Second International Workshop on Economic Census

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Keynote Address

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Good morning.

It is a great honor and a privilege for me, on behalf of the United States Census Bureau, to help open this “Second International Workshop on Economic Census.” I want to thank the United Nations Statistics Division, particularly Paul Cheung and Vladimir Markhonko for organizing the conference and Korea’s National Statistical Office (KNSO) for hosting this event. I also want to thank the many participating countries.
First, let me extend Tom Mesenbourg’s sincere regrets that he is unable to attend this most important conference. An unavoidable commitment to testify at a congressional hearing made it impossible for him to be here.

When I read over the keynote address Tom gave at the First International Workshop in Beijing four years ago, I was struck by his characterization of the conference as groundbreaking. While we may not be able to say that any longer, the opportunity for us to learn and grow from our experience is greater than ever. You do not need for me to tell you a lot has changed in our worlds since the last conference. How we document that change will be key to what we learn and how we grow.

This week we have the opportunity to share our experiences, discuss the challenges our offices face, and learn from each other. As much as we are all alike we are also very different. Some countries here like the United States conduct economic censuses, other countries like Canada and the UK have well-established programs of economic statistics that do not include periodic censuses of the economy, other countries may be considering economic
censuses. One thing we all have in common is the challenge of measuring our constantly changing economies. What we will come away with is an increased understanding of these challenges and how they are best met.

Last time Tom Mesenbourg spoke to you he described the U.S. Economic Census as the cornerstone of the United States’ economic statistics infrastructure and discussed the goals of the census, its history, described some of the census underpinnings, and concluded by talking about the important challenges that we all face and what he saw as keys to improving our economic statistics programs in the years ahead. Today, I would like to talk a little more about those keys to success and how the challenges we face can best be addressed.

The multiplicity and diversity of our programs, data providers, and customers would present a demanding agenda even if the economy were not changing. Yet, change is pervasive; measurement is becoming more difficult; and we must respond. I have identified five important challenges that we must address if our business statistics programs are to relevant, and useful. These
are challenges associated with: measuring a constantly changing economy; improving respondent cooperation and maintaining high-quality data; improving programs in the face of constrained resources; attracting, developing, and retaining a skilled workforce; and protecting data confidentiality and safely securing the data entrusted to us by business respondents.

MEASURING A CONSTANTLY CHANGING ECONOMY

The economy is a moving target, constantly changing, and becoming increasingly more complex. Our programs must respond to these changes. Our top priority should be providing economic statistics that are relevant, accurate, timely, useful, accessible, and responsive to the needs of our customers. These statistics also must be comparable over time and across industries. To meet these challenges, we must understand how the economy is changing, recognize how these changes affect our programs and methods, and identify emerging and less important data needs.
The task before us is daunting and we cannot do it alone. We must find more effective ways of collaborating with our customers including the business world, sector and industry experts, governments, researchers, and policymakers.

**IMPROVING RESPONDENT COOPERATION AND MAINTAINING HIGH-QUALITY DATA**

Relevant, accurate, and timely statistics require the continued cooperation of our data providers. We cannot take this support for granted. We must proactively and aggressively seek innovative ways to limit reporting burden on businesses and government entities. To accomplish this goal, we must understand our data providers’ environments and needs. We need to improve our knowledge of their record-keeping practices, organizational structure, reporting processes, and data availability. We need more information about: how data providers interpret our concepts, questions, and instructions; their reporting problems and concerns; and their ideas about how we can facilitate and simplify reporting. Also, we need to strengthen our knowledge of
accounting principles and practices and their impact on the data we collect and how we collect it.

Our objective should be to limit burden by simplifying and facilitating reporting. To accomplish this, we must work even more closely and collaboratively with data providers, other agencies supplying us with information, accounting groups, and organizations representing businesses and governments. Most importantly, we need to put ourselves in the shoes of the business and government entities we are surveying. We must shift from our traditional survey-centric approach to a company-centric approach that enables us to communicate and work with our data providers.

