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Coordination of national statistical systems

Meeting current and future challenges by using effective coordination tools and methods

Note by Statistics Finland

Summary

The paper discusses the current and future challenges in coordination of the national statistical system. Coordination is considered from a wide viewpoint covering the entire statistical process starting from data collection up to the publication and dissemination of data, taking into account all the important stakeholder groups, including the data providers and the main users of official statistics. The paper describes current practices applied by Statistics Finland and the ongoing development work in this field. It presents tools and procedures that are used at the national level to achieve statistics production that is efficient, of high quality and consistent. The paper concludes with some results and challenges faced by national coordination, and some proposals how international organisations could support the coordination function of national statistical organizations.

I. Introduction

1. The fundamental principles of official statistics have withstood time well. Although the operating environment for official statistics has changed in many countries and presented entirely new challenges, the principles remain valid. This is largely also true of principle number eight, according to which “coordination among statistical agencies within countries is essential to achieve consistency and efficiency in the statistical system”. The objective of coordination can be endorsed by many. The way in which it can be achieved in practice often becomes the challenge. What are the measures, procedures and organisation that would work best?

2. Traditionally, the coordination of the national statistical system is understood as a specific task of the national statistical office (NSO) aiming to coordinate statistical activities, e.g. outputs and principles to be applied by all national producers of official statistics. Today, coordination must be extended to the entire statistical process, starting with data collection right up to the release and dissemination of data. In the coordination of the whole process, many important stakeholder groups should be taken into account, not only those producing statistics but also data providers (be they institutional entities like enterprises or providers of administrative data) and main users of official statistics (like ministries).

3. The objective in this paper is to discuss coordination in the national statistical service in a broad sense, and to present tools and procedures that are used at the national level in order to achieve statistics production that is efficient, of high quality and consistent. The paper concludes with some results and challenges faced by national coordination. In addition, we present a few aspects that, in our opinion, international organisations should take into consideration in their activities in order to support the coordination of national statistical systems.

II. On the role of statistical institutes as coordinators of official statistics

4. The European Union’s (EU) statistical regulations represent currently valid legislation for all EU Member States. Article five of the general present statistics regulation (No 223/2009) assigns to the NSOs of Member States the responsibility for the coordination of European statistics at the national level and requires them to take the necessary measures to perform this task. The regulation does not specify in detail what the coordination should consist of, only that it should concern European statistics. According to the survey conducted by the ESGAB (European Statistical Governance Advisory Board), most of the NSOs in the EU are aware of the role they have to play in the coordination of official statistics. However, 25 per cent of NSOs consider that they have no clear role at the national level as coordinator of all activities for the development, production and dissemination of European statistics. There is no explicit legal mandate for coordination functions in some countries. For this reason, the ESGAB urged in its 2011 Annual Report that a clearer definition be elaborated of the core coordination functions at the national level. Written agreements with other national producers are seen as good instruments for this purpose.

5. National coordination has most recently been addressed by the working group preparing amendments to the European Statistics Act (ESS). The essential questions in the discussion concern **which actors** should be coordinated, **what** should be coordinated and **how** these should be coordinated at the national level.

6. Where the compiling of statistics to be submitted to the EU is concerned, the **actors** are the institutions responsible for the production, development and dissemination of European statistics, i.e. NSOs and other statistical authorities providing statistical data based on the requirements of the relevant EU acquis, including the compliance with the European Statistics Code of Practice.

7. The discussion on the **areas** to be coordinated has put forward three dimensions: production, processes and quality. Production includes data collection, processing, storage, analysis and dissemination. In this dimension, the most critical aspect is the methodology of data collection and processing. The dissemination of statistical information could be also coordinated. In the second dimension, processes, there is the need to coordinate the standardisation activities, including classifications. The third dimension is seen as safeguarding the quality criteria of European statistics. It would be fair to say that the desire in the ESS is to understand the coordination very broadly.

