

## **STANDARDIZATION OF MONITORING OF SOCIAL PROCESSES IN POST-TRANSITION COUNTRIES – TRANSBORDER AND SUPRANATIONAL PERSPECTIVE**

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### **ABSTRACT**

Main thesis of this paper is that social phenomena and processes in supranational and transborder economies of post-transition countries need special international information standards and harmonized monitoring relevant for national information needs as well as for international interchange. Those standards cannot be based on transplantation of official international standards into national statistical systems of post transition countries. General international standards and so-called best practices of developed, stabilized, market economies in monitoring of social processes need creative adoption to the specificity of each post-transition country and their supranational and transborder spaces and should be dynamically adjusted to the changes of economic and social life of countries. Special attention should be paid to the elaboration and implementation of dynamic adoption of statistical standards for different types of supranational and transborder economies covering the territories of post-transition countries, with special reference to fragile national economies. The SSMDS metadata system is proposed as the tool of harmonization of statistical monitoring of social processes in supranational and transborder economies of post-transition countries.

**Key words:** social statistics, post-transition countries, transborder processes, supranational economy.

JEL: A13

### **Introduction**

In globalized economy it is growing the need of integrated monitoring of economic and social processes in national, supranational and – especially – in transborder dimensions. On international level official statistics was focused on

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the harmonized development of economic statistics and – to some extent – the demography. International organizations, especially United Nations and the organizations associated with the UN, have developed global methodological standards, concepts and classifications relevant mainly to economic statistics. Those standards are widely used also on national level all countries. However social statistics was standardized as a rule only on national level. Few global methodological standards recommended by international organizations for describing, monitoring and measuring of social phenomena and processes are often hardly applicable for many different political, social, cultural and economic environments of different societies, countries and regions.

Good news for politicians, civil servants, businesses and scientists that are interested in good quality information on social phenomena and processes is that nowadays the international organizations are paying much more attention on capacity building of integrated monitoring and statistics of social phenomena and processes on national, transborder and supranational levels. Social goals are becoming more important for international organizations and for many national governments than economic macro-indicators. The consequence of globalization and progressing institutionalization of economic and social policies in more open, market driven economy is the need of harmonization of monitoring of social processes on transborder and supranational level.

The prerequisite of the harmonization of monitoring of social processes on transborder and supranational level in modern ICT environment is the development and implementation of integrated complex of standards of metadata used for representation of relevant social surveys and data. The operational tool of that harmonization is the Standard Social Meta-Data System (SSMDS) focused on transborder and supranational economies.

Theoretical and methodological approach to the elaborating of the SSMDS presented in this paper was based on the achievements and practical experiences in the developing of standards for representation and harmonization of statistical metadata elaborated by the METANET<sup>2</sup> research group. In the elaborating of the concept of the SSMDS, for harmonization of empirical statistical data in transborder economies of post-transition countries, the universal generic metadata model was used.

It seems that the transborder areas of post-transition countries that cover economic spaces of several different supranational organizations (like EU, EVRAZEC, NAFTA ea.), are optimal *frames of reference* for elaborating and

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<sup>2</sup> METANET is the network of excellence on metadata working within the EPROS research program in official statistics of the European Union. The members of the METANTE are the experts of NSI's, central banks, universities and research institutes working for international statistical institutions. The network is opened also for non EU member countries (e.g. USA, Canada, Norway, some EU-candidate countries are members of the network. The METANET has analyzed and evaluated a representative set of existing standards of statistical metadata and metainformation systems. Special attention was given to standards of modeling complicated statistical aggregates, integrity control and documenting the differences and changes of methodology.

verifying the standards for harmonizing monitoring of social processes in globalized economy. The reasons for choosing those countries are following:

- (a) The post-transition countries, that are EU members of the candidates to the EU, are relatively homogenous economies and societies of Central Europe. They do not represent the variety of many social situations and processes that should be monitored in many other regions and countries using relevant statistical standards.
- (b) The post-transition EU-members and the countries that are official EU-candidates are obliged to harmonize their national statistical systems with the ESS<sup>3</sup>. Those standards are adjusted to developed market economies of “old European Union”. The processes of harmonization are advanced, and in some countries they are practically finalized.
- (c) The post-transition countries represent wide spectrum of economies, societies and civilizations that should be taken into account especially in developing methodology and programs of statistical surveys of social phenomena, processes and systems. General international standards in the domains of monitoring of social processes should be not *transplanted* from developed to post-transition countries but creatively adopted to specific socio-economic conditions of particular post-transition countries.
- (d) The dynamics and scale of social changes in post-transition countries is much higher than in other relatively stabilized economies. Because of that the problems of harmonization, integrity control, comparability and interpretability of statistical data are of crucial importance for official statistics of those countries.
- (e) Many post-transition countries were the parts of other states for about two centuries or more. Many of them have reached the status of independent states in XX century. The institutions of those states were often created during the period when they were the parts of other empires (e.g. colonial states like UK, France, Spain, Portugal, Germany, Belgium, The Netherlands, Russian Empire and Soviet Union, ea.). After reaching the status of independent states those countries often continued the governance using the existing political and administrative institutions.
- (f) The borderlines of post-transition countries are often cutting historically created economies, separating parts of technical infrastructures, natural resources and societies that had been living together for centuries. The *transborder economies* are covering large parts or the whole of the territories of many post-transition countries. Because of that official statistics cannot be limited to the political borderlines. The *transborder monitoring* of social phenomena and processes is necessary for national economic and social policy and for international cooperation of neighbouring countries, with special reference to newly created countries.

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<sup>3</sup> ESS -European Statistical System coordinated by the EUROSTAT as the supranational statistical office of the European Union.

