is because a non-negligible proportion of the relevant populations is absent from the administrative files, even though their precarious situation makes them eligible for various forms of welfare (in the case of "non take-up").

III. FROM THE NATIONAL STATISTICAL OBJECT TO THE HARMONISED STATISTICAL OBJECT

11. Now, at this stage, we are dealing with a genuine national statistical product that originated in administrative sources.

12. Construction of an integrated European statistical space has accelerated since the early 1990s. This movement will most likely gain momentum and affect areas that were previously largely unconcerned, such as social data. Statistics is no longer simply an instrument of knowledge, but has become one of the instruments for European policy decision-making. In light of this, the use of administrative sources by the national statistical institutes can be problematic if the downstream statistical data are not harmonised -- if they reflect the concerns of national decision-makers more than the concerns of the European authorities. How can we resolve the conflict of interest between the benefits of using administrative sources, and the need for greater harmonisation of statistical systems and statistical output?

III.1. The first level involves harmonising concepts.

13. Considerable time has been devoted in recent years to harmonising methods, sometimes at the expense of harmonising concepts. Yet harmonising concepts is a necessary precondition, in the absence of which analysis can be severely biased. We can take several examples from social statistics and business statistics.

III.1.a. A necessary precondition...

14. To satisfy the objective of harmonising European statistics, the temptation can be strong to promote specific pan-European surveys with a harmonised content. Yet in some cases it is certain that product harmonisation occurs only on paper, in a purely formal way. Not only can launching harmonised surveys run counter to the objective of reducing the burden on respondents, but we must also caution against the illusion that such surveys would provide, ipso facto, more homogeneous results than the national administrative sources. Admittedly, the questions would most likely be harmonised, but that would not necessarily mean harmonised responses. For instance, an enterprise will continue to respond to questionnaires by referring to the national concepts and conventions with which it is familiar, i.e., through its own information system.

15. *Genuine statistical harmonisation should therefore presuppose, as a prerequisite, homogenisation of non-statistical concepts, particularly in the tax and social areas.* In order to establish equivalences between different institutional contexts, and seek analogies, it is necessary to define concepts and classifications that have a satisfactory degree of universality. This task is obviously very difficult, and sometimes even impossible, given the considerable inertia of national institutional realities in the face of efforts to fit them into a harmonised European conceptual framework. This difficulty occurs in every Member State, irrespective of the degree to which administrative sources are used. In effect, even in countries where little use is made of administrative sources, the content of

statistical questionnaires is highly influenced by the mere existence of *administrative questionnaires*, which provide respondents with a familiar and essential reference framework.

16. Despite these difficulties, there are clearly areas where statisticians should seek greater conceptual consistency. In the area of social statistics, it is regrettable that so basic a concept as "household" should be defined so inconsistently from one Member State to another. Similarly, we still have no harmonised nomenclature for "socio-occupational" categories, and the use that is made of the various classifications -- when they exist -- varies considerably from one Member State to another. Also to be noted is the absence of harmonised definitions of labour qualifications; this has a severe effect on comparisons of the structure of employment and earnings. In France, for instance, the central point in the scale of qualifications is the secondary school diploma, whereas the German frame of reference is based on the distinction between "with or without validated vocational training." A cooperative project between Statistisches Bundesamt and INSEE that compared income and labour costs gave us the opportunity to see both how difficult it is, and also how crucial, to harmonise concepts and classifications (in particular for qualifications), before any comparative analysis of numerical data.

17. In the area of business statistics, it would be appropriate to harmonise the notion of the "statistical unit" that is addressed. The "statistical unit" can be defined as the basic element in aggregating and formatting statistics. This is a chronic problem that has not been resolved by the EU regulations. The regulation on statistical units indeed harmonised the terms to be used, but left room for several possible interpretations of the definitions published. The French system of business statistics makes it possible to address very detailed units -- the "local legal units" -- primarily thanks to the SIRENE business register discussed above. It is certain that the use of different definitions from one Member State to another, for the statistical units -- what could be termed the "degree of observational detail" -- is problematic when the data are aggregated. This probably leads to significant biases in comparative analyses, for instance when attempting to measure value added generated in one sector or employment in another.

III.1.b. ...which must take the user's concerns into account.