8. As to the coordination activities (i.e. **how**), various options have been brought up in discussions. The following measures are often mentioned:

- (a) Communication of methodological recommendations and ESS developments;
- (b) Transmission and dissemination of data and metadata;
- (c) Monitoring of data production methods;
- (d) Data quality, programming and reporting.

9. EU Member States cannot apply a separate coordination policy to the production of European statistics only, but the targets and methods of coordination apply naturally also to statistics produced for national purposes. The obligation to coordinate European statistics forces NSOs to strengthen their coordination activities and expand them to such organisations in which the compiling of statistics is a somewhat marginal side activity. Additionally, European coordination involves new tasks like data transmissions to the institutions of the EU.

10. Similar discussions concerning the contents and forms of coordination have taken place in connection with the development of the recently adopted Generic National Quality Assurance Framework in the United Nations, in which the coordination of the national statistical service is seen as an essential part of the quality assurance of official statistics, irrespective of the organisation producing them.

III. Background to the coordination in Finland

11. In Finland, the coordination of the National Statistical Service (NSS) has a long tradition and its content has varied over time. The coordination mandate of Statistics Finland was stated by law already in 1970. In the 1970s, Statistics Finland was responsible for e.g. drawing up a development programme for the national statistical service, which the Government then ratified. The three-year development programme contained a list of all the different authorities' development projects related to statistics, and an account of their necessity and costs. The planning document partly remained in paper form only, since it could not be implemented for resource reasons. In the early 1990s, Statistics Finland's coordinating function was altered and consequently the coordination practices had to be essentially revised.

12. The latest Statistics Finland Act (48/24.1.1992, Section 2) prescribes a mandate for coordination in which the aim is the development of the national statistical service, together with other authorities. Since 1994, the Statistics Act dictates the coordination mandate and the objectives of the statistical service. The current Statistics Act (280/27.4.2007) names

Statistics Finland as the general authority within the national statistical service. It states further that "The objective of this Act is to ensure the availability of reliable statistical information required in social decision-making and planning and in fulfilling obligations under international statistical cooperation by harmonising and rationalising the principles and procedures applied in the collection, processing, use, release and storing of data, to promote the observation of good statistical practice in the National Statistical Service..."

13. The NSS comprises, in terms of the statistical authorities referred to in the Statistics Act, Statistics Finland as the general authority, the Board of Customs, the National Institute for Health and Welfare (THL) as well as the Information Centre of the Ministry of Agriculture and Forestry. According to the Statistics Act, only these four institutions have the right to collect data for statistical purposes. **Other authorities producing statistics**¹ include various institutions and their statistics are by-products of their main activity. They have no right to collect data for statistical purposes. In addition, the Bank of Finland, the Finnish Centre for Pensions, the Financial Supervisory Authority (FIN-FSA), the Social Insurance Institution of Finland and the Finnish Institute of Occupational Health are regarded as belonging to the national statistical service, although the Bank of Finland is not a national statistical authority in the narrow sense. Statistics Finland is responsible for the production of around two-thirds of official statistics. Measured by total costs of the NSS, Statistics Finland's share is about 80 percent.

IV. Contents and forms of the coordination tasks

14. From the point of view of the success of the coordination, it is vital to define for official statistics the direction that can be jointly realised. The vision of the NSS is defined every five years in the document entitled "Development of National Statistical Service – Main Lines of Policy". The current vision of the NSS in Finland is to produce relevant and high-quality official statistics. The functioning of the NSS is characterised by impartiality and independence, as well as efficiency and service ability. The members of the cooperative network aim at producing total benefits and follow uniform procedures. The respondents' response burden is minimised and overlapping data collection is not present in the activities. Finland is also expected to be active and consistent in the international statistical operating environment.