General thesis formulated in this paper is that the implementing international information standards and harmonized monitoring of social processes of post-transition countries for national needs as well as for international interchange cannot be based on *transplantation* of official international standards into national statistical systems of post transition countries. General international standards and so-called best practices of developed, stabilized, market economies in monitoring of social processes should be creatively adopted to the specificity of each post-transition country and dynamically adjusted to the changes of economic and social life of countries. Special attention should be paid to the elaboration and implementation of *dynamic* statistical standards adjusted to transborder economies covering the territories of post-transition countries.

It should be stressed that the dynamics of social processes in transition and post-transition countries is much higher than the dynamics in developed, stabilized economies. Creative adoption of international standards and selected best practices of developed market-driven economies to socio-economic specificity of the countries in transition and in post-transition countries and regions, and to the specificity of their transborder areas should take into account the dynamics of social and economic processes in those countries.

The SSMDS standards that are applied in post-transition countries and in their transborder economies for representation and harmonization of social indicators for international comparisons and for the needs of international organizations, can be used as the „core” of national official monitoring of social processes. The SSMDS standards should be creatively adjusted to national, regional and transborder social, economic and political conditions and to the needs of main institutional users and to the information environment of countries. The programs of surveys of national monitoring of social processes should be extended by methods, tools and surveys meeting the conditions, needs and requirements of national stakeholders of statistical processes of all countries that have common transborder economies.

## **1. Standards for harmonization of supra-national and transborder monitoring of social processes as the prerequisite of social and economic policy in globalizing economy**

### **1.1. The concept of political, economic and social *transition***

The concept of political, economic and social *transition* designates the process of *accelerated and comprehensive political, social and economic changes*, transforming the societies and economies from non-democratic political systems and centrally planned economies, to more democratic political systems and to market - driven, more opened economies, integrated with global economic system. The *transition* is initiated, coordinated and controlled by governments of

particular countries. First stimulus for starting the processes of *transition* is of purely political nature.

The governments of formerly *centrally - planned economies* are made - under social and political pressure strengthened by the inefficiency (and in some countries - the bankruptcy) of centrally - planned economy - to introduce *institutional changes* of political system. The consequence of political changes is the transformations of social and economic systems. Those institutional political changes generate specific social and economic processes, which are commonly known as *transition processes*. The ***transition countries*** are those, that have entered the path of politically inspired *institutional changes* transforming of their social systems to more democratic and the economic systems to more open, market - driven systems. The ***post-transition countries*** are the countries that have passed more or less successfully the transition of basic economic and social processes from the model of the economy based on non-market principles into the model of market driven economy in globalized environment.

## 1.2. Information specificity of post-transition countries

The *differentia specifica* between *post-transition countries* and other countries, in which the processes of political, social and economic changes are also taking place, are following:

- A) ***origin of changes***: in the *countries in transition and post-transition* phases of development, the governments are those who initiate, organize and control the transition processes in politics, social life and in economies; in post-transition countries main processes of economic development are initiated and controlled by the governments, but on micro-level of the economic processes are based on market rules,
- B) ***scale of changes***: in *transition and post-transition countries* the scale of changes in “total”, i.e. the comprehensiveness and high dynamics of changes is stimulated and accelerated by administrative decisions and direct managerial activity of governments, in post-transition countries the governments are controlling the development of economic processes by the tools typical for developed market-driven economies: taxes, licenses, social insurance, technological and ecological standards, laws regulating labor markets, supervision of businesses and other forms of activities by special institutions;
- C) ***direction of political changes***: the direction of political and social changes in transition and in post-transition phases of development is progressing from political systems of monopoly and total control of politics and social activities by one political power to more pluralistic political systems,
- D) ***direction of economic changes***: the direction of economic changes in transition and in post-transition stages of development of national economies is running from total control of economic activities by state to

the limitation of institutional regulations of economic and social activities; in *post-transition economies* the regulation on economic processes on micro-level is realized also by market processes on the level of branches and on local markets;

- E) **direction of social changes**: in *post-transition economies* there is often introduced significant reduction of social functions and responsibilities of governments, commercialization of social services, more free labor market, higher differentiation of incomes of households, polarization of society, deregulation of economic and social processes, with deep consequences for social stability,
- F) **instrumentation of changes**: basic instruments of implementing the changes in *post-transition economies* are laws and governmental decisions and government institutions.

In *post-transition countries* the processes of social and economic transformation were preceded and accompanied by deep political changes. In some regions the beginning of transition was associated with the re-creation or creation of new independent states (e.g. former Soviet Union, Yugoslavia, Czechoslovakia were divided into independent countries; some provinces of those newly created countries have reached relatively high level of political and economic autonomy). In other regions the integration of formerly independent countries has taken place (e.g. Germany).

The processes of political transition were running differently in particular countries, in specific regions and continents. In some cases it was peaceful, politically controlled and coordinated process of integration (e.g. Germany) or disintegration (e.g. Czechoslovakia). However in some regions political transformation was difficult and painful, not excluding the processes of political tensions, social disturbances and even military actions (e.g. former Yugoslavia, the beginning of transition in Lithuania, region of Caucasus and of some regions of South East Asia).

The strategy of developing official statistics in post-transition countries should be analyzed from the points of view of two roles of national official statistical systems (NOSS) in supporting transition and post-transition changes:

- a) **Active role**: National official statistical system of a post-transition country as the source of data informing the governments, businesses, the societies and international organizations on social and economic situation of countries in transition.
- b) **Passive role**: National official statistical system as an integral segment of administrative infrastructure of the post-transition country; this infrastructure should be transformed and changed coherently with the transformation and development of all segments of political, social and economic infrastructure of the country.