18. Charts of accounts can provide an example in this area. The 1946 French General Chart of Accounts, as amended in 1982, is well suited for statistical work, including for the preparation of macroeconomic data. That is hardly surprising, because statisticians were very closely involved in preparing the chart of accounts. The chart has both properties required for use in economic statistics: first, the concepts are very similar to those used in economic analysis; second, the chart provides a precise, homogeneous framework so the data can be added and aggregated across enterprises, irrespective of the company's size or status (as parent company or subsidiary). An effort to harmonise accounting rules has been undertaken at the EU level, in particular with the Fourth Council Directive on the Accounts of Certain Types of Company in 1978 -- and the 1982 French chart of accounts complies with the Fourth Directive.

19. Still, economy globalisation, the emergence and increasing number of major international groups, and the natural attraction exerted by the U.S. stock market, have created a sort of competition between the charts of accounts in continental Europe, and the charts of accounts in the English-speaking world,

particularly in the United States. On the other hand, globalisation has also strengthened the demand for harmonisation in the presentation of accounts. Multiple presentations are viewed with suspicion by financial analysts, by bank officers examining loan applications, and by shareholders. The creation of the International Accounting Standards Committee, IASC, in 1973, is part of the quest for harmonisation. There is reason to believe that eventually, the standards established by this body -- and which resemble the standards of the English-speaking world -- will tend to prevail. Were this to happen, there is a danger of moving towards a dual system for accounts. In effect, if we include the U.S. model, we will have (a) consolidated accounts intended primarily to provide information to the financial markets and to shareholders, and (b) the subsidiaries' accounts that will give priority to tax considerations. All told, we would end up in Europe with accounts that are less and less homogeneous, because they would vary depending on the degree of aggregation (read: consolidation), or even from one group to the next. For that very reason -- and also because the presentations would privilege a managerial or tax focus -- the accounts would be unsuitable for statistical calculation and for economic analysis.

20. This danger -- which has already materialised, in the special treatment given to the major multinationals -- can be viewed with concern. It could make statistical data less capable of meeting the needs of users of macroeconomic statistics, because the robustness of the data would be affected by the lower precision of the microeconomic data used in the aggregations, leading to greater use of estimates. Second, the registers and surveys would have to be made more complex in order to adapt to what would then be heterogeneous accounting systems. Furthermore, enterprises could be forced to restate their accounting data in order to respond to surveys.

III.2. What degree of harmonisation in methods?

21. Choices regarding the intensity of harmonisation can be examined through the filter of three criteria.

22. The first filter is *whether or not harmonisation is necessary in light of the powers of the Union. This question refers to the issue of subsidiarity.* This is an area where there appears to be a strong asymmetric relation between the field of action and the field of knowledge. Consider the example of employment policies. If we address only the action criterion, most authority lies within the scope of the Member States, in terms of their systems of training, occupational integration measures, the level of social charges and unemployment compensation, more or less generous social welfare systems, and so on. Therefore, one would expect statistical output to be "fitted" to those policies. That is no longer the case, once the knowledge criterion comes into play. It only takes a small number of highly focused Community actions that are linked to the measurement of unemployment, for the need to harmonise numerical information to appear. This is indeed the case, since, for example, part of the allocation of structural funds is conditional on the unemployment rate. To avoid injustice in the allocation of funds, it is appropriate for the definitions of unemployment and the economically active population to be harmonised. Also, in this case, what is involved is not only knowledge of *changes* in unemployment -- which would be compatible with minimal procedures for harmonisation -- but also knowledge of *levels*. We could multiply the number of examples. In fact, *there are very few areas of action in which the*

Union is so little present that the need to harmonise knowledge is not felt. All told, the first filter -- the subsidiarity filter -- appears to exercise only a low degree of discrimination.

23. Still -- and something should be done very soon to resolve the paradox -- cases exist where there is a total lack of harmonisation, although we are clearly dealing with areas for Community action. For instance, with the introduction of the single market and, even more, the single currency, it is evident that demand for information on European enterprise groups will grow swiftly. It could even be said that the relevant field for analysis of the group is indeed the entire Union. An effort should therefore be made to put into place a harmonised European identification system for enterprises of European dimension. At this stage, the current absence of a harmonised identifier is *a thoroughly anachronistic "statistical frontier"* that prevents following an enterprise beyond national boundaries.