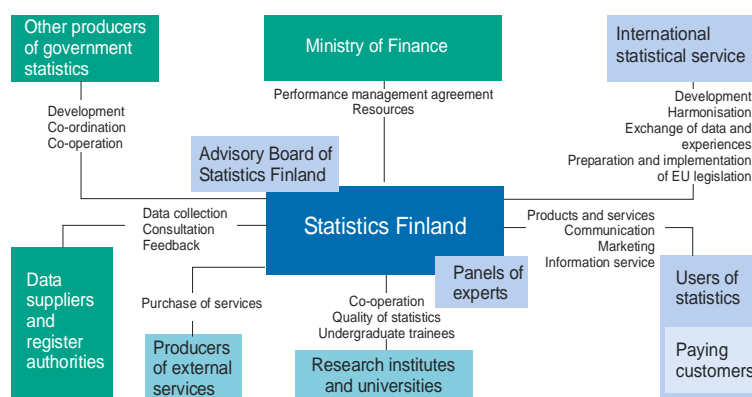
15. Likewise, in accordance with their vision, the producers of official statistics apply in a uniform manner the legislation on statistics and data protection, the general ethical principles of official statistics and the European Statistics Code of Practice. The legal protection of the data suppliers is respected in all activities.

16. The realisation of the vision requires diversified and wide cooperation with different stakeholders in society. In Fig. 1 below, Statistics Finland's activity is typified by interaction, cooperation and networking with stakeholder groups.

¹ Agrifood Research Finland, the Finnish Environment Institute, the Finnish Forest Research Institute, the Finnish Game and Fisheries Research Institute, the Finnish Meteorological Institute, the Finnish Transport Agency, the Finnish Transport Safety Agency, the National Land Survey of Finland and the Ministry of Employment and the Economy.

Figure 1
Statistics Finland's position and stakeholder groups

Statistics Finland's position and stakeholder groups



17. Some of this cooperation can be regarded as coordination, some as general advocacy of statistics, while some of it is above all heeding to the customers and prioritising. However, the basic goal of the coordination - rationally produced, high-quality and relevant official statistics - must in fact be an element of all cooperation and thus concern almost all communication with the surrounding society. The forms and emphasis of the activity vary among the groups involved. In certain areas of coordination, Statistics Finland has signed official agreements with its partners. They concern, for example, data exchange and the division of labour and responsibilities between partners. Written agreements are also made with the main providers of administrative data.

18. The most essential forms of cooperation and procedures from the point of the coordination are discussed next.

A. Users of official statistics

19. Official statistics is a public good serving society and citizens at large. However, as in most other countries, the most significant users of official statistics in Finland are civil servants preparing decision-making (especially at Government ministries), scientific researchers and the media. Statistics Finland and other statistical authorities receive feedback from them about the fluency of services, contents of statistics and new data needs. The typical channels of cooperation are open seminars, cooperation groups, meetings of Directors General (see below), online feedback systems and personal contacts.

20. The permanent user group of national accounts and short-term economic statistics is an example of proactive work with the main users of some important statistics. This group

was established in 1978. It was set up by Statistics Finland, is chaired by the Ministry of Finance and consists of representatives of the Bank of Finland, the main private economic research institutes and the University of Helsinki. The group discusses 3-4 times a year issues regarding new methods, classifications, revisions and other important development issues of the main economic statistics that are especially relevant from the point of economic forecasting.

B. High-level management meetings

21. Topical and issues of significance to the statistical service are discussed at regular meetings **at the level of Directors General of statistical authorities and with Permanent Secretaries of ministries**. The meetings take place once a year on average. They are important in the steering of activities and in ensuring a shared direction. Follow-up on the mutual agreements, the establishment of new working groups and the launching of joint projects and surveys can be given as examples of matters that are agreed to at these meetings. Some initiatives for the centralisation of data collections or sets of statistics have been launched at such high-level management meetings as well. Regular meetings are also held with register authorities, such as the Population Register Centre, the Tax Administration and the Social Insurance Institution of Finland.

