

## **Little story of cooperation**

*Or*

How to go from the setting-up of the first Slovakian household survey to the publication of a special issue of "Economie et Statistique" on international comparisons of poverty?

**By D. Verger**

The purpose of this communication is not to draw up a complete overview, but much more modestly to draw a few teachings, with the help of hindsight, of the progress of a particular action, which allowed Insee to share its knowledge and to promote some of its methods for a particular domain, the measurement of inequality and the analysis of poverty.

It is always difficult to trace back the premises of an action: why such or such found himself doing such or such thing. There is indeed an institutional determinism but as well some unforeseen turn of events, grasped opportunities that are a source of unexpected matches... The history of Insee cooperation with Central European countries in the domain of inequality-poverty does not avoid this rule. In fact several projects originally independent have converged to result in the rather ambitious that still lasts today.

### **A first mission to Prague initialized the process**

The start of this operation goes back to 1992, to a mission carried out jointly by myself and Didier Blaizeau who was in charge of relationships with interviewers and of the organization of household surveys, full of a personal experience in extra-European grounds, particularly in Africa. Decided in the framework of a project of transformation of statistics in Czechoslovakia, this mission aimed at spreading an action of Insee already begun in the domain of employment and salaries to the world of household surveys. Our Czechoslovakian colleagues expected from our visit a critical analysis of their survey system, conducted in the light of French experiences. The history of surveys in Czechoslovakia is long since the first of the kind goes back to 1913-1914, with a small sample of teachers and that they developed afterwards in the twenties, with a priority granted to the follow-up of poverty in a wage-earner environment. The existing surveys at the time of the mission went back to the years 1956-1957 and were structured around two basic independent operations: the "micro censuses" and the household expense surveys. 10 micro censuses were carried out between 57 and 92, aiming at the identification of the poorest families. The last one (89 on the income of 88) was prior to the "velvet revolution" and concerned 105 000 families selected according to a method inspired by the stratified random sampling, but on the basis of a more or less voluntary support of households. The questionnaire addressed to the household was limited to information on its characteristics (age, diploma, occupational activity, matrimonial status), on own consumption, the income in kind and the sales of farm products. The resources were obtained directly from the employers or administration.

It was reckoned that the coverage rate of resources, in a world where the income sources were monitored and little diversified was good (90%). The exploitation was limited to the publishing of gross tables without comments, used mainly by administration and research centres, practically with no great public dissemination. The survey on budgets, used to establish standard budgets to be used at the time of the steering of social minima, was then carried out with 5150 families according to a method inspired from the quotas. The voluntary basis was a strong constraint and the household received a symbolic compensation. On average a family remained for five years in the sample. The interviewers were agents of statistical services. Once again the exploitation was limited to a publishing of tables given primarily to administrations.

This system, very far on several points from the French system (no random sampling, no statistical procedures of calibration and of non-response adjustment, neither in-depth analysis nor great public dissemination, no use of data analysis or econometrics for analysis), was going to be submitted to the test of change. In the medium term, these two surveys were thought to play an important role in the compilation of national accounts harmonized with those of the other European countries (as soon as at the beginning the will for European integration was an essential engine of the wish to change). On the short term, the stake was to follow-up the social consequences of the switch to market economy, with the risk of pauperization incurred by a part of the population if corrective measures were not introduced. The authorities needed information for the setting-up and the follow-up of a minimum salary. Now the previous system was badly armed to meet new challenges in a world getting more complex, opening to democratic liberty and to market economy: the development of private enterprise was going likely to create the same difficulties of measure of income as in France in the case of the self-employed. Products and prices getting diversified were going to increase the memory effort required from surveyed people. The thought aiming at ensuring the representativeness of samples and the accuracy of estimates becomes important. Two unknown factors had been mentioned at the time of that first meeting, one related to the will for cooperation of households and the other to the available means for the statistical system. The mission recommended that on the short term the effort be focused on the carrying out of tests and pilot surveys to observe the behaviour of households (reluctance had been witnessed for the census), on the preparation of a sampling basis, on training of personnel and of communication addressed to the population, as well as the setting-up of technical adjusting limited to traditional operations: an evolution was recommended, not a revolution. In the medium-term, the question would be that of a deeper revision of the sampling procedures and of examining the coherence of the household survey system. An observation mission was planned in France by the end of 1992.