The scale, forms and methods of political transition have decisive impact on the realization of those two roles of the NSO's, on the development of statistical information systems, on the position and realization of duties of statistics in post-transition economy. One should identify the following qualitatively different situations:

- A) ***Transition of countries, that had formal political sovereignty*** in the past, before the transition (e.g. Bulgaria, Hungary, Mongolia, Poland, Romania). The adjustment of official statistics to new social and economic situation requires deep changes of methodology and scope of statistics, but fundamental organizational changes of statistics are not necessary.
- B) ***Transition of countries created on the basis of former provinces of federal states*** (e.g. former republics within the frames of federal states of Czechoslovakia, Soviet Union, Yugoslavia). Those newly independent states – former republic of federations – had in the past their own organizational infrastructure of official statistics. However those statistical infrastructures of provinces (republics) had played rather the role of the regional layers of the whole system of official statistics of federations. Programming of surveys, methodological and analytical works were concentrated – as a rule – on federal level. Some areas of statistics were developed on the level of federation only (e.g. national accounts, foreign trade, some segments of financial statistics, transport, tourism, environmental statistics etc.). In the countries that have achieved their political independence in the process of transition after 1990, and were created on the basis of former provinces (republics) of federations the transformation of statistics covered:
- (a) The change of the status, mandate and position of statistical offices from provincial to national statistical offices. First step of transition of statistics was the establishing new legal basis of official statistics, development of new organizational structure of national statistics and extensive re-training of statisticians in their new roles in the state, the society and national economy.
  - (b) The development and implementation of modernized procedures of programming the surveys of national statistics. The procedures of programming and planning of surveys should be adjusted to new information technologies and new organization of central and governments and self - governments, as well as to the structures of other economic and social institutions.
  - (c) The extension of programs of surveys of official statistics by introducing new surveys and re-designing of existing surveys. In the past, before political transition, some areas of statistics were developed on federal level only. New national economies need their own systems of national accounts, foreign trade statistics, price statistics, labor statistics, statistics

- of public sector of economy, surveys supporting government budgeting covering „the economic space” of the country.
- (d) The introduction of respective methodological changes, adjusting statistics to new political situation (“new” national economy), to the requirements of market - driven economy and to international standards (mainly the implications of transition from the MPS to the SNA standards).
  - (e) Reconstruction or construction „from scratch” of basic time series covering the space (geographical, social and economic) of newly created countries. Those time series are necessary for social and economic modeling, simulation and forecasts. The time series should cover new political and economic borders and new administrative structures of countries. The retrospective time series should be as deep as possible. This „statistical reconstruction” of social and economic history of newly independent countries was one of the priorities and one of the most responsible and difficult tasks of the NSO`s. Particularly, the retrospective reconstruction time series for regional policy of new states occurs to be difficult for areas covered by sampling surveys.
  - (f) The adjustment of the organization of official statistics to new administrative structure of the country. New independent states have introduced – as rule – new models of regional administration and new systems of regional self – governments. Because of that, the NSO`s had adjusted their regional structures.
  - (g) Technological re-engineering of statistical system, implementation of modern ICT.
- C) **Transition by incorporation** – the case of former GDR. There is only one case of the transition by incorporation – the replacement of „old” statistical system of GDR by the system of FRG in all aspects: organization, program of surveys, methodology and technology. The transformation of official statistics of former GDR are very specific and but some experiences may be useful for other countries.

Case (B) - **the countries created on the basis of former provinces of federal states** (e.g. USSR, Yugoslavia, Czechoslovakia) – is the most common situation of transition in the ECE region. Specificity of this case is, that the new independent states had to develop their new political, administrative, economic and information infrastructures – including statistics – not exactly „from scratch”, but on the basis of fragments of formerly existing „supranational” infrastructure of federal states. This basis may facilitate the transition of statistics, especially in the countries, that inherited former federal statistical offices (e.g. Czech Republic). However on the other hand, old habits and underdevelopment of methodological capacity in statistical office of new states that were formerly the provinces



(republics) of federations, makes the transition of statistics in those countries more difficult.

### **1.3. Institutional transition of social processes in post-transition countries**

Institutional processes of transition in new independent states are qualitatively different, than the processes of transformation in other post-transition countries. Moreover, each country has its own national, political and economic specificity. This fact is true also for official statistics. However, despite of the obvious fact, that each country has its own political, social and economic specificity, there is observed in international organizations and in some developed market-driven economies the propensity to perceive the post-transition countries as the set of homogenous socio – economic systems, that may be described by one standards set of statistical indicators and by transplantation of international standard statistical methodology. This approach is to large extent adaptable for economic statistics. However it does not seem to be applicable for monitoring of social processes.

Statistical standards recommended for the post-transition countries should be adjusted to specific national conditions of particular country in transition. In defining statistical standards for transition countries, regional and national specificity of each country and of each region should be taken into account. Historical conditions, actual political and social situation and its changes should not be underrated.

There is also the qualitative difference between the conditions and strategy of development of statistical systems in the post-transition countries that are the member of the EU or which governments have declared the accession to the European Union, and the post-transition countries that are not planning the accession to the European Union. In the countries planning the accession to the EU the strategic priority is given to the adjustment of national statistical systems to the statistical standards of the EU. Their perspective and objective is the integration of national statistical systems as an integral part of the ESS. National statistical offices of the candidate countries are focused on the compatibility of national statistics with the European Statistical System (ESS). The objective of transition of statistics of the EU countries and EU – candidate countries is the integration with the ESS in the perspective of the membership in the EU. In developing official statistics, the EU – candidates are concentrated on the implementation of the directives of European Union, particularly the recommendations and patterns of the EUROSTAT.