In the United States we must continue working to create an E-Government environment, aggressively expanding electronic reporting capabilities in our programs, and working closely with businesses to ensure that we meet their needs. The Census Bureau’s experiences over the past three decades helped frame our future plans, strategies, and priorities regarding electronic reporting. Our plans will concentrate on developing instruments that provide
businesses with functionality that facilitates their reporting requirements. Most of the development will take the form of Web-based applications using low-cost models, such as Census Taker.

**IMPROVING PROGRAMS IN THE FACE OF CONSTRAINED RESOURCES**

The financial crisis has placed significant new financial demands on national governments and many countries’ statistical offices are already facing bleak funding prospects. In the future there is little reason to think this will change. In fact, we should expect increased budget scrutiny, with budget appropriations tied increasingly to program performance. Maintaining financial support for our programs will be a challenge. Nonetheless, simply maintaining the programmatic status quo is not sufficient; we must reallocate resources to enhance our programs, even in the face of constrained financial resources.

We should assume that all but the most important program improvements will have to be funded internally by reallocating existing resources from
lower-to-higher priority programs. To facilitate program review and reallocation decisions and to respond to possible budget cuts, I would strongly suggest you need to develop a framework for prioritizing and evaluating your programs. The Census Bureau has developed such a framework and has found it quite useful in making hard program and budget decisions.

Wherever possible you should use corporate systems, processes, and tools, and plan new activities with a corporate perspective rather than a survey-specific perspective. You can reduce development, maintenance, and support costs by standardizing, simplifying, or eliminating business processes; facilitating the sharing of knowledge and practices across programs; generalizing processing systems; and centrally managing your computing environment.

Also, you can free resources by operating more efficiently. Institutionalizing project management, adopting best software development practices, and establishing a culture of accountability will reduce cycle times and permit
you to do more with your existing resource base. Your programs should use performance metrics and information systems to monitor progress and measure success, and balanced measures to solicit feedback from your employees and customers.

ATTRACTING, DEVELOPING, AND RETAINING A SKILLED WORKFORCE

A talented, diverse, skilled, and motivated staff is the cornerstone of your organization. Successful implementation of your goals and objectives requires a workforce with multiple competencies including expertise in mathematical, statistical, and data collection methodology and economics, accounting, and information technology. Staff must understand an increasingly complex and rapidly changing economy; be familiar with record-keeping and accounting practices; effectively communicate and collaborate with customers, data providers, and other stakeholders; use technology intelligently; innovate, think, and act corporately; use project management methods and tools; and be adaptive to change. Making sure staff have such knowledge and skills is all the more pressing since a good
number of us will be eligible for retirement soon. At the Census Bureau more than 50% of our managers will be eligible for retirement by the end of 2010.

A safe, secure, and continuous learning environment is absolutely essential. We must equip staff with the training, experiences, and tools they need to meet the many challenges they face. We should want to make sure they continue to develop expertise about the content of the programs they are responsible for. In addition, all staff, including managers, should be expected to improve their leadership skills and expertise.

**PROTECTING DATA AND MAINTAINING DATA SECURITY**

Your agency’s confidentiality and privacy principles support legal requirements while recognizing ethical responsibilities for the agency’s data collection, handling, and dissemination. They serve as the underpinnings for all data stewardship policies and as the basis for current and future practices.
Understanding your responsibilities to safeguard and protect data is absolutely critical to your agency’s mission. Not only must you understand these responsibilities, you must carry them out daily.

The mandate of your agency is to collect data on households and businesses. In so doing, you enter into an implicit pact with respondents that the data will not only be used well, but will be protected from unauthorized access and use. This promise of confidentiality is not only a legal and ethical mandate, but an important contributor to data quality and response rates. You can ill afford a breach or even a hint of one. There is a distinction that can be drawn between the reality of confidentiality and the public’s perceptions and attitudes about confidentiality. Unless respondents trust us, studies have shown they are less likely to cooperate. Good handling of privacy and security inspires that respondent confidence.
While information technology has afforded us opportunities to provide better services to customers, it has challenged our ability to maintain the confidentiality and privacy principles in which our programs are built on.

Let me conclude by thanking everyone for attending. I hope I have provided you with some things to think about. The next three days should be rewarding ones. Ones where we will have a wonderful opportunity to exchange experiences, share ideas, and build alliances. I look forward to a full and interesting program.

Thank you very much.