This mission had already picked up some elements that would be found later and would mark the future progress of the work: a long tradition and high quality system, tested by a big change leading sometimes to do less well with more difficulty: the great fear of statisticians was to take up random sampling, the great apprehension, which was going to prove justified, was the risk of non-response. The concrete application of sampling theory was little considered: many long-standing statisticians were still connected to heavy operations where the exhaustiveness of respondents was more or less voluntarily ensured. To count, yes, to interpret no. The contrast with the practice of Insee, a statistics and research institute, was great. Endowed with a definite potential thanks to a meticulous execution personnel to carry out surveys, the Czechoslovakian Institute lacked people trained in modern techniques of statistical exploitation, particularly in econometrics. The overview of the workforce was on the verge of being messed up. Too costly, there was going to be staff reductions, regroupings of regional offices. It was also going to be necessary to hire freelance interviewers...

### **A project struck by the split of Czechoslovakia**

What would have been the future of the cooperation then planned, nobody could tell, because a major political event disrupted its course, that is the split of the country into two, with the creation of the Czech Republic and of Slovakia instead of Czechoslovakia.

Cooperation with the Czech Republic did not break off, I would rather say that it got dormant, with occasional awakenings, but firstly links got tighter and cooperation truly developed with Slovakia. Boosted from the rank of a regional office among others to the one of national office, the Slovakian office, from subordinate became principal. From implementation, it had to switch to design just when political and social evolutions required the technological change the necessity of which had appeared during the Prague mission. Much more “virgin” of

ancient habits, the Slovakian personnel proved therefore very open to the western type change that was proposed to them. They had indeed all the way to go in order to learn designing, conducting, exploiting a survey as their Western colleagues, the French particularly, but they did not have to abandon previous practices, which had proved themselves right but which got obsolete or unfeasible because of historical evolution. The first continuous action was thus conducted with Slovakia.

### **The birth of the first Slovakian survey**

The issue was to organize a survey on the theme of poverty, a theme the political urgency of which was noticed. Cooperation carried on with Slovakia only and, I think I can say without pretentiousness, successfully. The support of the hierarchy on Slovakian side never lacked: Mr Olexa and Mr Oretsky got strongly involved, finding human and financial means to finalize the project. Young dynamic persons, even if not always statisticians by training got involved, mainly E. Rohacova, a geographer at the origin, who since has kept deepening her knowledge and working in the poverty and income inequality domain.

The whole construction process of a survey was set up, with the design phase, initiating an intellectual partnership with sociologists and politicians of the social sector, in order to identify their needs. The model that was going to be used was the European panel, which France was implementing on its territory (first collection in October 1994 on the income of 1993), because the question was to construct an operation moving along the lines of a rapprochement with Europe. For realism purpose, the questionnaire was kept as an inspiration source, but we limited ourselves in making a “spontaneous cut”, the office not having the means to carry out the correct follow-up of individuals to make a panel (Insee had trouble despite its important means to hold this part of the task). The questionnaire was on the margin adapted to the Slovakian case, because I did not wish an exterior example to be copied purely and simply. Our colleagues had to appropriate the approach and adapt it to the special historical and social conditions of Slovakia. The fine-tuning was carried out with the persons in charge of local surveys and interviewers. Tests and test assessments were conducted in Insee’s way, the results were analyzed, the questionnaires were adapted, during lively meetings. A rigorous approach in a context of pioneer exploration, the mix led to a very rewarding work. Collection was conducted thanks to an exemplary motivation of the Slovaks. Response rates were exceptionally high, a sign of a strong cooperation of the population in a society proud of its recent independence.

