

item 4

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ACC SUBCOMMITTEE ON STATISTICAL ACTIVITIES -- 29TH SESSION
Geneva, 15, 16, & 19 June 1995

Agenda Item 4.-- Needs for statistics of the analytical and policy units of international organisations and the statistics produced by these organisations.

NOTE PREPARED BY THE OECD

The origin of the Organisation for Economic Co-operation and Development was one that required consensus for decision on policies or activities. The discussion required to reach consensus needed factual information, including statistics, to inform the debate. Thus, statistical data within the OECD are collected strictly in response to analytical needs of Member countries. This is fostered by the decentralised nature of statistics in the OECD.

These needs may be expressed in a number of ways. A Committee may see that specific statistics are needed to better understand a particular issue or to clarify a disagreement. An example was the development of the view in the Public Management Committee that existing statistics were inadequate to compare and understand the differences in public sector employment in OECD countries. This led to explorations with the Statistics Directorate (STD) and then a paper at the 1994 statistics meetings in Paris on this topic. Or a Committee may form a Working Party of experts from Member countries to examine statistical data needs in a broad policy area, such as industry or environment. An example is the Working Party on Industrial Statistics that works with the Industry Committee. In either case, discussions lead to agreement on what is needed, and what can be reported by Member country governments. The necessary work of the secretariat to collect the data, build the data base, prepare necessary reports in support of policy analysis, and prepare publications for the public is included in the program of work and budget and assigned a specific relative priority by the appropriate Committee. This priority is considered by the Council in deciding on the over all Program of Work and Budget. For 1995-96, a two-yearly program of work was adopted, but the organic charter of the OECD requires an annual budget process, so these priorities continue to be formally reviewed annually, at least by a Committee. This gives reasonable assurance that collection of statistics does not continue beyond use in policy analysis, especially in a condition of restrictive budgets.

A second way for statistics to be requested is by a body within the secretariat that is performing policy analysis at the direction of Member countries. This work requires statistics, and they are collected directly by that part of the secretariat or by another whose specialised role makes it the efficient choice.

The origin of this class of statistical activity is somewhat more indirect, but it is still at the behest of Member countries for specific needs. One example is the country studies performed by the Economics Department.

Country studies of the economy are usually performed annually by the Economics Department, in close collaboration with the particular Member country national administration. These are based on many kinds of information, but the most important is the data base comprised of statistical information on the country compiled chiefly by the STD. These data are now a standard set for the most part, but they were developed based on analytical needs, and they are modified and tested for utility regularly. The use of economic statistics in country studies was described in a paper by the Economics Department at the statistical meetings in Paris last year.

Country studies of the economy are perhaps the best known of the OECD, but country studies or reviews are conducted in other subject areas as well, e. g., the environment.

Still another way in which statistical data collection is formed or renovated is through horizontal studies of several related disciplines. The Jobs Study, begun three years ago and bearing fruit at the Ministerial Council in 1994, is an example. In this case, Member country governments, especially in Europe, have been confronted with persistently higher levels of unemployment in the past few years than was common in the earlier years since 1945. Traditional business cycle analysis did not seem to shed sufficient light on the causes or solutions of this situation, and furthermore the fiscal circumstances of many governments restricted traditional steps that might have been taken to alleviate unemployment. In this study, many directorates across the OECD co-operated, and conclusions were reached or strengthened about shortcomings in statistical data needed to understand the causes of unemployment, job creation and abolition, the role of technology, etc.

A final way that the fit of statistical data bases and products is tested against policy use is by systematic examination and canvassing of users in the secretariat and Member countries. Two examples from the past two years are OECD labour force statistics and the Main Economic Indicators (MEI). In the case of our quarterly labour force statistics products, there had been a recent change of staff responsibilities, and there had been long divergencies between the OECD and Eurostat unemployment rates for several countries. This was a ripe situation for systematic and independent review. We hired a consultant who surveyed users by questionnaire and in person. From this came a number of small and large recommendations for change that will better meet the stated needs of users and yield better international comparability.

In the case of the MEI, a 1993 management review of the new STD recommended changes in production methods to produce efficiencies. This was a difficult change, redeploying about 20 per cent of the staff formerly working on the MEI. When the new production processes were in place, it seemed timely to examine content and presentation of the data base and products in the same spirit. Staff interviewed users in the Economics Department and Member country ministries, as well as producers in national statistical offices, central banks, etc. This process is still underway, but it has been very productive, and it is planned to introduce renovated and expanded products in 1996.

