European Commission BCS surveys: impact and consequences of COVID-19

Christian Gayer

Head of Sector

Business and Consumer Surveys and Short-term Forecast (European Commission DG ECFIN A3.1)

Pre-Conference Workshop of the 36th CIRET conference, organized by UN Statistics Division, Marmara University, KOF, TURKSTAT - *Tuesday, 13 Sept. 2022, Istanbul, Turkey*

Structure

(i) Background: The EC’s survey programme (BCS)

(ii) The unprecedented impact of COVID on BCS data

(iii) Impact on data collection, response rates, survey mode (gen.)

(iv) Anecdotal evidence

(v) Discussion of impact of COVID during 2020 BCS Workshop with partner institutes

(vi) Role of ad-hoc “crisis questions”

(vii) Impact on seasonal adjustment

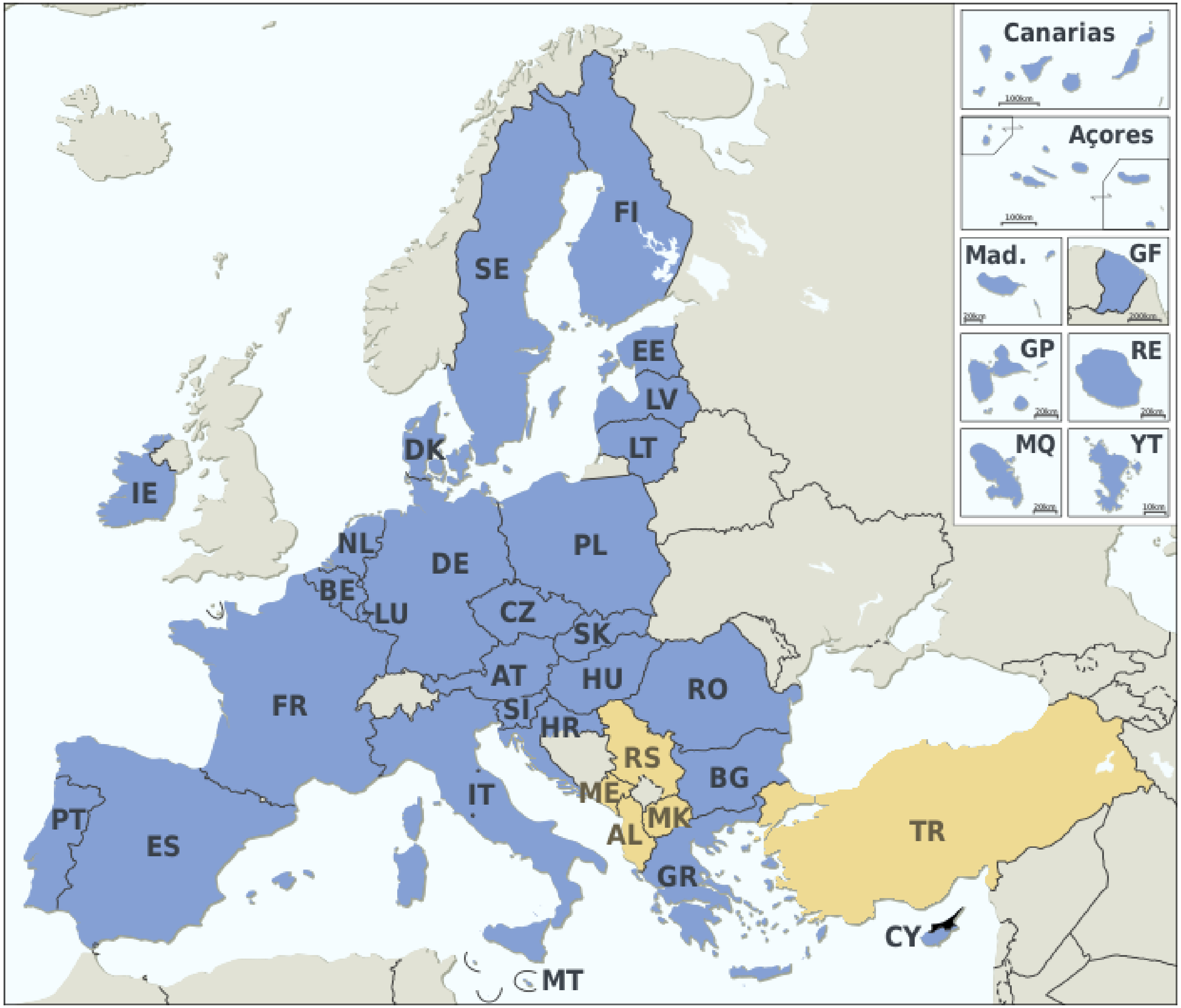
(viii) Challenges for survey data after the pandemic