In parallel training had been organized in Paris, both on SAS software and on the necessary statistical bases to approach the theory of income inequalities and poverty ( Gini, Theil and Atkinson indices all henceforth “classical” in France were unknown of our colleagues, for which computation macros had been constructed). Theory and interpretation were explained during a lively training period, for its part dealing with information technology, by G. Bourdallé, then in Research department and for the statistical part by an independent expert under my supervision. Insee experienced then new approaches of poverty, completing the traditional monetary approach with the approaches in terms of living conditions and subjective approaches according to a method drawing its inspiration from Townsend, Nolan and Weelan abroad and implemented in an experimental way in France by Dickès within the laboratory of University of Nancy II devoted to dynamic analysis of the effects of social policies (ADEPS). The French and Slovakian results were therefore compiled almost simultaneously and led to the writing of an article in the special issue of *Economie et Statistique* on poverty, a record if not of quality at least of volume, because it is currently still the only triple issue of the collection. This 1997 publication is still classically quoted as a reference.

## **Poland joined the project**

At this moment, this action joined another one, initialized in an independent way and conducted by Insee with Poland, the French expert being C. Chambaz, who was in charge of the survey "Underprivileged situations". These two projects, both steered by the Insee Directorate of demographic and social statistics, but managed by different departments ignored each other widely till then. The questionnaire of the referent survey (of purely French tradition) had strong similarities with the one of the panel (but solely in its cross-sectional dimension), but its traditional exploitations that were performed had never been specifically poverty-oriented. Mr Glaude, then head of the Directorate of demographic and social statistics (DSDS), found interesting to make both actions converge in order to obtain a three-legged study, with a comparison France-Poland-Slovakia. C. Chambaz having then changed of position and wishing to hand over this charge, our team took over the task and cooperation with Poland developed, with the same approach as with Slovakia, maybe even more successful. Again the project benefited from the support of hierarchy at level of Vice-presidents, very motivated researchers (Anna Bienkunska become an acknowledged specialist of the domain, in charge henceforth of representation of Poland with Eurostat), with stability and implication over long period, but as well resistance of some elements more devoted to traditional methods (on information technology's side, a few methodologists.). In spite of differences at questionnaires level, the work led to quite an interpretable France-Poland comparison, which was the subject of a book in French and in Polish, with a press conference in Warsaw!

## **Change of magnitude: the colloquium of Bratislava in June 2000**

Both France-Slovakia and France-Poland comparisons had some impact, thanks to some presentations in international colloquia (and making American economists discover the existence and the location of Slovakia!). INSEE, with the agreement and financial support from Eurostat, saw there the opportunity to give another magnitude to the project and to extend the comparison to all countries endowed with comparable statistics, all the countries with a European panel among others and those of Central Europe countries with more or less similar surveys. With some, a common methodology could be implemented completely, with others associated contributions were prepared, with a slightly adapted methodology. Thus was born the project of colloquium in Bratislava, which was held, as a tribute to the country at the origin of the approach, in the Slovakian capital in June 2000. To locate national teams (sometimes in statistical offices, sometimes among academics, often in combination), to motivate them for the project, to present the research methodology, to adapt it, to accompany the production of results while seeing at comparability required several journeys and an important editorial work but successful since, under the aegis of Eurostat, there were participants from 22 countries and communications from 13 countries: besides France, Poland and Slovakia, Spain, Portugal, Rumania, Hungary, Czech Republic, Italy, Belgium, Albania and even Madagascar and Brazil provided contributions.