The process of transition of official statistics in the countries that joint the EU or associated with the EU, is an integral part of the whole process of integration of those countries, their national economies with the EU. The pressure on the coherence of the national statistical systems of the accession countries to the ESS

is so strong, that it seems, that specific national statistical needs are underrated and even not taken into account<sup>4</sup>.

To the contrary, the objectives and the strategies of transformation of official statistics in the countries of the ECE region, that are not the candidates to the UN European Union, are concentrated on:

- (a) internal processes of economic and social transition, taking into account national specificity of transition processes,
- (b) satisfying the requirements of international organizations supporting the processes of transition in those countries (UN, IMF, World Bank, OECD ea.).

The countries that are not the members of supranational organizations (like EU) are not obliged to adjust of the organization and functioning of their national statistical systems to international standards by implementing those standards on national level. The requirements of international organizations cooperating with those countries refer to the scope and methodology of statistical output data delivered to international organizations. The strategy, methods and scale of the adjustment of official statistics to international standards is the autonomous, internal decision of national statistical offices.

#### **1.4. National strategy of the development of national official information systems**

National strategy of the development of national official information systems in post-transition countries is oriented to three main objectives:

1. The development of national official information systems as integral segment of the information infrastructure of the national economy.
2. Production of relevant statistics for supporting decisions of governments, monitoring and evaluating the results of country – specific processes and social and economic consequences of transition.
3. Adjustment of national official information system to international standards, in particular those recommended by the UN statistics.

The objectives specified above may not be necessarily coherent. For example, statistical monitoring of transition processes for national users (governments, businesses, NGO's, researchers) requires data, that are – as a rule – different from the indicators required by international organizations for their analyses and international comparisons. International statistical standards quite often may not correspond with the internal needs of monitoring and analyzing the country-specific phenomena and processes. The implementation of international statistical

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<sup>4</sup> The example of such mistakes in the EU new member or the EU-candidates is the implementation of international statistical classifications used in the EU on supranational level only, as entire national classifications (e.g. classifications of activities, commodities, occupations, etc.).

standards by the countries that do not need to follow the EU standards should be the nationally embedded decision of the NSO's, than the mandatory consequence of international agreements and treaties of governments.

In practice, in post-transition countries, the priority in the transformation of official information systems may and should be given to the internal needs of governments, businesses and citizens, including the needs of monitoring of transborder phenomena and processes. Main task of official information systems in those countries is to help the governments to define optimal strategies of continuing the transition, to evaluating of economic and social costs and effects of processes following the transition, to building *the early warning systems* and to monitoring new phenomena and processes of post-transition economy. Recommendations and standards elaborated by external experts and proposed by international organizations should take this hierarchy of priorities into account.

Analyzing the practice of development of official information infrastructure in post-transition countries, it seems that the function of official information systems as indispensable tool of economic and social policy in the post-transition processes seems to be underrated by governments. Politicians, managers, experts and lawyers involved in implementing and monitoring economic and social reforms often do not precede their decisions by developing proper statistical surveys and statistical monitoring of new and dynamic phenomena and processes inside the countries and in their transborder environment. International statistical organizations, particularly UN statistical services, may help the statisticians in post-transition countries to convince the governments, that good official information infrastructure covering the country and its transborder environment is the prerequisite of successful development in post-transition period.

National official statistics is playing the leading role in building the information foundations of development in all countries in transition and in post-transition countries. The exchange of experiences and best practices between national statistical services of post-transition countries is an efficient way of assistance in defining statistical national standards supporting transition processes.

Efficient tools for harmonization of basic statistical data are SDDS and GDDS, implemented by the IMF. However the usefulness of those two systems was proven for economic statistics only. In SDDS and GDDS much less attention was paid to monitoring of social processes and their specificity. Good standards for monitoring of social processes can hardly be found among numerous international statistical standards. National statistical offices of post-transition countries cannot modernize their monitoring of social processes by transplanting international standards or best practices of other economies. They should elaborate and implement additional standards adjusted to the dynamics and specificity of transition and to the phenomena of transborder economies of those countries.

As it was mentioned above, the objective of this paper is to present the active approach to modernization and standardization in monitoring of social processes and the discussing of the proposal of the system for social data harmonization and interchange (SSMDS). The case study of post-transition countries is chosen to explain and exemplify the specificity of standardization of monitoring of social processes in complex and dynamic information and statistical environment of the country.

## **2. International harmonization of monitoring of social processes – the transborder perspective of post-transition countries**

### **2.1. Official statistics and its leading role in the harmonization of information infrastructure of post-transition countries**

As it was mentioned above, the national official statistics is playing the leading role in building the information foundations of development in all countries in transition as well as in post-transition countries. Therefore the problems of harmonization of monitoring of social processes will be analyzed from the perspective of official statistics and surveys.

Over two decades since the start of political transition, in most of the countries that have started the process of transition round 1990 the processes of adjustment of *official economic statistics* to the needs of market - driven economies and international standards are finalized. In most of the countries this process has come to the end, in some countries is in its final phase. However the understanding of the importance of transborder economies and the need of special monitoring of transborder processes has been appeared in 2<sup>nd</sup> half of the 90<sup>th</sup>.

National statistical agencies of post-transition countries are producing and disseminating *economic statistics* following basic international standards and methodological recommendations. In the ECE region, the CES region, the ECE Statistics Division, EUROSTAT, and in global scale the IMF, OECD and World Bank, UNDP and other international organizations have developed *statistical standards of economic statistics* specific for transition and post-transition countries. Those standards represent mainly the needs of international organizations, putting the stress on international comparability and completeness of data, and not so much for internal pertinence of those data for governments of post-transition countries.

