

# **REPORT ON INTERNATIONAL FORUM ON MONITORING NATIONAL DEVELOPMENT: ISSUES AND CHALLENGES**

**Beijing, People's Republic of China, 27– 29 September, 2011**

## **INTRODUCTION**

1. The Forum was jointly organised by the National Bureau of Statistics of China (NBS), the United Nations Statistics Division (UNSD) and the World Bank (WB). The Forum was an opportunity to discuss priority issues in official statistics in monitoring national development and to discuss an action plan for the global statistical community. It also identified training needs for capacity development. The following outcomes were envisaged for the Forum:

- A programme of work for capacity development on economic, social, and environment statistics.
- A framework or template for tracking socioeconomic development with a focus on changing economic structure, employment and education.
- An initial consideration and endorsement of a Plan of Action on Statistics highlighting the important areas of statistics that the development community should focus on in the next 10 years. This Plan will be submitted to the Ministerial Aid-Effectiveness Conference to be held in late November 2011 in Busan, Republic of Korea

## **PRESENTATIONS**

2. Complete documentation for the Seminar, including copies of all the presentations, can be found on the Seminar website at [http://unstats.un.org/unsd/China\\_UNSD\\_Project/International\\_Forum/default.htm](http://unstats.un.org/unsd/China_UNSD_Project/International_Forum/default.htm)

## **SEMINAR SUMMARY**

### **Part A. Monitoring Economic Development**

3. Discussion focused on the statistics needed to monitor economic development, particularly in the context of the policy agenda surrounding new structural economics. This contemporary economic theory, which has evolved out of empirical studies of the countries that have experienced high levels of economic growth over sustained periods, centres on growth identification and facilitation through identifying opportunities for economies to grow by:

- (a) identifying industries that are in line with a country's latent comparative advantage, based on finding comparator countries with similar factor endowments whose per capita GDP is up to three times the level of the country; and
- (b) targeting, through industry-specific measures, binding constraints to faster growth and employment creation.

4. The aim is to establish the circumstances for sustainable and inclusive economic growth, which can be achieved through continuous technological innovation to improve productivity and hence sustain increased incomes.

5. It was emphasized that the new structural economics was not inconsistent with the contemporary interest in green economy issues. Developing countries should pursue economic development by supplying markets in accordance with their comparative advantage; if green technology is available it should be adopted in the process.

6. A broad range of statistics will be needed to support this policy work. These data sets include:

- GDP (preferably all three measures) and its components. The discussion highlighted the usefulness of supply/use and input-output tables to reconcile the various measures of GDP, and to provide detailed information on the structure of the economy;
- price deflators (both output and input prices) so that volume measures can be compiled;
- industry decomposition of GDP, with special interest in the informal sector and its changes over time as the economy develops;
- population by age group, education and location at smallest enumeration unit;
- industry data, including commodity production, exports and imports at a detailed commodity level;
- productivity-related data, by industry, including capital stock and capital services, labour inputs, labour and capital price indexes;
- industry characteristics (number of firms, entries and exits, firm size, domestic and foreign-owned);
- research and development and innovation statistics;
- inwards and outwards foreign direct investment;
- labour supply data (by industry, age structure, skills/education levels, gender);
- other endowments of the economy (natural resource base, "hard" and "soft" infrastructure. (It was noted that some of the largest data gaps are in regard to infrastructure.);
- relevant government finance statistics to monitor government industry and other interventions;
- household survey data to monitor the welfare outcomes of macro-level developments and to inform on the informal sector;
- regional data, as appropriate.

7. It was recognised that, for some countries, changes in the terms of trade can have significant impacts on real national disposable incomes and hence per capita income may be an important statistics along with per capita GDP.

8. The Forum noted the breadth and depth of data that are needed and recognised that for most countries of interest there are many data gaps, because data are not currently available or are not available in the detail required. The Forum noted that the datasets do not represent a paradigm shift in economic statistics. Rather they represent a level of detail that goes beyond the focus of recent years on macro-level statistics. Data quality issues will arise, as will the confidentiality provisions of

statistics laws in releasing data at the level of detail sought.

9. The need for coherence among the datasets emphasized the importance of integrated statistics and underlined the relevance of the work on integrated economic statistics currently being undertaken under the auspices of the UN Statistical Commission. This integration can be achieved through the adoption of standard classifications, standard data concepts, and standard units concepts, all within the overarching framework of the system of national accounts.