24. The second criterion involves checking whether or not the economic or social realities are close enough for harmonisation of statistical data to be necessary. This criterion, which concerns the *degree to which realities are similar*, can easily make distinctions between macroeconomic statistics, where similarity is very strong (with the common monetary policy for all the members of the euro-zone, or national fiscal policies whose room for manoeuvre is governed by the stability pact); business statistics, where similarity is also high (with the single market, European competition law, and so on); and social statistics, where similarity is much less in evidence. If economic realities are close enough, harmonisation is legitimate and desirable. If the national contexts are dissimilar, it is better to stick to the national instruments of measurement and provide a proper explanation of the conceptual differences between member countries.

25. In cases like this, harmonised methods -- in the form of a new specific survey -- could produce statistics which, while formally answering the question raised, diverge significantly from existing, proven national statistics. This kind of criticism was levelled, for instance, at the European Household Panel Survey. In such cases, dissemination of the results must correspond to the objectives pursued, and divergences between "harmonised" data and "national" data must be stated explicitly. Let us use the European Panel Survey for a very general, first-level comparison of the EU Member States, i.e., for "structural" comparisons in which national institutional differences have only second-order effects. Let us also preserve the national series with which our users are accustomed, for analysing a range of sensitive phenomena, such as poverty. At the very least, let us do so until our users become so interested in the European data that they will no longer accept the incompressible portion of non-comparability that the European data currently contain.

26. The third filter that can be used is *cost-effectiveness*: Are the actual results proportionate to the additional cost they entail? It should be noted at the outset that the "effectiveness" of a statistical instrument cannot be judged simply by its ability to measure a variable. In many cases, the instrument must be judged on the basis of its interpretability. From this viewpoint, the inherent failing of new constructions is that they have no "memory," so they are uninterpretable. It can be objected that this argument is a transient one, because with time, the new instrument will obviously gain in stability and acquire the necessary "memory". But for a relatively long period -- say, the duration of an economic cycle -- the existing instruments of measurement will have to be preserved (precisely because they are

stable and interpretable), while giving the new ones time to become proven. The development and simultaneous management of two instruments of measurement can be extremely expensive. *This type of situation must therefore be altogether exceptional, and limited to those cases where the harmonisation imperative corresponds to very strong policy commitments that provide, in particular, the necessary funding.*

27. Two examples can illustrate the issue of cost-effectiveness. Let us begin by looking at the unemployment rate. The additional cost of the new questionnaire and of carrying out a continuous labour force survey is significant. But it is no less important to have a measure of unemployment that is independent of national legislation, that is not subject to charges of arbitrary manipulation, and that allows allocation of certain structural funds on the basis of harmonised criteria. In this case, the gain in terms of effectiveness offsets the cost. Furthermore, a long enough period for deployment has been planned to accommodate the transitions and avoid the risk of less-interpretable results.

28. On the other hand, using a specific survey to build a European employment cost index was considered too expensive by a large majority of national statistical institutes, in light of the potential benefits of the new instrument. Instead, it was proposed to explore the possibility of making greater use of existing national sources -- drawn, in many cases, from administrative files -- while working to improve conceptual harmonisation. More generally, the cost-effectiveness criterion leads to the conclusion that in all cases where the essential aim is to measure changes and not levels, putting into place a specific European survey is too expensive.

29. In conclusion, the following two points can be emphasized:

- In its day-to-day work, INSEE fully appreciates the importance of being able to call upon numerous administrative sources. Surveys and administrative sources form a very good fit. This significantly improves the quality of statistical output. The fact that two sources are available also makes it possible to satisfy a broad range of requests, while limiting the constraints imposed on respondents.

- Major use of administrative sources unquestionably raises issues in the perspective of building an integrated European system. Harmonising concepts is a difficult but necessary first step, if we wish to avoid harmonizing methods and products only on paper, in a purely formal way. In the area of business statistics, harmonisation is clearly imperative, especially for statistics on enterprise groups. On the other hand, there exist several fields of social statistics where harmonisation is not currently feasible, either because national realities are dissimilar, or because the additional costs of harmonisation are too high, in light of the potential benefits.