Up to now - much less attention is paid to specific, post-transition – oriented, statistical standards for *social phenomena and processes*, especially in transborder economies. It is deep information gap between the coverage of economic processes and their transformations by general, international statistical standards and the coverage of social phenomena and processes taking place in the economies in transition as well as in post-transition countries by statistical standards. One can say that in most of the post-transition countries the

transforming of economic statistics is finalized. Economic statistics in those countries has fully reached the post-transition phase. However the process of capacity building for monitoring of social processes in post-transition countries and their transborder area is still going on.

In post-transition countries one may observe the gap between economic statistics and statistical monitoring of social processes. This gap is concerning both the scope of social surveys, methodology, meta-information and information, microdata and output data. This gap and its negative consequences for end-users, especially for policy makers, are better seen and better understood now, in advanced phases of transition and in post-transition phase of economies, when centrally - planned economic institutions are already replaced by the mechanisms of market driven - economy, but social institutions and structures are not adjusted to new economic situation. Governments and international organizations are supplied by relevant economic data, but they do not have necessary data for evaluation and simulation of social consequences of economic policy in post-transition economy and for proper social policy of the country.

As it was mentioned above, the IMF has established two dissemination standards: SDDS and GDDS, through which countries commit to improving the quality of data produced and disseminated by their statistical systems. Those two systems introduce meta-information standards for wide range of economic indicators and on some basic social indicators (e.g. demography, labor, employment, incomes etc.).

The scope of social indicators covered by the SDDS and GDDS is - in principle - limited to the indicators that are necessary to compile some derived economic indicators (e.g. indexes per capita), or to help better interpreting of economic indicators (e.g. incomes of households as the element of national accounts and business cycle analysis). So, the role of standard social indicators covered by SDDS and GDDS is limited to the supporting of economic analyses.

## **2.2. Statistical social minima in transborder economies in post-transition countries**

For each post-transition country there may and should be determined the *statistical minima* – i.e. *the minimal set of statistical data* indispensable for governments, businesses and for households to take proper decisions and rationalize the behavior in different phases and specific situations of transition period.

This minimal set of statistical data may be different for:

- (a) particular country, and for bigger, internally diversified countries also for regions,
- (b) each phase of transition,
- (c) each area of social and economic life,
- (d) for each type of transborder economy.

Official statistical agencies should identify precisely this *country - specific statistical minima*. The governments of all countries, especially of any country of high dynamics of social and economic processes (post-transition countries, developing countries, regions of political or environmental disturbances etc.), should be aware and convinced, that the consequence of defining the statistical minimum for the country is the *minimum of resources for official statistics* in government budget, that should enable the national statistical offices to produce, compile and deliver to the users all necessary data. International organizations and developed countries offering assistance to national statistics in post-transition countries should pay more the attention and higher priority to the *country specific statistical "minima"*.

*Minimum of social statistical indicators* for post-transition countries and their transborder areas and processes does not mean the *small set* of data. To the contrary, it is rather long list of statistical indicators. Their capture, production, compilation and dissemination may not be easy for some statistical services. It is large heterogeneous set of information covering all areas of monitoring of social processes, precisely pertinent to the needs of different classes of users: the governments, the non-government organizations (NGO`s), the businesses and the public, transborder governmental and non-governmental organizations.

Official statistical agencies in all countries are expected to supply relevant and timely social statistical indicators, interpretable for specific conditions of particular country. They should meet following needs and requirements:

- a) analysis and evaluation of *current social situation* of the country, by monitoring specific social phenomena and processes of national economy including its transborder areas,
- b) identification and description of *social impacts and consequences* of economic reforms in the processes the post-transition phases,
- c) *impartial* simulation of *social consequences of the decisions of governments*, introducing new economic mechanisms transforming centrally planned economy into market - driven economy,
- d) short and middle term forecasting of social processes, including the *human development* phenomena, as defined in the HDI (human development index),
- e) *statistical monitoring of social phenomena and processes* in countries, regions, branches, transborder economies and social groups,
- f) evaluation of *social efficacy of strategies and tools used by the governments* of post-transition countries to implement new economic and social regulations,
- g) coordination of social and economic policies in transborder economies of neighbouring countries,

- h) evaluation of *social consequences and costs of transition* and supporting the evaluation of social costs of continuation of transforming the economy,
- i) development (if possible) of statistical *early warning systems* for the governments, informing the governments *ex ante* on social phenomena,
- j) compilation of comparable statistical data for international comparisons and „benchmarking” of social (and human) development of post-transition countries.

Specific situation is in statistics of newly re-created independent countries. In newly re-created independent states the national statistical agencies is also expected to produce retrospective time series covering both the pre-independence periods for the territory of the country and the period of political independence, as long as possible and necessary for modeling, forecasting and simulation.

An interesting initiative in global standardization of monitoring of social processes is the idea of the *Minimal National Social Data Set (MNSDS)*, articulated by the World Bank Development Data Group and the IMF Statistical Department<sup>5</sup>. The Group proposed to include to the GDDS some areas of social and demographic indicators. The Group has also listed social and demographic data categories and statistical indicators (components), that should be included to the GDDS.

It seems that the GDDS, SDDS and the MNSDS seem to be good starting platforms to develop general standards in monitoring of social processes for harmonization and interchange of social data in global scale. The formats for description of surveys and data used in the GDDS seem to be a good basis for elaboration of the format adjusted to the specificity of social statistical data and metadata.

