

Quality Issues
Discussion at Second IMF
Conference on Statistics

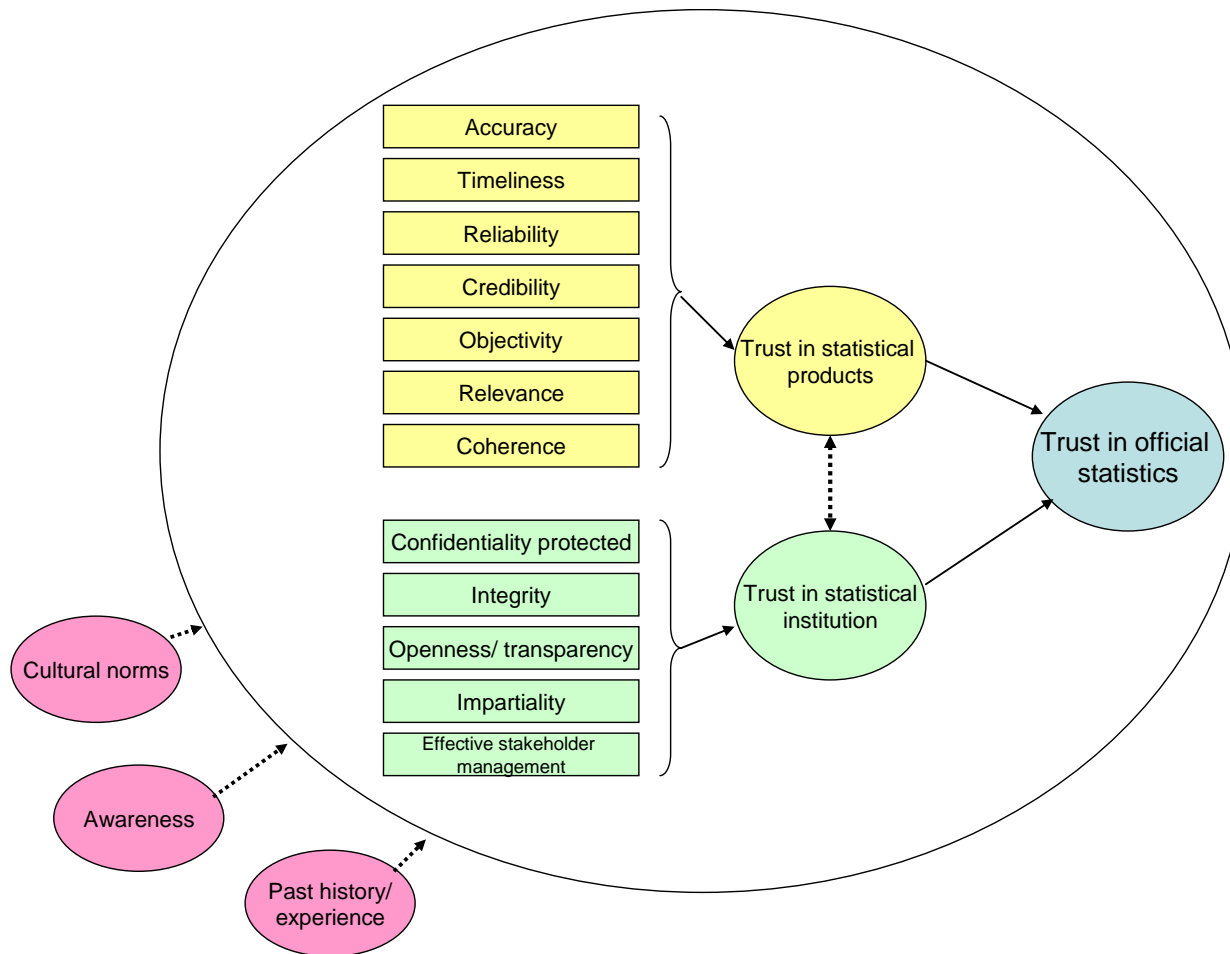
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A broader focus on quality

- Issue is evidence based decision making
- But: quality alone might be insufficient
 - Quality is necessary, but not sufficient condition
- I suggest the broader concept of ***trust*** as our focus
 - Statistics is a special product: most users cannot verify them, so depend on *trust in the provider*
 - Trust is even more crucial in age of Internet

OECD framework for trust in official statistics



OECD framework for trust in official statistics

- The yellow rectangles denote the characteristics of what we call quality statistics
- Depend on internal capacity:
 - good methodology in designing its surveys,
 - good management to assure reasonable timeliness,
 - good classification systems which assure the coherence of different related products,
 - good subject matter experts in designing questionnaires to assure the relevance of the concepts measured,
 - Good analysis that is both professionally solid and politically neutral.