10. The level of detail required meant that, in many cases, sample surveys would not be adequate. Economic censuses could support the level of detail but are very expensive and, in countries that conduct them, are typically of a five-yearly (or longer) frequency. The Forum emphasized the importance of administrative data, but it was recognised that to effectively use such data required very close cooperation among the statistical and administrative agencies. Prerequisites for success were to encourage use of integrated concepts in the administrative processes and to have legal and organisational underpinnings that enabled the statistics office to exploit administrative data for statistical purposes. The statistics office also needed quality frameworks that can be used to monitor administrative data and on which to provide feedback to the administering agencies.

11. A number of countries emphasized the crucial role of the business register in operationalizing integrated concepts, but it was also emphasized that this was an element of statistics infrastructure that was either non-existent or needed substantial strengthening in many countries. A number of countries noted that they have plans to develop their business registers.

12. Resourcing of national statistical systems was typically inadequate to support much of this work. Statistics offices are looking to intelligent use of ICT technologies to generate efficiencies. Policy makers need to understand the resource constraints under which statistics offices operate and good advocacy programs are needed to support statistical work. More generally, the discussions reinforced the importance of statisticians being in close contact with their user communities.

13. The World Bank advised that it is investigating the availability of relevant datasets in existing international data bases. An earlier inventory had found only limited availability of core indicators. The Bank also informed the Forum that it is expanding its own data base to support research and analysis of growth identification and facilitation.

14. The Forum concluded that countries need to give consideration to the relevance of the issues discussed as they review their national statistics strategies and enhance their economic statistics programs. It was also felt that there may be merit in the World Bank undertaking a few pilot studies among countries so that the underlying data issues can be assessed, including in looking for practical ways to fill data gaps.

## **Part B. Monitoring Social and Environmental Developments**

15. A number of cross-cutting themes emerged from the discussion of monitoring social and environmental developments. In both cases there appears to be less certainty about the scope of social and environmental statistics relative to economic statistics and, in some cases, there is no agreed overarching organizing framework such as exists in economic statistics with the *System of National Accounts*, which in turn is underpinned by a widely understood theoretical framework. In the case of economic statistics the various indicators, expressed in monetary terms, can be aggregated. Typically, most economic statistics are compiled by the national statistics office whereas, in the case of environment and social statistics responsibilities tend to be shared between the national statistics office and the line ministries, requiring that good statistical coordination arrangements are in place.

### **Social Statistics Issues**

16. Social statistics are people-centred and it is critically important that good quality population census data are available to provide context for the overall program of social statistics.

17. Discussion focused on three themes -- education, labour market, and general social statistics. The issues covered in respect of each of the themes is summarised below, after a summary of some cross-cutting themes.

18. For all aspects of social statistics it was recognised that there needed to be a partnership between the national statistics office and the line agencies that can be both producers of statistics and also users of statistics. Typically, there are many administrative datasets of interest that need to be accessed and assessed for data quality, for example, vital registration data. Wherever possible, the statistics office should seek to influence the conceptual bases of the administrative datasets through adoption of statistical classifications and other standards. Typically, the statistical office will “fill the gaps” through surveys to generate statistics that are not available through administrative sources.

19. Sub-national data are increasingly important and the Forum saw considerable potential for use of geospatial information systems as a vehicle to present data in policy relevant ways. Also important are statistics that get behind overall averages to assess how particular subsets of the population fare among the issues of interest.

### *Education statistics*

20. Education statistics are important in their own right, but they are increasingly important in understanding economic growth issues as education is an important influence on labour productivity.

21. There are four key emerging needs for education statistics:

- data on education quality (results of learning at all stages of education provision);
- data on equity issues (measures that capture those who are excluded from

- opportunity);
- data on underserved sectors (indicators for areas outside of the formal education system such as vocational training, adult literacy and learning, early childhood education and development, and youth and skills);
- more emphasis on sub-national data (regional target setting, measurement and benchmarking).

22. A particular challenge looking forward will be to progressively introduce the new International Standard Classification of Education (ISCED2011) into education statistics worldwide.

23. The UNESCO Institute of Statistics took the opportunity to update the Forum on the work it is undertaking to establish a viable statistical series on mean years of schooling that can be used by the United Nations Development Programme (UNDP) in the construction of the Human Development Index. A literature search on the issues has now been completed and it is intended to establish an expert group to further deliberate on the issues. It is hoped that this work can be completed by mid 2012.