### **3. Specificity of social processes in post-transition countries and its impact on the monitoring of social phenomena in national and transborder economies**

#### **3.1. Monitoring of primary and derived social phenomena and processes**

In all post-transition countries, parallel with the transformation of the national economy, deep processes of social transformation are observed. Those social phenomena and processes may be divided into two classes:

- (A) primary,
- (B) derived.

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<sup>5</sup> See: *The Socio-demographic Component of the General Data Dissemination System*, Report by the IMF and the World Bank Development Group, the paper for 34<sup>th</sup> session of the ACC Subcommittee on Statistical Activities, Washington D.C., 20 - 22 September 2000. Ref. No. S.A./2000/16(g).

- (A) *Primary processes and phenomena of social transition* are those introduced or generated directly by political and administrative decisions of governments. E.g. higher mobility of population caused by more freedom to travel abroad and to migrate within or outside the country, unemployment caused by administrative decision of closing a state - owned enterprise, etc.
- (B) Derived social processes are caused and stimulated by political and economic transformation of countries. Those processes are the result or „by-product” of processes of economic transition. Their origin is the politically stimulated transformation of national economy and the changes of the role of government in the economy. Those processes may be called *derived (secondary) processes and phenomena of social transition*. Derived, *secondary social processes* and phenomena of transition may be both positive and negative. However, they are often negative. For example: rapid decrease of rate birth in first years of transition, very high structural unemployment caused by restructuring of industries overdeveloped in the pre-transition period and concentrated in specific „*monocultural*” economic regions, enlargement of spheres of poverty caused by the “explosion” of unemployment, and by hyperinflation caused by cuts of government subsidies of some consumption goods and services, increase of criminality, emigration of educated and skilled people to other countries, etc. Those negative secondary consequences of economic transition should be of special interest for official statistics in post-transition countries.

Official statistics should help to identify, which social processes are *primary*, and which are *derived*. Statistics should help to describe *relations between primary and derived phenomena and processes* of post-transition phase of economic and social development. It should also:

- a) help the governments to identify real origins and causes of primary and derived (secondary) social processes,
- b) to provide statistical data enabling the governments to analyze and to explain the mechanisms and dynamics of these processes (causes of social phenomena and social outcomes of *primary transition processes*),
- c) to monitor social phenomena and processes and their dynamics in post-transition phase of development,
- d) to supply the data for modeling, forecasting and simulating primary and derivative social phenomena and processes for the whole transition and post-transition period and for its particular phases,
- e) to supply information on transborder phenomena and processes that may help the governments to reduce negative social consequences of accelerated transformation of national economies.

“*Socio - economic time*” in transition and post-transition phases. Social processes in post-transition countries have their specific dynamics, that is different



from those in stabilized economies. We may say that the economic and social time in post-transition countries is still *running much faster*, than in stabilized economies and societies. The dynamism of changes is not so high like in the beginning of transition, but infrastructural, social and economic asymmetries generated by political decisions in first phase of transition are stimulating dynamic processes of adaptation of businesses and households to post-transition economy.

Because of that, statistical observation of economic and social processes in post-transition countries should be more frequent than in well-stabilized economies and societies. It should be adjusted to the “higher speed of socio-economic time” in post-transition period. Higher frequency of statistical observation needs specific methodological approaches and requires more resources for official statistics. The governments - main users of statistical data, and the official statisticians themselves, should understand this specificity of monitoring of social processes.

### **3.2. Social “transition shock” in post-transition phase and its monitoring and control**

Transition period is the period of *economic and social shocks*. By “transition shocks” we understand the “*oversensitive*” reaction of the economy (or its branches, regions) and of the society (or some social groups) on external or internal economic impulses. E.g. the “explosion” of explicit unemployment in the beginning of transition, the changes of structure of consumption caused by structural changes of prices, dynamic changes of exchange rates of local currency, dramatic decrease of incomes for disposal of households, social transformations caused by restructuring of industry etc. *Social shocks* in “non-transition” countries are caused - as a rule - by external factors, not by decisions of governments.

The governments should try to eliminate or to soften social shocks. This is very important objective of social policy of governments. To the contrary, the specificity of *social transition shocks* is that the governments themselves generate shocks. *Social shocks* are used as instruments stimulating the adoption of businesses and households to new economic situation, to market - driven economy. The origins of those “shocking impulses” are political and administrative decisions of the governments of transition and post-transition countries. The source of *social shocks* is internal, not external. In post-transition countries the generating of economic “shock impulses” by governments is rather popular method of accelerating and strengthening the effects of economic and social decisions of governments<sup>6</sup>. Colloquially one may say that in post-transition

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<sup>6</sup> Several transition countries in early phases of transition have adopted so-called “shock therapy”, following the recommendations of some international organizations (e.g. IMF). However now it is clear, that economic and social cost of “shock therapies” was much higher and long lasting, than expected, and their “net effects” were relatively low.

countries the governments „are shocking” the economies and societies, their own businesses and citizens by introducing new regulations of economic and social life.

Official statistics should supply data enabling the governments to simulate social and economic effects of those shocks (especially negative side effects) generated by administrative decisions of governments. Foreign experts and international organizations advising the governments of transition countries how to reform the economies, should be aware of possible negative social and economic consequences of *social shocks* and of *social costs* generated by to obedient and „literal” implementation of their recommendations by governments.

Official statistics in post-transition countries is expected to deliver to governments, social organizations and businesses the data that may help to identify the consequences of social shocks caused by transition and to elaborate proper tools of eliminating or reducing those consequences.

