

Strategic coordination of a National Statistical System: the case of the Portuguese Statistical Council^{1,2}

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Abstract

Official statistics are a public good. To ensure that this purpose is rightfully achieved, it is essential to have a strong National Statistical System, in which a commitment of all parties involved is a necessary condition to meet its full potential. The design of such a system should provide: (a) a clear division of responsibilities and work between the participating institutions; (b) a framework for adopting common methodologies, concepts and nomenclatures and sharing lists of statistical units and administrative data; and (c) an institutional setup where producers and users of official statistics interact productively.

In this context, this paper explores the role and the importance of the Statistical Council as a strategic coordination body of the Portuguese Statistical System. To this extent, we discuss the enhancements of official statistics that this forum promotes and highlight the role of this body in the development of core projects with spillovers across all stakeholders of the National Statistical System.

Keywords: Statistical Council, statistical coordination, statistical system, official statistics.

1. Introduction

Official statistics are compiled to be ultimately disseminated, free of charge, to the public at large. In that sense, official statistics can be regarded as a *de facto* public good, since, according to the *Fundamental Principles of Official Statistics*,³ no citizen is to be excluded from its “consumption”. To that extent, policy makers are challenged to construct a National Statistical System (NSS) that is able to meet such statistical demands effectively and efficiently, to maximize the user’s satisfaction at minimum overall social costs.

¹ The views expressed in this paper are those of the authors alone and not of the *Banco de Portugal* or of the Eurosystem.

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³ “[...] official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistical authorities to honour citizens’ entitlement to public information.”, in UN’s *Fundamental Principles of Official Statistics*, available at <http://www.unece.org/stats/archive/docs.fp.e.html>.

To reach this fundamental goal, it has become increasingly more evident that it is essential to foster the cooperation between national statistical authorities, thus generating synergies that mutually benefit the work of the institutions involved and enhance the quality of their respective statistical outputs – while preserving in all respects the independence of each of them.

This cooperation between National Central Banks (NCBs) and National Statistical Offices (NSOs) can accommodate many different purposes and may assume several different forms: (i) sharing of responsibilities under the framework of the national statistical programme; (ii) cooperation agreements or *memoranda of understanding* (MoUs); (iii) service contracts; (iv) cooperative data collection; (v) exchange of information and best practices; (vi) technical assistance and common training initiatives; and (vii) contribution to the joint development of international standard classifications and systems and to the activity of the various international organizations. Still, regardless of the particular form of cooperation between statistical authorities chosen, it is vital that such organizational arrangement remains focused upon optimising the efficiency of the statistical production processes.

Several countries have been strengthening the cooperation between their statistical authorities and evolving from informal to more formal arrangements. This is the case of Portugal, where, over time, the cooperation between the *Banco de Portugal*⁴ (the Portuguese NCB) and other official entities – especially *Instituto Nacional de Estatística* (INE), the Portuguese NSO – has been progressively strengthened under the steering of a crucial strategic coordination body: the *Conselho Superior de Estatística* (hereinafter referred to as “the Statistical Council”).

The Statistical Council is entrusted with the guidance and the coordination of the Portuguese NSS and is responsible for defining the general guidelines and relevant priorities of the national statistical activity. This entity, in which most of the relevant national statistical stakeholders (e.g. statistical authorities, academia, industry and unions) participate, is also responsible for the coordination of the statistical system and of its technical improvements, which makes it a key driver for the promotion and enforcement of statistical cooperation between the relevant entities.⁵

Within this background, the paper explores the role and the importance of the Statistical Council as the strategic coordination body of the Portuguese NSS. To that extent, section 2 outlines the institutional framework of the Statistical Council and section 3 highlights how this framework has fostered institutional cooperation initiatives and their impact. