Priority setting in national statistical work programs

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Priority setting?

- Demand for statistics almost always exceeds what statistical systems can deliver
- Therefore: priority setting is necessary at various levels
- At the policy level: strategy, programs, capital expenditure
- At the operational level: how to collect data, level of analysis, outputs
- Priority setting is necessary in both developed and developing countries

Budgets and programs

- Prioritizing in public spending: PPBS, zero-based budgeting, result-based budgeting etc.
- The budget-program-cycle
- Different styles of statistical programs: from broad lines only to detailed descriptions
- Separate budgets for current and capital expenditure

Discretion to spend

- Re-allocation of resources?
- Broad spending mandate or detailed rules?
- Charging clients
- Who gets the revenue?

Priorities in general

- 80% of the budget of statistical agencies is spent on core activities: data collection, data processing, analysis and dissemination
- 20% is spent on administration and other overhead
- Therefore: priority setting relates to the basic program of work
- Complexity depends on size and development stage of statistical systems

Core or minimum program

- Basic national accounts and underlying business and household collections
- Basic demographic data
- Monthly or quarterly consumer price index
- Basic agricultural statistics
- Some registration-based statistics, e.g. international trade, health and education statistics

Principles of priority setting

- Statistical program must be demand-driven, however:
- How to monitor effect of government programs
- Users are sometimes not articulate
- Users sometimes expect the impossible
- Some users have a short-term view and want immediate answers
- Users are often not interested in the ‘larger picture’

Criteria for priority setting

- Priority setting within *existing* statistical work programs generates additional difficulties
- Users have different interests: a more precise CPI or more timely national accounts, better poverty statistics or more detailed education statistics
- Users have parochial views
- Satisfactory ‘objective’ methods for priority setting do not exist

Case history 1: Netherlands

- Decisions about the statistical work program were made by the Central Commission for Statistics, which had 45 members
- Work program of Statistics Netherlands had about 400 elements
- Commission members had very different interests and preferences
- When budgets got tighter, Commission wanted objective criteria to decide about priorities

Criteria were developed

- Existence of European Union legislation
- Existence of national legislation
- Significance of data collection for the broader statistical system
- Significance of statistics in money terms or in terms of the population groups involved
- Variability of the phenomenon that is measured
- Impact of statistics on society
- Use of the outcomes
- Size of use, sales of products
- Reporting burden
- Cost

Criteria: did they help?

- Much information had to be collected to implement the criteria
- Weighting is very difficult
- However: criteria generated ‘profiles’ of statistical projects, which helped to set priorities and to address weak points of projects
- Implementation of criteria necessitated building up a better management information system

Case study: Palestine

- Statistical system of Palestine had to be built up from scratch
- Consultants developed ‘master plan’
- Core elements of the ‘master plan’ were

1. National accounts and underlying business statistics
2. External trade statistics
3. Balance of payment statistics
4. Public finance statistics
5. Price statistics
6. Measures of living conditions, incl. Household income and expenditure, employment, health, education as well as basic demographic statistics