OECD framework for trust in official statistics

- Such a capacity, though extensive, only assures the quality of statistical *products*
- But trust in official statistics depends equally on trust in the statistical institution producing the data (the green balloon).

OECD framework for trust in official statistics

- Trust in the institution is the result of several dimensions of *behaviour* (the green rectangles):
 - strict maintenance of the confidentiality of identifiable information,
 - professional integrity,
 - openness in admitting and rectifying mistakes,
 - non-political impartiality,
 - effective stakeholder management,
 - and the outstanding management needed to acquire and harness effectively the capacities needed

Implications

- Trust in products is largely the result of **internal capacities** – a major hurdle
- But trust in the institution is even more complex: it is the result of **behaviour**
- Leadership is clearly needed which, in addition to having the ethical norms, understands and communicates the fundamental need for such behaviour
- But they also need to feel **empowered** to behave in consistently in a trust-inspiring manner.

Implications

- Empowerment means strong legislation and high standing in the hierarchy
 - To protect the confidentiality of individual statistical returns requires strong legislation -- and a sufficiently high standing by the head
 - High standing is even more necessary to be able to maintain political impartiality in the face of pressure to do otherwise
 - implicit threat of resignation by a mid-level official is no threat
 - Effective stakeholder management means the ability to interact with key users at the level of **decision makers**
 - The needed **leadership** is best secured – and retained – by a position of high standing (and remuneration)

Concluding thoughts

- In summary, we need three things as prerequisites for decision making based on trusted official statistics
 - develop the internal capacity of the statistical offices concerned
 - place them at a sufficiently high level within the bureaucracy
 - and support them with strong statistical legislation
- I conclude by a few words about each of these – and how the international community could help

Concluding thoughts: Legislation

- We can do a whole lot worse than base national statistics acts on the United Nations Fundamental Principles of Official Statistics
- The United Nations could help by setting out a model act on official statistics incorporating the Fundamental Principles into suitable legal text and by actively promoting its adoption by countries in such political forums as ECOSOC (the Economic and Social Council)
- Developed countries can do a great favour, first of all to themselves, but also to the statistical community of the world, by playing a leadership role in its adoption

Concluding thoughts: Standing within the government hierarchy

- As important as the legal protection, for
 - standing up against inappropriate political pressure
 - attracting the right calibre personnel to the leadership of official statistics
 - interacting with key clients and client groups to assess their information needs and to seek their support
- Gives weight to the implicit threat of resignation
- While this is an internal matter of sovereign countries, international agencies can certainly lobby to raise the position of Chief Statistician to that of Permanent Secretary (or equivalent)

Concluding thoughts: Internal capacity

- The key determinant of internal capacity of statistical offices is **demand** for good official statistics
 - first of all from the national government
 - second, from the senior bureaucracy, but
 - international organisations can definitely help

Concluding thoughts: International assistance

- The international community of developed country aid agencies can also help
- They can fund their respective national statistical offices to develop **long term** relationships with selected developing country statistical offices with the explicit goal of developing the multiple capacities needed to run effective statistical systems
- The emphasis here is on long term and stable relationships: ad hoc technical assistance missions have proven to have limited or even negative long term impact

Concluding thoughts: The Spirit of Ms. Lagarde

- I heard Ms. Lagarde interviewed in Canada and she emphasized the importance she places on transparency
- Surely, whether advising, funding, or assessing the performance of countries, national statistics must play a fundamental role in creating transparency

Concluding thoughts: The Spirit of Ms. Lagarde

- As such, international agencies legitimately can apply pressure on national governments to develop the required capacity
 - by providing adequate budgetary resources for official statistics,
 - by placing statistical offices at a senior level in the bureaucracy,
 - and by supporting them with strong legislation based on the UN Fundamental Principles

Concluding thoughts: The Spirit of Ms. Lagarde

- Clearly, the old paradigm did not work well; at least it certainly has not worked fast enough
- We need to rethink our approach if we are serious about our devotion to quality statistics as the basis of evidence based policy making