(ix) Conclusions

The Harmonised EU Programme of Business and Consumer Surveys (BCS)

- EU-wide programme since the 1960's
- Constant expansion of coverage: geographical and sectoral
- Surveys carried out by national partners
- Commission co-financing through grants
- Harmonisation: questionnaires, frequency, time table, methodology: soft harmonisation

Geographical scope



EU-27

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candidate countries:

- Turkey
- North Macedonia
- Montenegro
- Serbia
- Albania

…

Ukraine and Moldova?

Starting point: BCS survey data collapsing at unprecedented scale

Table: Development of confidence indicators

		March	April	Difference	Lowest Value since	Largest Drop since
EU	Industry	-10.7	-30.6	-19.9	June 2009	largest on record
	Services	-1.8	-35.4	-33.6	lowest on record	largest on record
	Retail	-6.4	-27.7	-21.3	lowest on record	largest on record
	Construction	0.8	-15.9	-16.7	April 2016	largest on record
	ESI	94.6	65.8	-28.8	March 2009	largest on record
Austria	Industry	-11.1	-30.3	-19.2	June 2009	largest on record
	Services	6.1	-45.6	-51.7	lowest on record	largest on record
	Retail	-25.1	-46.7	-21.6	lowest on record	February 2001
	Construction	12.6	-16.2	-28.8	October 2015	largest on record
	ESI	95.0	61.9	-33.1	lowest on record	largest on record
Germany	Industry	-17.2	-33.3	-16.1	July 2009	largest on record
	Services	0.6	-30.3	-30.9	lowest on record	largest on record
	Retail	-20.2	-41.6	-21.4	lowest on record	largest on record
	Construction	8.4	-0.6	-9.0	May 2016	largest on record
	ESI	92.0	72.1	-19.9	March 2009	largest on record
Spain	Industry	-7.0	-30.7	-23.7	July 2009	largest on record
	Services	2.3	-47.9	-50.2	lowest on record	largest on record
	Retail	-1.4	-38.5	-37.1	lowest on record	largest on record
	Construction	-10.5	-27.0	-16.5	August 2017	March 2016
	ESI	99.3	73.3	-26.0	March 2009	largest on record

Impact on EU-wide survey programme (general)

2nd half of March 2020: Fieldwork effectively stalled due to containment measures in many cases…

…but considerable differences across countries (also reflecting differences in data collection periods)

In many countries, majority of survey responses were collected *before* strict containment measures were enacted:

- 50-70% in BE, CY, CZ, MT
- 71-85% in DE, DK, EL, ES, HU, IT, LT
- 86-95% in AT, BG, EE, FI, NL, PT, SK, SE
- 95% in FR, HR, IE, PL, RO
- No information for LU, LV and SI.

→ data less comparable across countries (and less accurate)

April 2020: lockdown (full impact on survey results)…

Italy the only country where no data could be collected due to strict confinement measures (and Albania: late delivery)

Some partners proposed to reduce number of survey questions in April, to reduce response burden (*but in the end delivered full programme, PL-GUS*)

Response rates were much lower than usual in most countries, and many changes in survey mode (espec. CONS)

–> less accurate data (and less comparable across countries and across time)

Impact of pandemic and confinement measures on data collection and response rates

Diverging patterns in business surveys:

- In several countries, enhanced communication efforts were needed to convince managers to participate in the standard survey: TR-TCMB, AL-BoA, PL-GUS.

