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INDUSTRY, ENERGY AND ENVIRONMENT STATISTICS:
INDUSTRIAL STATISTICS

Introduction to the draft recommendations for a statistical
programme for household and small-scale industries

Report of the Secretary-General

SUMMARY

The present document introduces the "Draft recommendations for a statistical programme for household and small-scale industries" (PROVISIONAL ST/ESA/STAT/SER.M/80). It describes the background for the draft recommendations, including their relationship to the existing international recommendations for industrial statistics, summarizes the comments of an Expert Group convened in 1983 to review a preliminary draft of the document, outlines the main features of the draft and submits three points in connection with the draft, which the Commission may wish to consider.

* E/CN.3/1987/1.

I. BACKGROUND

1. The present report has been prepared pursuant to Economic and Social Council decision 1985/122 approving the provisional agenda and documentation for the twenty-fourth session of the Statistical Commission. It introduces the draft recommendations for a statistical programme for household and small-scale industries which are before the Commission (PROVISIONAL ST/ESA/STAT/SER.M/80).
2. Although the existing international recommendations for industrial statistics acknowledge the importance of household and small-scale industrial activity in developing countries and the need to account for it statistically, no concrete and systematic approach to its measurement has been developed. There are two principal reasons for this. First, since the traditional role of the Statistical Office in industrial statistics placed primary emphasis on standards and methods most appropriate for use for large-scale establishments and industrial enterprises characteristic of many of the statistically more advanced countries, there was correspondingly less attention to the standards and methods that were more appropriate for small-scale activities, which are of major importance only among the developing countries. Secondly, until recent years, there has been relatively little practical experience that could be drawn upon for setting standards on the measurement of household and small-scale industrial activity.
3. As a result, developing countries have been left largely to their own devices to grapple with the problems of measuring what is for many of them a significant portion of their industrial activity. A number of them have succeeded rather well in this respect, and the Statistical Office of the United Nations Secretariat, in preparing the draft recommendations, has benefited from the information supplied by many developing countries regarding their current statistical programmes for household and small-scale industry. The practices of developed countries have also been examined. However, because of the minor role of household and small-scale industry in those countries, as well as the many resources (up-to-date establishment registers, administrative records etc.) available to them for the measurement of small-scale industries, their experience was not found to be altogether applicable in the development of the recommendations. Consequently, the draft recommendations are based primarily on the experience of developing countries and are intended for use by all countries that wish to develop or expand their statistical framework for measuring household and small-scale industrial activity.
4. For purposes of international comparability and in view of the fact that one of the uses envisaged for the data is to supplement the coverage of regular industrial inquiries, an attempt has been made to stay within the framework of the existing international recommendations for industrial statistics, in so far as possible. However, because of their orientation towards formally structured, record-keeping industrial units with statutory ties to administrative centres within a country, the existing recommendations do not go far enough in some respects to accommodate household and small-scale industry.

5. For example, the orientation of the industrial statistics recommendations involves a large number of quantitative indicators which the household and small-scale units are not well equipped to provide. At the same time, it does not take full advantage of the opportunity, presented by survey efforts, to capture a large amount of non-quantitative information that would have important implications for industrial planning and policy formulation with respect to the household and small-scale industries. These non-quantitative or descriptive dimensions are discussed in the draft recommendations. In addition, although the existing recommendations do acknowledge the difficulties attached to measuring industrial activity in small units and suggest general approaches for circumventing the problems, the suggestions do not, however, provide an adequate basis for the formulation of a programme for the investigation of small-scale industrial activity. The draft recommendations for small-scale industries therefore attempt to develop the subject beyond the point where the existing recommendations have left it.

6. Of course, small industrial units are not just incomplete or deficient forms of their large-scale counterparts; indeed, their importance as sources of industrial output and employment in developing countries is well known, along with the possibility that certain small industrial units may present long-term opportunities for national economic growth and industrial development. Thus, it was considered important that the draft recommendations reflect the need for a statistical programme that would provide a realistic empirical basis on which informed decisions concerning national planning and policy-making issues that affect household and small-scale industry could be made.

7. Work on the draft recommendations began in 1982, when the United States Bureau of the Census was commissioned by the United Nations to prepare preliminary recommendations for a statistical programme for household and small-scale industries. This was followed in December 1983 by a meeting of the Expert Group to Review the Draft of the Recommendations for a Statistical Programme for Household and Small-Scale Industries. On the basis of the discussions of the Expert Group, a revision of the draft was prepared by the United States Bureau of the Census and submitted to the Statistical Office of the United Nations Secretariat in March 1985. The Statistical Office continued to work with the draft and introduced an expanded section on country practices, as recommended by the Expert Group.

II. DISCUSSIONS OF THE EXPERT GROUP

8. In reviewing the preliminary draft during a meeting held in New York from 12 to 16 December 1983, the Expert Group stressed the need:

(a) To orient the draft towards countries that have not had previous experience with conducting surveys of household and small-scale industry;

(b) To integrate the draft with existing international recommendations, by cross-referencing but not repeating all relevant points adequately covered by the existing recommendations, while at the same time emphasizing those subject areas that require further development, or a different approach, in the context of household and small-scale industry;

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(c) To address the options that are available, beyond the traditional field of industrial statistics surveys, for measuring household and small-scale industrial activity;

(d) To expand upon several specific topics, including the training of field staff, the use of sampling and the treatment of non-response.

III. SALIENT FEATURES OF THE DRAFT RECOMMENDATIONS

9. The draft recommendations are designed to formulate specific guidelines for statistical inquiries into household and small-scale industry, by:

(a) Adapting those segments of the existing recommendations that are relevant;

(b) Emphasizing the special issues that are peculiar to surveys of household and small-scale industry;

(c) Reviewing the experience of selected countries that have already implemented an industrial statistics programme which takes into account the household and/or small-scale industries.

These guidelines are not intended to replace or modify the existing recommendations. Indeed, details on certain concepts and definitions that apply to all industrial units regardless of size are not repeated here. Rather, the attempt is to focus on the existing recommendations from the perspective of household and small-scale industry, in the hope that this may give some impetus to the pursuit of more such inquiries, especially among countries where the economic and social significance of household and small-scale industrial activity is great. Work on the draft recommendations has reached a point where the comments and suggestions of the Commission would be valuable.

IV. POINTS FOR DISCUSSION

10. On the basis of the Expert Group's suggested emphasis on the interdependence between the draft recommendations and the existing international recommendations for industrial statistics, the Commission may wish:

(a) To consider changing the wording of this item from "Draft recommendations for a statistical programme for household and small-scale industries" to "Draft guidelines for a statistical programme for household and small-scale industries".

Furthermore, in view of the importance of this project for the future of international data on household and small-scale industry, the Commission may wish:

(b) To identify and comment on those areas of the draft that may require further development to serve the purposes intended;

(c) To request that, after further revision in the light of these comments and suggestions, the draft be circulated to national statistical offices and experts for review before finalization for publication.