C. Advisory Board of Official Statistics

22. The **Advisory Board of Official Statistics** has been established by Statistics Finland to promote the unity of Official Statistics of Finland (OSF) and uniform statistical service. OSF are produced by 14 expert organisations or authorities. The Advisory Board of Official Statistics of Finland acts as a joint forum for the authorities producing statistics, to advance the development policies of official statistics and the objectives of the national level coordination of the European System of Statistics. The Board has been functioning since 2002. The mandate of the Advisory Board of OSF specifies the following tasks:

- (a) To maintain and develop Official Statistics of Finland as a comprehensive statistical system meeting the needs of information users;
- (b) To issue recommendations and guidelines concerning the quality of Official Statistics of Finland;
- (c) To harmonise the production processes of statistics and to spread good practices within Official Statistics of Finland;
- (d) To exchange information about international developments and cooperation;
- (e) To improve public knowledge, usability of services and availability of statistics with regard to Official Statistics of Finland;
- (f) Other tasks related to the development and coordination of Official Statistics of Finland.

23. The Advisory Board of Official Statistics of Finland has approved a set of Quality Criteria for Official Statistics of Finland to be used in the national statistical service, as well as a recommendation on quality description, release guidelines, language recommendation and data protection recommendation. The compliance monitoring of the OSF Quality Criteria will be made in the course 2012.

24. The Advisory Board has also assumed quite an important role in the harmonisation of practices in the dissemination of statistical data. The existing OSF portal

http://stat.fi/meta/svt/index_en.html is being developed into a common dissemination platform to serve the needs of the national statistical service.

D. Coordination of European Union statistical matters at national level

25. The coordination of EU statistical work at the national level is considered important because EU matters are part of the daily activities of all statistical authorities. In this work, good and timely communication and close cooperation across the NSS are important.

26. However, the EU's statistical acts are adopted by political bodies - the Parliament and the Council - the latter also including Finnish ministers. For this reason, there is a special arrangement to deal with the preparation of Finnish positions regarding the EU's statistical acts.

27. **The EU cooperation working group in the field of statistics** is an expert group set up by the Ministry of Finance, chaired by Statistics Finland and consisting of experts from most of the ministries and from the three statistical authorities. Its mandate includes general EU matters affecting the NSS, coordination across the ministries or administrative sectors in the field of statistics, and preparation of Finland's positions on statistical legal acts. The mandate of the EU cooperation working group is updated every two years.

28. As for matters that are only just being prepared at the European Statistical System Committee (ESSC), the reconciliation and coordination of views are mainly taken care of via the network of contact persons and the extranet.

E. Network of coordinators

29. To carry out its coordination duty, Statistics Finland has set up **a network of contact persons**. The participants in the network are the chief coordinator of the NSS and the separate coordinators assigned for all fields of administration and each statistical authority. Coordinators have also been named for the producers of key register and administrative data. Overall, Statistics Finland has a part-time coordinator for a total of 36 authorities or topics. Correspondingly, each authority has named a statistical contact person from its own organisation. An important task of the members of the network is to share information within their own organisation about matters covered by the coordination and to prepare joint meetings at different levels of the organisation, as well as to ensure coordinated administrative data transmission to Statistics Finland.

F. Development and cooperation working groups

30. To intensify the coordination and development work on statistics, **permanent development and cooperation working groups** have also been set up, such as the statistical working group in the field of social affairs and health, and the coordination working group on agricultural statistics. A major part of the development work in the statistical service is undertaken in **project-specific cooperation working groups** set up for a fixed period. At the moment, representatives of Statistics Finland participate in a total of 85 working groups or projects set up by other authorities for a fixed term. Parallel to these, Statistics Finland has set up some 50 working groups/projects in which external stakeholder groups are represented.

G. Data collection and cooperation with data providers

31. As mentioned earlier, the right to collect data for statistical purposes within the Institutes of the NSS is strongly restricted by the Statistics Act. Statistics Finland works in close cooperation with the Board of Customs and the Information Centre of the Ministry of Agriculture in order to develop standard rules, practices and tools concerning data collection.