#### *Labour market statistics*

24. Historically, labour market statistics have taken a macro perspective of the economy. More recently, there has been considerable policy interest in the concept of decent work, particularly in the current world environment of rising unemployment and more tenuous employment arrangements. The ILO is developing a suite of indicators to inform on this phenomenon. Other topics that have gained prominence include:

- better estimates of the growing world labour force;
- informal employment and the informal sector;
- youth unemployment;
- discouraged workers;
- labour migration;
- wage inequality;
- rise of insecure forms of work;
- labour share, productivity and labour costs;
- impact of fiscal stimulus packages on employment;
- the concept and measurement of “green jobs”.

25. An expert group is currently working on the issue of measuring underutilisation, with a view to putting proposals to the 23<sup>rd</sup> Conference of Labour Statisticians in 2013.

#### *Other social statistics issues*

26. Poverty statistics continue to be a priority issue in many countries. Panel surveys can be useful to track the movement of individual households into and out of poverty. While poverty rates are important statistics, there is also policy interest in the absolute numbers of poor people and in their regional distribution. Income inequality is also an important issue.

27. The UNDP’s Human Development Index has particular policy relevance in

many countries and there continues to be concerns about the recent changes made to the index methodology.

28. A number of countries have developed suites of social indicators built around organizing frameworks particular to the countries' circumstances. Examples given at the Forum include Mexico's Catalogue of National Indicators; China's Comprehensive Development Index and its supporting indicator set; and Bhutan, which has adopted the concept of Gross National Happiness as its organising framework around which 72 indicators have been developed. Indonesia has opted for the Human Development Index as its organising framework and India, like many other countries, uses the Millennium Development Goal indicator set as a starting point.

29. The Forum expressed caution about the use of composite indexes to summarise social datasets. While these indexes can appeal to some users as useful summaries of a diverse range of datasets, the Forum noted the inherent subjectivity underpinning their weighting patterns. Many Forum participants felt that the role of official statistics should be confined to compiling the indicator sets and that users could construct their own composite indexes if they chose to do so.

### **Environment Statistics Issues**

31. The Forum was informed of the recent seminar held in the Republic of Korea on the greeneconomy and official statistics, which was organised in response to the significant international and national policy agendas built around the concept of a green economy. Attention was drawn to the report of the seminar that is available on UNSD's website at: [http://unstats.un.org/unsd/green\\_economy/korea/default.htm](http://unstats.un.org/unsd/green_economy/korea/default.htm). It was emphasized that green economy issues will affect countries in different ways and that each country will need to customise its statistical program to the policy issues of the country. The System of Environmental and Economic Accounting (SEEA) and the Framework for the Development of Environment Statistics (FDES) were seen as being important organising frameworks. Classifications, especially those relating to the "environmental goods and services sector" and "green jobs" were seen to be especially important, recognising the fuzziness around the concepts. The Forum noted that the OECD has already developed a suite of green growth indicators and that the United Nations Environment Programme, in consultation with the UN Division for Sustainable Development, was also developing green economy indicators.

32. Much of the basic data pertaining to environmental issues is held by line agencies and national statistics offices will need to work closely with these agencies in developing their environment statistics programs. The Forum saw that environmental accounting is clearly an issue for national statistics offices, but there are differing views about their roles in regard to environmental indicators. Irrespective of the boundary lines that are drawn, it is critical that standard frameworks (SEEA and FDES) and classifications are used by all agencies producing environment statistics. There is thus a key coordination role to be played by national statistics offices in bringing this about.

33. The Forum noted that Volume 1 of SEEA will be submitted for adoption as a statistical standard to the 2012 UN Statistical Commission meeting. The FDES will also be submitted to the Commission for adoption in 2012. Countries will be

encouraged to adopt those parts of the frameworks that are relevant to their country circumstances. It is expected that both frameworks will be recognised as important initiatives by the international statistical community in the lead up to the UN Conference on Sustainable Development (“Rio+20”), to be held in Rio de Janeiro in mid 2012.

### **Part C. Training and Capacity Development**

34. Discussion took place under two themes: international training and other capacity development support, and training and development of national statisticians.