## **Always further: a new special issue of *Economie et Statistique***

This seminar was to be the final outcome of the work, but its success convinced that it would be good to go beyond the publication of the Acts and to lead to a real book of international comparison, hence the project of a special issue of *Economie et Statistique*. To this aim, was needed a re-balanced range of countries, with new studies, as well as some actualization of original studies. Work was a long-term one, suffering from numerous mobility of people in charge either in France or abroad, but the issue is henceforth ready for publication in the first semester of 2005. Contributions were actualized, comparability of the methods and

presentations were reinforced; countries that had not taken part in the colloquium provided new contributions (United-Kingdom, Russia...), new summaries were specially rewritten (Dell-Herpin). Some complementary perspectives, not available for all countries were introduced, in order to illustrate the possible development of methodology used in this dossier, either by exploiting explicitly the evolutions (Lollivier-Verger), or by completing with other approaches going more towards subjective experience of poverty and social exclusion (Paugam).

### **Some interweaving of actions**

The life of the project thus carried on, always more far-reaching, more complex, more diversified. It became more and more difficult to distinguish this project from other cooperation actions: when one deals with household surveys, one is quickly led to deal with all the operations which, linked up, make the production process of the survey: sampling in the first place, but also imputation techniques for missing data, re-weighting. And all the more that my current position of Head of the Statistical Methods Unit (UMS) favours this convergence: cooperation with Poland thus enriched with exchanges concerning the sample (a subject on which appeared the maximum of reluctance from very relevant Polish methodologists of sampling, attached to their ancient practice to be scrapped not because of ineffectiveness but for high cost reasons); with Rumania, the poverty subject was tied up to a cooperation initialized with UMS on sampling issues (the question was to help our Rumanian colleagues to complete their former exhausted master-sample until the new census, and then to help define the new sample).

With Albania and the Czech Republic, poverty was also a neighbouring subject to actions conducted on surveys on consumption practices: the case of Albania is interesting because, from the totalitarian regime of E. Hodja, we were facing a society made up of two fractions, the one rural, the other urban, which ignored each other almost completely, to the point of having to define two different lines of poverty for the same country. The case of the Czech republic deserves a word for quite another reason: it is the country, among those with which the cooperation took place, which knows the highest refusal rate to surveys: a Budget survey test on a random sample was accepted by only 20% of Prague inhabitants: a record that places the statistician in charge of adjustment in front of an almost impossible challenge.

The recent enlargement of the European Union to some of these countries gives rise to new cooperation opportunities, the national statistical offices being brought to implement on their territory the European surveys, just in time when Eurostat launches the successor of European panel (SILC), the main subject of which is the measure of income and one of the major objectives the measurement of poverty: a one-week seminar was already organized successfully, courses on this theme organized in Libourne : the loop is thus looped since the panel prompted our action at the start. But more than a loop, a spiral should be evoked, because during these 13 years we have just evoked roughly, we have changed scale and that does not seem to be finished !

### **Towards true study partnerships**

Work with Poland carried on, with a new approach as concerns exclusion, the Polish questioning going beyond the French questionnaire. The results obtained, and which will be published in the special issue of *Economie et Statistique*, make up therefore a true first, still to be improved, but already stimulating.

The same goes for studies undertaken with Russia. The story of it is atypical: the initiative came from researchers of the Sciences Academy attracted by the French approach studied through published texts and adapted to the case of the country, with an enrichment of traditional sources and projects of new surveys. These researchers, as advisers to the statistical

office (then still called Goskomstat), happened to have common work with the National Institute of Demographic Research (INED), and the first contact occurred through this; since then, things have developed, leading to official cooperation between the Russian statistical office and Insee, on the request of our Russian colleagues, little satisfied with the assistance received from the World Bank. Thanks to the initiative of Russian researchers, one has for this country quite new variables. The challenge posed by this huge country, with its strong economic and geographic contrasts, with a recent political evolution is particularly tough to take up : the question is to make a success of the challenge to take into account the inputs of underground economy to the standard of living, in spite of its informal character and of the fact that it comes within a hair breadth (to say the least) of illegality. Up to now, the integration of domestic output in the measure of standard of living in France has not passed the experimental stage.

Thus, in as much with Poland as with Russia, cooperation and aid have led to partnerships where together we explore new ways. We are no longer making our practices known and spread, we are discovering together ways of improvement and deepening.