32. From the viewpoint of rationalisation of data collection from enterprises and the general data collection atmosphere, one of the central groups has acted as the cooperation group for more than 20 years between Statistics Finland and the business community. Its mandate was strengthened when Finland joined the European Union. The group is comprised of representatives of the most important organisations in the business world and it expresses its opinion about e.g. all obligations relating to data collections from enterprises.

33. In the local government sector, cooperation with data providers is undertaken with the local government's lobby organisation, the Association of Finnish Local and Regional Authorities. This cooperation takes the form of meetings of Directors General and working groups of experts.

34. With register authorities, cooperation takes place at many levels. Some of the most important work is done within the Advisory Committee on Information Management in Public Administration (JUHTA).

H. Standards and guidelines to be applied in information management systems

35. Consistent statistical classifications form the vital support for statistics production. All main statistical classifications have been approved as recommendations at the initiative and proposal of Statistics Finland. These recommendations are approved as national standards by the aforementioned JUHTA.

36. Thus, they are part of the Public Administration Recommendations (JHS recommendations) which provide information management guidelines for public administration (both governmental and municipal). A JHS recommendation can be a uniform procedure, definition or instruction to be used in public administration. The JHS system aims to improve the interoperability of information systems and the compatibility of data therein, facilitate cross-sector process development and make the use of existing data more efficient. The recommendations also aim to minimise overlapping development work, guide the development of information systems and facilitate good common practices in public administration.

I. Training and consulting on official statistics

37. For many years now, Statistics Finland has offered training and consulting to both statistical and other authorities producing statistics, as well as to the users of statistics. The supply of training has been widened to cover the courses of the agency's own training system that are open to the producers of official statistics. In 2011, courses were organised on, for instance, the following subjects: descriptive data analysis, time series and seasonal adjustment, sampling and estimation, statistics and society, statistical data protection and statistical legislation, ethics and quality, and introduction of the new System of National Accounts (SNA).

J. Communication

38. Internal documents of the NSS that are relevant to coordination are published on the **extranet** (SVT-ekstra, accessible from the web site of Official Statistics of Finland). Information on the development projects and coordination of the statistical service as well as on current events is given in the eLINK newsletter published on the extranet. In addition, accounts concerning international statistical events and reports on the most important official meetings are posted on the extranet.

39. Statistics Finland **reports** in its **Annual Report** on the development of the statistical service, including the work of the Advisory Board of Official Statistics of Finland and the central government expenditure of the national statistical service.

40. At least once a year an **information and discussion forum** is arranged for the network of contact persons of the statistical service on topical issues in the field of statistics.

K. Management of coordination

41. **Every five years, policy outlines** are drawn up for the development of the national statistical service. The need to review the currently valid outlines is assessed annually. Medium-term policies naturally do not cover detailed scheduling of activities or plans but draw a general framework and directions for operating.

42. Statistics Finland's chief coordinator works in the office of the Director General. She is responsible for the preparation of general policies and guidelines, effective functioning of networks, preparations of high-level management meetings, communication activities and reporting regularly to the management of Statistics Finland. Several times a year, coordination issues are discussed by the management group of the agency.

43. Early warnings of changes in the operating environment are important for successful coordination. To support the strategic planning of Statistics Finland and at the same time facilitate proactive measures in the field of coordination, an electronic online Strategic Intelligence System was established around ten years ago. It provides the management and experts of Statistics Finland with a daily updated information flow on e.g. important decisions and development projects of the Government and other public sector bodies, initiatives for new legislation, etc.

V. Results and challenges of the coordination of the National Statistical Service

44. National and EU legislation give a solid basis for the coordination, although the legal mandate is quite general and leaves room for the selection of activities, methods and tools. In Finland, one can talk about so-called soft coordination. The results of the coordination are based on common targets, close cooperation and mutual interaction.