#### **International training and capacity development**

35. The National Bureau of Statistics, China formally launched the China International Statistical Training Centre, an initiative that was widely applauded by Forum participants. Training activities had started two years ago, with training delivered so far to over 200 statisticians from developing countries and over 500 Chinese statisticians. The initiation phase for the Centre will continue until 2013, from which time the activities will progressively build to the completion of the maturity phase in 2020. It is envisaged that the Centre will closely cooperate with the UN Statistical Institute for Asia and the Pacific (UN-SIAP).

36. In the context of the launch of the Centre, presentations were given by Indonesia, Republic of Korea, and Japan on their experiences in training and development of statisticians from other countries.

37. Indonesia has an Institute of Statistics that delivers accredited university level training to Indonesian students, as well as limited opportunities for education of statisticians from other countries, for example, statisticians from Timor-Leste. In addition, Indonesia has the Education Training Centre (ETC). As well as the ongoing training of Indonesian statisticians, the ETC conducts joint training programs with the UN-SIAP.

38. Statistics Korea, in collaboration with the Korea International Cooperation Agency, has extensive international cooperation programs covering:

- bilateral cooperation between Statistics Korea and other national statistics offices;
- international conferences hosted by Statistics Korea;
- statistical consulting and technical assistance programs;
- training programs, provided through the Statistical Training Institute and including joint projects with UN-SIAP.

39. Japan has extensive training programs for Japanese statisticians and in addition conducts bilateral technical cooperation projects with national statistics offices. Japan is also the host country and major funding partner for UN-SIAP.

## **Training and development of national statisticians**

40. There was extensive discussion of the needs and issues arising in the context of the training and development of national statisticians. The issues covered include:

- The need to ensure that training programs address contemporary issues, including on economic, social and environmental development topics and communicating statistics to users.
- The challenge of introducing cost-effective training, noting some of the challenges associated with effective e-learning and distance learning. The Virtual Statistical System that has been developed by the World Bank was seen as being a useful gateway to a wide range of reference materials, as well as offering some e-learning programs.
- Gaps between training needs and supply. Training is often offered from the supply side, without knowing the real demand.
- The difficulty of assessing whether the training is applied on the job after the training has been completed.
- The need for tailored training to extend beyond the statisticians to the user community.
- The need for training to be delivered at the right time.
- The importance of on-the-job training and participation in professional networks to complement formal training.
- The challenge of funding training and development in the context of constrained budgets.

41. Technical cooperation projects were seen as being particularly important. They provide end-products and capacity development; they provide a customized program to meet the country's needs; and they provide opportunities to learn from practice in real work.

## **Part D. A Plan of Action on Statistical Development**

42. The Fourth High Level Forum (HLF) on Aid Effectiveness will take place in Busan, Korea, at the end of November. Because statistics are an essential foundation of the HLF's platform of transparency, accountability, and results, the World Bank and Paris21 have prepared a paper proposing a six point action plan for strengthening national and international statistical systems. After further consultation with stakeholders, the action plan will be proposed for inclusion in one of the "building blocks" of the HLF.

43. The objectives of the proposed action plan are:

- a. to fully integrate statistics in decision making processes; to improve policy makers ability to use statistics and involve statistical producers in planning, budgeting, and monitoring and evaluation discussions;
- b. to promote open access to statistics; within government and to the public ;
- c. increase resources for statistical systems.

44. The proposed action plan builds on the success of the 2004 Marrakech Action Plan for Statistics (MAPS). Noting that under MAPS many low -income countries



prepared National Strategies for the Development of Statistics (NSDSs), which now need to be implemented, the first element of the new action plan calls for review, revision and implementation of these strategies with priority being given to vital registration systems, integration of administrative data, and subnational data. The plan draws attention to the need for providing a sound statistical basis for the goals and targets of global programs; improving public access to data at the national level and at the international level; increasing the knowledge and skills of statistical users and producers; and ensuring that financing and funding mechanisms are robust and responsive.

45. The plan is intended to be adaptable and practical and to encourage innovation. Implementation will be “light,” in the sense that the plan does not envision the creation of new delivery or coordination mechanisms. However support for inclusion of statistics in the outcomes of the Busan HLF will require political commitment at the highest level and it is hoped that the statisticians present at Beijing will help to carry this message to their policymakers.

46. The World Bank will review the draft plan in the light of the discussions at the Forum.