- In other countries, response rates during the crisis were surprisingly stable, or even increased. This was explained by desire of managers to share experience and contribute to monitoring of the crisis: SE-NIER, DE-IFO, AT-WIFO, CZ-CSO, UK-CBI

Impact on survey mode:

Especially for consumer surveys, crisis and hygienic containment measures required swift change away from F2F-interviews to online and telephone interviews

This required considerable flexibility in the organisation of data collection.

In a longer-term perspective, the crisis likely accelerated the trend towards online surveys.

Structural break/mode effect? unfortunately, no reliable insights into structural breaks in the level of confidence due to mode effects (from F2F to online/telephone): overshadowed by record slump in confidence caused by the pandemic

Impact on survey mode (incomplete)

HU	GKI	CATI online interviews in April & May instead of F2F	20-03-20
HR	IPSOS	change from F2F to CATI in April	17-04-20
BG	GfK	CATI & web assisted interviews in April instead of F2F	23-03-20
LV	FACTS	CATI interviews in April	22-04-20
MT	MCCEI	switch to online sampling	22-04-20
PL	GfK	CAWI instead of F2F in April and May	24-03-20
BG	LOGO	online/phone interviews for May	23-04-20
RO	GfK	CATI instead of F2F in April	23-03-20
SK	SURS	CATI instead of F2F in April	21-04-20
TR	TURKSTAT	CATI instead of F2F in April	22-04-20

Lockdown - some anecdotal evidence:

1. Business surveys (usually via paper and online/internet)

- *paper surveys: could not be collected by post in April and May (FR-INSEE)*

  → *significantly lower response rates*
  → *campaign to boost online responses*
  → *no more prepaid back envelopes. Issue: stickiness of habits, loss of respondents particularly in building sector*

- *online surveys: during lockdown, telephone/email reminders had to be increased to sustain response rates (PT-INE). After April and May: normalisation*

2. Consumer surveys (usually per telephone or in person)

- *Telephone: no changes, but invitation letters could not be sent in April (FR-INSEE), leading to lower response rates (even if compulsory: from 78% down to 70%)*

- *PT-INE: during lockdown consumers were more available to answer to the survey → long term positive “home-office” trend on telephone response rates?*

- *Personal (F2F) interviews: impossible in March/April (e.g. PL) → switch to telephone or CAWI (PL-GUS).*

- *Long-term effect: usually no coming back to F2F in 20-21 (switching costs, unpredictable situation) → decision to switch to CAWI permanently (PL-GUS)*

2020 BCS Workshop with partner institutes, 17 Nov 2020

Discussion of impact of COVID – some additional aspects:

- High media interest in survey releases during acute COVID phase
- increase of survey frequency to 2-weekly in response to media interest (SE-NIER)
- Big time-series impact on seasonal adjustment (TR-TCMB)
- Several partners introduced **ad-hoc questions** to measure the impact of the pandemic (‘quick diagnosis’)

Typical ad-hoc questions:

- impact of crisis on business operations and viability, e.g. % of turnover losses: PL-GUS, DE-IFO, AT-WIFO, SE-NIER
- survival capacity in months: PL-GUS, AT-WIFO
- expected time to return to pre-crisis demand level: DE-IFO, CZ-CSO
- impact on investment plans: PL-GUS, AT-WIFO
- actions reducing negative impact of pandemic: PL-GUS, AT-WIFO
- incidence of short-time work (DE-IFO) or liquidity issues/payment gridlocks: PL-GUS, TR-TCMB, DE-IFO, AT-WIFO
- public assistance measures used or desired: PL-GUS, TR-TCMB, AT-WIFO

Institutes considered **ad hoc questions** very useful

- both for analysis purposes, and
- as input for economic policy debate

BUT: shortage of time for setting up extra questions and analysing results in time to be relevant for policy discussion proved challenging (DE-IFO, CZ-CSO, AT-WIFO).