The experience spread as well to more and more remote countries (geographically or as far as culture is concerned): Madagascar, Morocco.

### **A few reflections about factors of success or failure**

As a conclusion, and even if through the previous account one can see clearly emerge the facilitating factors leading to success, but as well the difficulties and obstacles that may cause the failure of such or such initiative, we are going to try to list a few decisive factors, from this experience. Some difficulties were already identified at the time of the seminal mission in Prague, other appeared over time.

- **Reluctance in front of methods at odds with a tradition**

Resistance appeared all the more important that tradition was long and “glorious” and that the proposed solutions were intended to replace practices that became too costly, without being possible to guarantee the absence of any drop in quality in all its dimensions. This appeared mainly in the discussions around the renewal of samples. The French technique, based on a master sample aiming at focusing interviews in order to reduce the trips of interviewers, is less good in theory than a simple random drawing; reluctance of Polish methodologists is therefore understandable. All the more that the adoption of a new technology is not without “political” consequences. The opposition, the split between the ancient and the modern is not only scientific; between the lines, one can read there attempts of -political and other- eviction of the former by the latter. A very good agreement was often observed at the top and bottom of hierarchy, with set back intermediate grades, older and less trained to the methods and therefore less at ease and feeling depreciated in comparison with persons reporting to them, without having the same strategic clearheadedness as their heads as for the long-term stakes. To succeed in this context, some kind of scientific and institutional legitimacy is needed (hierarchical level, acknowledged publications), diplomacy and some displayed respect of the scientific competence of the partner. Time is needed to convince, experiment...

- **Communication problems**

The difficulties of understanding due to differences of language must not be underestimated. In the described domain (notions of statistics, sociology, economy with complex theoretical concepts, problems of understanding of questions by interviewees: does a household understand in the same way, in different countries, what should be the same question?), one goes by far beyond the usual demands to an interpreter. One feels imperiously the necessity of

a competent interpreter, specialized on the theme and who accepts to acknowledge when he is not sure he (or she) has exactly understood the message. When the interpreter is less good, or when it was necessary, for some reason, to do without one, the loss of efficiency is obvious. And it is not due to a handicap linked to the use of French. Even in English, communication proves impoverished, reduced because English is rarely mastered to the point necessary to communicate on the shades of meaning of a question or to understand specific scientific languages. The fine-tuning of the Franco-Polish text was an “unforgettable” experience in this respect; we sometimes spent more than half an hour on a single sentence to find the equivalence of the messages in the two languages. We were far from being satisfied with a word for word translation. Problems of communication are not only a matter of language; they also concern information technology; differences at software level, which are well known and in service, complicate the transmission of know-how: the absence of SAS, even only of some SAS modules, very costly for the country, has sometimes been a brake: Insee was quite ready to install for free the “macros” specifically written to compile the indexes and implement the methods in use in France, but sometimes they could not work. It was necessary to re-write the whole of it hence a work burden increased and lengthened time limits.

- **The necessity to have time**

The timetable proves that these approaches are long-term approaches; already in France production time periods for a survey are long. Here the knowledge must be assimilated, techniques must be tamed, and former habits must be changed. An imperative condition is that, on both sides, the teams can be stable over time. This has not always been the case: on one side, in the countries with a quick economic and political transformation, with sudden reversals of the hierarchies - wages or prestige - we sometimes found ourselves confronted with the consequences of the call of the private sector, withdrawing from statistical offices promising elements, all the more that they had just been trained. The best results were obtained when cooperation was performed with persons motivated by the theme, and who fulfilled themselves as researchers, specialists of the domain. On French side, the situation is neither the most simple, because the imperatives of mobility must be reconciled with this long-term commitment. I could do it: cooperation started when I was head of Income division, carried on when I was in the Research department, to continue since I am head of the Statistical Methods Unit. But it is a little atypical, and not always easy to assume when one must face the demands of his new functions while bringing out time for the project. Thus this one could benefit from a stable support (Mr Fall representing Insee in the so-called group of Rio), but in some cases, opposite demands could not be reconciled on the long term.