45. An essential contributor to success is a shared vision. The rationality of the activity and the realisation of the win-win principle are generally agreed upon. Uniform standards, procedures, tools and training are viewed as the added value achieved with the coordination. On the other hand, without a wide cooperative network and the administration's ability and willingness to cooperate, the coordination could not have succeeded. It is also imperative that the NSO is active and raises common issues.

46. The coordination is long-term work. Its results are born from cooperation spanning years and decades. Among the significant achievements of the coordination work in the 1970s and 1980s was that, together with other authorities, Statistics Finland was able to assist in the introduction of consistent identification systems in diverse administrative records, which later on created excellent conditions for the rationalisation of data collections and exploitation of register data in statistics production. The implementation of these conditions was also supported by the fact that as far back as three decades or so ago the Finnish Government adopted as its goal the rationalisation of overlapping data collection by authorities.

47. Over the past couple of decades, the production of official statistics has been increasingly centralised in Finland and more importantly, the compilation of statistics that were previously the responsibility of various ministries has been transferred to Statistics Finland. This has happened with statistics on e.g. energy, education, housing and transport. An important achievement was also the Government's decision in 2003 to locate the national Greenhouse Gas Inventory Unit on Statistics Finland's premises.

48. Statistics Finland has been able to significantly influence the contents of administrative data so that they better meet the needs of statistics production. Examples of this are the data on enterprises' profit and loss accounts and investments which the Tax Administration collects annually, and the creation of an exhaustive data file on capital transfer taxation which is important in the compilation of statistics on housing and households' assets.

49. When others in the administration rationalise their activities and information systems, there is a risk that Statistics Finland will lose data that are useful from the point of view of statistics production. There were plans in the 1990s to scale down the data content of the register of buildings and dwellings that is an important data source for population censuses, but these were successfully repelled. At the same time, the Tax Administration decided to discontinue collecting data on occupations with the tax return form due to the poor quality of the information obtained and its irrelevance from the point of tax collection. Statistics Finland then had to build an entirely new information system in order to be able to produce occupational data and ensure their quality. These examples, too, prove that continuous, close cooperation with the authorities that are keepers of administrative data is extremely important.

50. The coordination and cooperation within the NSS has also achieved indisputable benefits in the development of quality guidelines and in the harmonisation of information services. One example of the latter that could be mentioned here is the national web-based online indicator service "Findicator", which was developed in collaboration with the Prime Minister's Office and other ministries, and producers of statistics, the development of which is still ongoing.

51. Although a lot has already been done to rationalise the production of statistics, further cooperation is needed. We need to seek synergy benefits from the centralisation of statistics production as well as in the lowering of the response burden and development of processes. Major national challenges also arise from the realisation of eGovernment. Renewal of information technology (IT) systems, building of interfaces between the systems of different authorities and the introduction of common tools, such as uniform electronic identification, are challenging.

VI. Responding to challenges of official statistics internationally

52. The demand for international comparability of statistics is growing ever stronger. It should be possible to compare countries, regions and economies. In fact, the users of

statistics expect more detailed but, at the same time, more comparable data, especially on economic phenomena.

53. In our opinion, the following actions of international organisations can significantly support the realisation of the coordination function of NSOs:

(a) International comparability of official statistics can be enhanced by developing functioning classifications and their operational application rules, common data transfer standards and by influencing matters that cannot be sufficiently influenced at the national level;

(b) International organisations have an absolutely crucial role in the publishing of comparable statistics. If data are not comparable, it should be clearly reported in published metadata;

(c) International organisations should be able to horizontally coordinate within their organisations the requests imposed on national statistics;

(d) All efforts should be made to prevent overlapping development work on the same statistical areas among international organisations;

(e) International organisations have an important role in the sharing of good practices. This concerns not only statistical methods but also processes. The organisations can provide a forum for the spreading of good practices.

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