### **3.3. Coherence gaps in monitoring of social phenomena and processes**

The post-transition systems (countries, regions, transborder economies) are the complexes of many collateral processes of social and economic changes taking place after finalizing basic reforms of transition from centrally-planned to market-driven economic models. The control of coherence and coordination those processes in time, in regions, transborder areas, branches of the economy, social groups, requires very large number of coherent, comparable and timely statistical data. It is not easy for official statistics to meet the needs for coherence and comparability of data necessary for coordinating different non-coherent transition processes.

In post-transition countries the monitoring of the *coherence gap between social and economic processes* is of particular importance for statistics. Statistical standards may and should help to identify, analyze and minimize coherence gaps in statistical data.

### **3.4. Information and metainformation gaps in the monitoring of social phenomena and processes**

Because of high dynamics of social and economic processes, the systems of official statistics in post-transition countries can hardly keep pace with the changes of economy and society. Main users of official statistics often express the opinion that the scope and timeliness of data delivered by official statistics is not satisfactory. This criticism refers to:

- (a) frequency (*to low*),
- (b) production time (*to long*),
- (c) timeliness (*to late*),
- (d) scope (*to narrow*),

- (e) cross-sections (*to general*),
- (f) completeness (*not sufficient*),
- (g) reliability (*not reliable*),

of social surveys.

However, availability of metainformation necessary for pertinent retrieval and interpretation of social data is often not relevant, timely and accurate. The standards used in monitoring of social processes should be developed on the basis of „best practices” of official statistical agencies, but should not copy them. „Best practice” may be „not good enough” for harmonization and international interchange of social data.

The prerequisite of coherence of social information are international statistical standards needed for building the „*common metainformational denominator*” harmonizing formats and documentation of semantics of social statistical data. These standards shall be helpful not only for the NSO`s. Mutual exchange of experiences and practices may help the NSOs to define specific standards adjusted to their national specificity of post-transition processes following, as much as possible, global statistical standards.

#### **4. Standardization of metadata and methodology as the foundation of integrated system of monitoring of social processes in transborder economies of post-transition countries**

##### **4.1. Need of relevant standards of monitoring of social processes in transborder economies**

For defining the standards for monitoring of social processes, following aspects should be taken into account:

- A) New social and economic phenomena, that appear in many countries, and are explicitly visible in post-transition countries, require new socio - economic concepts, statistical methods and indicators. Some „old” social indicators may lead to misinterpretation, to erroneous use or misuse of statistical data.
- B) Control of comparability and integrity gaps of social statistical data in post-transition countries needs special methods of identification and elimination of those gaps.
- C) Problems with accessibility and reliability of sources of social data are the result of enlargement of the spheres of shadow economy, non-registered and ill registered social and economic activities, lower quality of administrative registers. Statistics needs to find or create alternative sources of data and

alternative methods of statistical observation. In some situations the „*traced data approach*” may be helpful<sup>7</sup>.

- D) Problems of proper interpretability of „old” social indicators in dynamically changing social and economic environment. Social statistical indicators in post-transition period cannot be interpreted correctly without proper understanding of their economic, social and cultural context of concrete phases of post-transition period in different spheres of social and economic life and good understanding of national, regional and local specificity.

#### **4.2. Statistical implications of political functions of monitoring of social processes**

Standards for monitoring of social processes should define *statistical minimum of social information* and minimal program of surveys, that are necessary for:

- a) analysis of social processes and their specificity; in post-transition countries they should refer to particular phases of transition and to transborder areas,
- b) systematic statistical monitoring of social changes, with special reference to transborder social processes,
- c) simulation of social consequences of transformation of the economy and its branches and regions, especially transborder regions,
- d) evaluation effects and efficacy of social policy of governments and of activities of non government organizations (NGO`s),
- e) systematic, active statistical support of governments, self - governments and the NGO`s in providing social services as public goods,
- f) „social benchmarking” i.e. comparative analysis and evaluation of social implications of economic political decisions of governments.

#### **4.3. Methodological approach to developing standards in monitoring of social processes**

As it was mentioned above, monitoring of social processes does not have „*common methodological denominator*”, like the SNA in economic statistics.

National, regional and transborder specificity of social phenomena and processes is much stronger, then national specificity of economic post-transition processes. This national specificity of social phenomena has strong impact on the

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<sup>7</sup> "Traced data" are the data (statistical indicators), which do not refer directly to social or economic phenomena or processes, but indirectly help to estimate these phenomena or processes. E.g. hidden economy can not be measured directly, by collecting data on statistical questionnaires sent to businesses, but it can be estimated indirectly on the basis phenomena correlated with the non-observed activity (hidden shuttle trade and "economic tourism" can be estimated on the basis of number of persons crossing the borders and coming back ("1-day foreign tourists").

approaches to standardization of monitoring of social processes on international and supranational level. Standards in monitoring of social processes should be divided into following classes:

- common international standards (recommended by international organizations),
- national basic standards (for national systematic surveys),
- national „situational” standards (for statistical monitoring of specific, incidental phenomena and processes).

Limited number of social statistical indicators may be standardized on international level. It seems that the common international standards in monitoring of social processes should be:

- generic metastandards,
- methodological metastandards.

Specific standards for statistical indicators could be defined mainly on national level. Specific standards indicators on international level have to be limited to basic indicators in the domains of:

- demography,
- household surveys,
- labor market,
- social infrastructure,
- social services.

#### **4.4. Specificity of monitoring of social processes in dynamically changing economies of post-transition countries**

Monitoring of social processes in post-transition countries, may be characterized as follows:

- a) ***Relative underdevelopment of monitoring of social processes in the pre-transition period in former centrally planned economies.*** In centrally planned economies the priority was given to economic statistics as the information basis of central planning. Monitoring of social processes was developed in those domains, for which statistics was needed for budgeting purposes.
- b) ***Heterogeneity and diversity of methodological approaches in statistics of particular areas of social life.*** Monitoring of social processes is a set of rather autonomous surveys, not integrated from methodological point of view. In some national statistical offices the attempts to integrate social surveys were undertaken. However practical results of those attempts are of experimental nature.