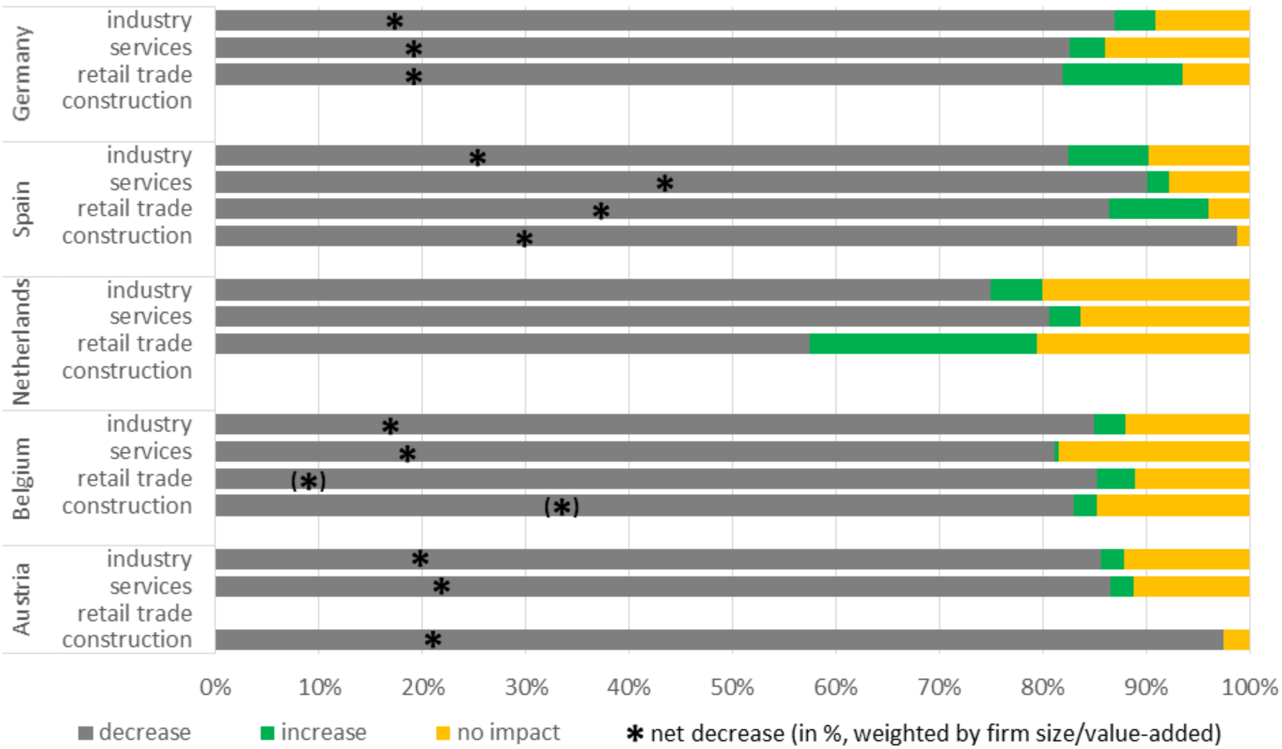
→ idea to keep typical crisis-questions "in the drawer", for swift relaunch in the event of subsequent Covid-19 waves or other/similar economic shocks in the future

KEY: organisational flexibility

NB: Response rates to ad-hoc survey questions generally somewhat lower than for regular questions. Reason: presented to respondents after completion of standard questionnaire (PL-CSO, SE-NIER)