- **The necessity to have data files**

It appeared quickly that the work on data required that the data be accessible to both teams. It is the only way to have the necessary flexibility to test the variants of a model: send a message to the local statistician who transmits it in order that it be executed to his computer scientist is too heavy and too slow a procedure in the phase of fine tuning of the method. Our partners generally succeeded in obtaining from their hierarchy the authorization to bring the data (made anonymous) out of the territory, even if it was sometimes difficult and required time. In my opinion, not having this possibility compromises strongly the future of cooperation.

- **Basic difficulties**

Even if it is not directly the subject of this reflection we cannot end it without mentioning the ambition of the tasks undertaken. Difficulties to draw near of an acceptable level of

comparability: an emblematic example is the one of the work conducted to make comparable the tables of consumption and time schedule, whereas the surveys and the classification were assumed to be harmonized: we had to get all the source programs to check one by one the computer coding of the classifications, go deep into the directions to interviewers to check the instructions given to deal with ambiguous cases before being able to produce meaningful comparative tables (even if far from perfect) : a proof of the difficulty of the task is that we had to give up the ambition to make these tables appear in all the monographs of the issue of *Economie et Statistique*. Similarly, the coding of the reference person “in the French way”, the choice of the consumption units have required theoretical thoughts and complex computer coding. Quality of sources is sometimes in itself a source of concerns, mainly because of the rejection by households in some countries, such as the Czech Republic, and it is always very difficult to get the information on the quality of the groundwork from the interviewers. Another quality requirement is to be able to meet during missions with regional teams in charge of the groundwork, as well as the interviewers: improving their training is also a stake of cooperation.

### **Finally, a mutual benefit**

As we can see, challenges associated to such a project are great. In our point of view, we can speak of a global success, and of mutual enrichment.

For our partners success resulted in the promotion of new comparative studies, dissemination of performing exploitation methods (econometrics of qualitative data thanks to the Logit model in particular), awareness to sampling problems and to the respect of the random character of samples, the perfecting in the calibration and editing methods of outliers, the shift from class data to continuous data (“simulated residues”), and therefore generally by a transfer of statistical technology.

For us, the return on investment cannot be denied; the project was the opportunity to widen our horizon and to prompt us to a critical thought on the weaknesses of our approaches: to have the opportunity to study other societies, more complex because of a quick evolution, with a more important part of the non-monetary sector, of the informal sector, sometimes geographically more heterogeneous, allows to question again ourselves on the validity of some of our choices. The experience acquired also allowed us to be more convincing at education level, since one can show in applying without caution usual definitions that poverty is higher in France than in Slovakia, whereas the living standard is three or four times higher. It has allowed everybody, including French policymakers, to better understand the advantages and the shortcomings of relative poverty that, till then, were known at theoretical level, but had not been clearly identified as possible factors of serious misinterpretations. International legitimacy strengthening the national credibility, the wider experience acquired thanks to cooperation thus allowed us to better communicate, to get more concrete arguments in order to better defend our choices of methods but as well to relativize our results, which was very useful in a context where serene scientific dialogue is not always easy to establish. The thought on the limits of our approaches of poverty that I have written to be used as an introduction to the issue to be published of *Economie et Statistique* fed on this experience thus acquired in the contact of other societies. Numerous choices implicit to our methods, accepted till now as going without saying, show their limits as soon as the question is to account for less stable, less homogeneous, less monetarized societies or economies than ours: and this prompts us to more modesty, because our approaches of inequality and poverty appear thus far from being successful, because too simplifying, ignoring too many phenomena which, although not frequent in our country, are not for all that negligible when the question is to study the destitute, the poor and the excluded. Cooperation shows us in fact, the ways of progress for our own approach.