Social policy in post-transition countries requires comprehensive and integrated data from different areas of monitoring of social processes, e.g. for proper transition of labor market integrated data from the domains of

demography, education, jobs, employment, unemployment, jobs, commuting infrastructure, household incomes etc. identified on regional and local level are necessary.

- c) ***Country – specific and transborder-specific methodological approaches in social surveys.*** In former centrally planned economies the governments regulated deeply many areas of social life. Main instrument of these regulations was the government budgets and „semi - budgetary” funds and administrative coordination of social activities. The priority of official monitoring of social processes was to supply information to the governments for budgetary purposes. Country – specific data adjusted to the organization of governments responsible for social policy are needed. E.g. each country has its own specific system of social insurance, social care, education system, public health care and health insurance, regulations concerning labor market etc. Transborder specificity requires international harmonization of methodology and organization of surveys conducted in the transborder regions of two or more neighbouring countries.
- d) ***Impact of institutional changes of public sector in post-transition countries,*** especially in transborder areas, on the availability of social data and on sources of social data. In the process of post-transition development of economy there are introduced deep organizational and institutional changes of social policy and social life.

Most important new institutional forms of social policy are introduced i.a. in social insurance system, health insurance system, in the system of organization and financing of education and culture, social functions of self governments, development of non - government organizations (NGO). „Old” methodological approaches of statistical surveys adjusted to the institutional framework of centrally planned economy are not useful in new social and economic situation.

New proper methods of statistical observation of dynamics and structures are necessary. Methodological gap between „old” and „new” monitoring of social processes caused by institutional changes of social life is extremely dangerous and should be carefully analyzed and eliminated by introducing respective new statistical methods (new concepts and definitions, new statistical units and new sources of data, new output indicators).

The level of international homogenization and harmonization of monitoring of social processes should correspond with the real similarities of social processes in particular post-transition countries.

Social statistical indicators should - first of all - describe national specificity of social post-transition processes in countries and their regions. Social indicators should help to identify what is specific for each country, to forecast social consequences of economic reforms and to evaluate the efficacy of social policy in different phases of post-transition development.

As it was mentioned above, international homogeneity and comparability of social indicators for post-transition countries is realistic for basic social indicators. Country – specific social indicators are embedded in social institutions and organizations of the country and are interpretable for the entire country.

There is the need of international comparability of social indicators, for international comparisons, evaluations and „social benchmarking”. Higher level of international harmonization and comparability may be reached by proper, well structured documenting of the methodology of each particular survey in monitoring of social processes.

The experiences of the SDDS and GDDS show that the standardization of statistics by the unification of the documentation of data is effective. The proposal of such metainformation system (SSMDS) as a tool of harmonization of informational standards for monitoring of social processes for post-transition countries and in their transborder areas is presented below (p. 6).

#### **4.5. Layers of standardization of monitoring of social processes in post-transition countries**

The standards for monitoring of social processes for post-transition countries should be introduced on following layers:

- a) social domains layer,
- b) social surveys layer ,
- c) social indicators' layer.

#### **4.6. Strategies of monitoring of social processes of post-transition countries and in their transborder regions.**

The considerations concerning the strategies of statistical monitoring of social processes in transborder economies refer to any segment of national statistical system. Monitoring systems organized or coordinated by official statistical agencies shall be integral parts of information infrastructures of countries. They shall take into account following principles:

- The NSO should define long term strategy of transformation of monitoring of social processes themselves, taking into account their internal needs and priorities, (while the transformation of statistics of the EU members is an integral part of the program of integration with the EU); NSDS seems to be good form of such strategic program;
- The NSO should be focused on creative adoption of statistical standards of the UN ECE and the international organizations cooperating with the governments of those countries (e.g. IMF, World Bank), and – if relevant – the EU standards;

- In countries that have reached the independence or the countries that have changed significantly their territories in last century (mainly after 1<sup>st</sup> World War and decolonization), official statistics is expected to produce retrospective time series covering the pre-independence periods, to reconstruct economic and social history of the territory of new independent country;
- In all countries, that have newly reached the independence, deep and accelerated processes of political, social, cultural, religious and national changes; the impacts of those changes on economic and social situation of the countries should be represented in official statistics;
- In the countries that have changed their territory and in relatively new independent states special attention should be paid to the identification, delimitation and monitoring of transborder areas and processes.

## **5. Conclusions**

In globalizing economy the processes of deep social and economic development in many countries are observed. The economies in transition and in post-transition are good examples of complexity and dynamics political, economic and social changes in globalized world. The mission of official statistics is to monitor not only economic, but also social phenomena and to supply pertinent information for governments and international organizations, with special reference to transborder processes.

Existing international standards in monitoring of social processes developed for stabilized economies are not sufficient to describing dynamic social processes in the economies and societies.

Therefore the development of standards statistics, that take into account specific special phenomena and processes and their mechanisms, may help governments to choose optimal strategies, taking into account social prerequisites, limitations and implications of transborder factor in post-transition economies. It shall also help international organizations to understand better social aspects and national specificity of different post-transition countries, and to create the conditions of transborder cooperation stimulating social development in transborder regions.

The SSMDs adjusted to the monitoring of social processes and to the specificity of the post-transition countries and their transborder regions, seems to be good platform for standardization and harmonization of monitoring of social processes adjusted to the needs of information society and knowledge-based economy in transforming and globalizing world.



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