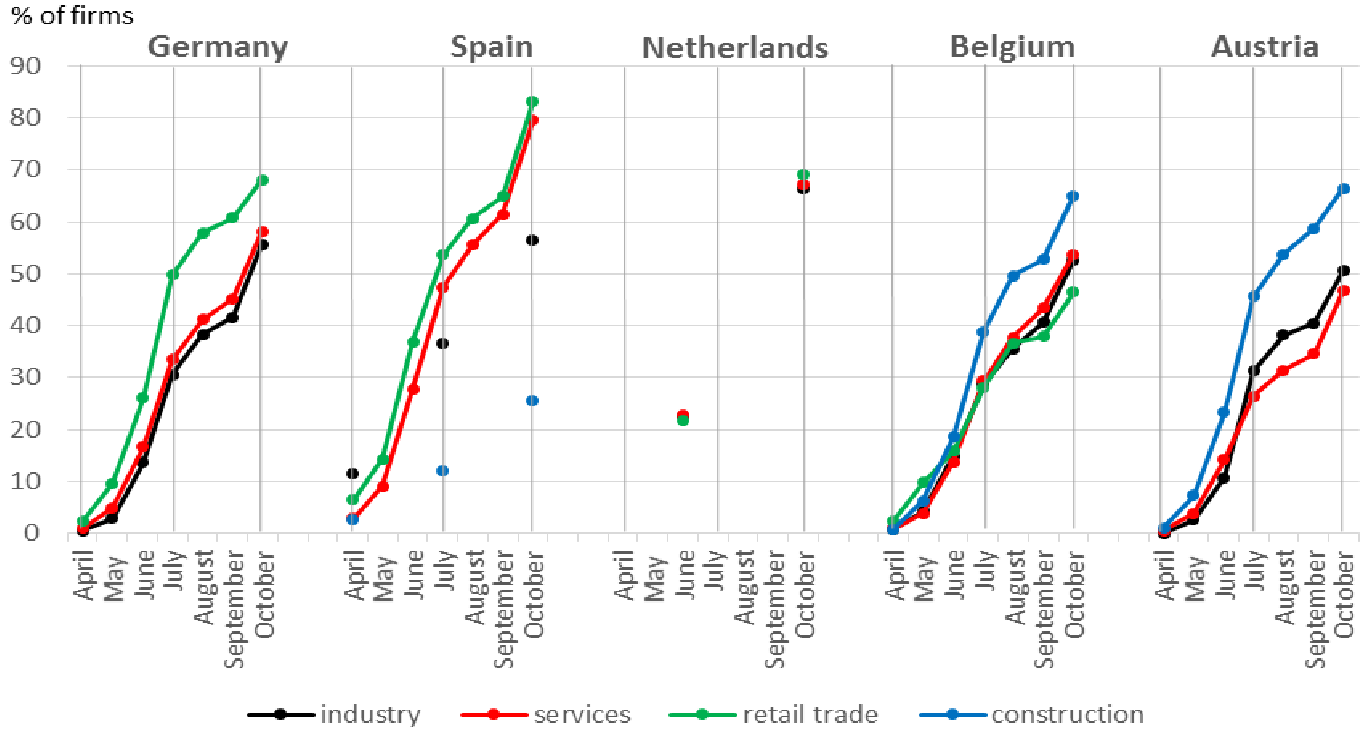
Examples of ad hoc analysis

Impact of Corona pandemic on firms' turnover



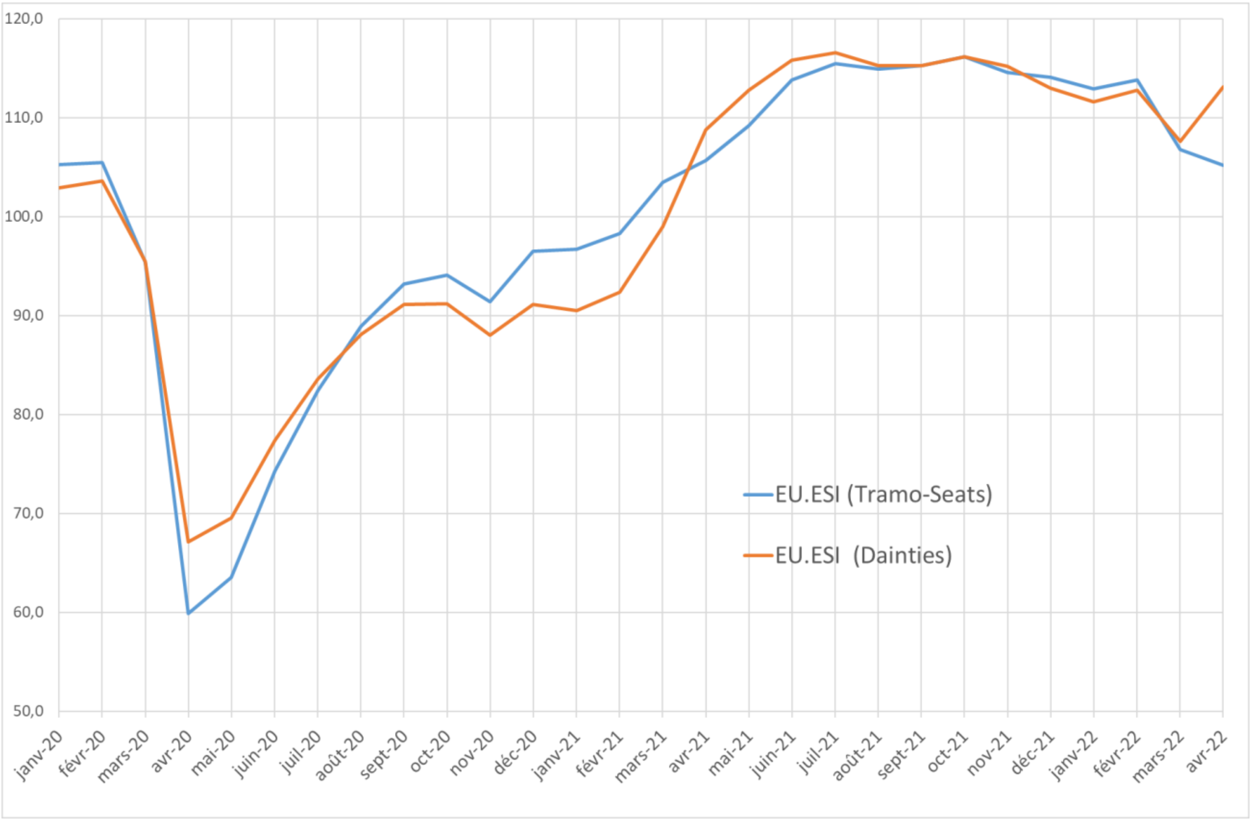
ad-hoc question 1: will *the impact of the corona pandemic on firms' turnover in the current year be positive, negative or absent*. Question 2: *quantify the expected percentage change in turnover throughout 2020* (answers weighted by firm size and value added of the respective sub-sector)

Death tolls: How long can firms survive the lockdown measures?



“If the current measures to combat coronavirus, such as closures of schools/universities/shops, home confinements, border restrictions, etc. persisted for a prolonged period, how many months could your enterprise survive? (a) less than 1 month, (b) 1 month, (c) 2 months, (d) 3 months, (e) 4 months, (f) 5 months, (g) 6 months, (h) more than 6 months”

Technical issue: Impact of the huge COVID outlier on seasonal adjustment!



Challenges for survey data after the pandemic:

- non-response rates and sample representativeness
- Online vs. physical surveying methods
- responsiveness/timeliness in times of crisis
- New kids on the block: new data sources to monitor economic trends (Google trends, transaction data, energy consumption, traffic data, other ‘big data’, AI, etc.)
- core questions still the most relevant in the face of structural change (climate change, decarbonisation, ageing, (de-) globalisation, work-life balance, connectivity...)?

Conclusions

- COVID-19 had a significant impact on survey data and data collection
- Changes in survey mode required organisational flexibility
- Trend towards online surveys has accelerated
- Overall, data quality remained satisfactory, and time series appear broadly consistent (issue: seasonal adjustment!)
- Surveys played an important role to monitor the economy during the crisis (but: new indicators!)
- Flexibility to introduce ad-hoc questions is important, tools/mechanisms need to be in place for quick activation
- Challenges for survey data were boosted

Thanks for your attention!