The decentralised nature of statistics in the OECD strongly abets closeness of statisticians to policy users. This characteristic strongly supports relevance and timeliness of statistics, for they are "made to order", so to speak, for the client. This, plus the sharp constraints in recent years on resources, is effective at pruning the unused and unnecessary from the inventory of statistics. Although this form of organisation has much to be said for it, and is highly practical and desirable in an organisation of the size and mission of the OECD, there are downsides as well. Dispersion of statistical resources and activities



risks overlap and inefficiencies. This is felt by Member countries when they receive questionnaires requesting duplicative information, for example. It is noticed by the secretariat when it proves difficult to mobilise information toward analysis of a complex problem from disparate subject matter data bases in various directorates.

The response to this was to create the STD, not to centralise all statistical work in the OECD, but to provide mechanisms to facilitate co-ordination, as well as to collect certain basic, core economic statistics (about 30 per cent of persons working full-time on statistics in the OECD are in STD). We have achieved some helpful progress, but are probably still at the long end of this journey. Several procedures have been, or are being, put in place to facilitate co-ordinated practices.

First, the step was taken to form a Statistical Policy Group (SPG), comprised of persons responsible for statistical work in about 12 directorates, plus the Publications Service and the Directorate for Computers and Communications (see attached description). This body meets about 10 times a year. It is chaired by the Chief Statistician and STD provides the secretariat. The SPG co-ordinates representation at international meetings, works on standards within the Organisation, permits discussion of multi-directorate issues in statistics, formulates the screening test to applicants for statistical assistant posts, and in general has created a functional sense of community among statisticians in the house.

Another strong mechanism for co-ordination is work in connection with the Conference of European Statisticians, specifically the Bureau and the annual Joint Program Review (JPR) with the ECE and Eurostat. The need for a joint presentation of the work programs of the three organisations (OECD, ECE, and Eurostat), the review of this by the Bureau, and the forum for action on problems in the JPR are all devices and training grounds for co-ordination within the OECD secretariat as well as between the three organisations.

One of the earliest steps toward co-ordination, and one of the most popular with Member country national statistical offices, was a calendar of statistical meetings organised by the OECD. This was helpful within the secretariat, between the OECD, ECE, and Eurostat, and permitted better planning and participation on the part of Member countries. This is one of these rare, small improvements that actually resulted in written expressions of appreciation.

One tool of co-ordination that was obvious to develop was an inventory of reporting requirements. This had not existed before at the OECD, and frankly has proven difficult to get right. The OECD did report annually to the UNSD on its list of data collection requests, but this was not complete, although all the main areas of traditional data collection were covered. There was an initial inventory completed in 1993, and it was a step forward. Still, it failed the test of informing a new member when Mexico joined the OECD in 1994, for it proved incomplete and not fully informative in practical ways. Because of the close links between analysis and statistics in the OECD, plus a long-stable membership of industrialised countries with fairly advanced public administrations and statistical services, most statistical reporting was well established; everyone "knew what to do", and questionnaires or reporting specifications sometimes didn't exist. This condition is not practical for an expanding membership. We coped with the admission of Mexico in an ad hoc fashion, using the strength of its national statistical institute and strong relationships between the secretariats. This approach is not appropriate for the smooth admission of additional countries, and five applications are now pending. STD and the SPG are now in the process of completing a valid inventory of all regular statistical reporting requirements and working toward the specification of these where they are informal.

Closely related is the delineation of a Corporate Data Environment (CDE) that will define common data elements in most data bases in the Organisation. There is not envisioned a massive, central

data base, but a condition of transparency that permits an analyst in one part of the organisation to mobilise statistics not in his own directorate for purposes of working on complex problems. This should increase effectiveness of the secretariat in addressing emerging multi-disciplinary problems, reduce duplication, and improve consistency.

As the OECD expands, it has found it practical and useful to undertake more systematic consideration of the statistics in applicant countries. This was informal with Mexico. It will likely be more explicit with subsequent countries. This does not mean that applicant countries are necessarily thought to have inadequate statistical systems or practices, or that statistical practices would be the determining factor in membership. It is simply a recognition that the OECD cannot do its work in service to Members without good statistics and that this factor should be recognised in undertaking membership. This line of thought could lead to guidelines for Member countries. It is likely that the foundation for these will be the Fundamental Principles of Official Statistics adopted by the ECE. Obviously developing guidelines for what the secretariat needs to do its work will also be a mechanism for co-ordination within the OECD.

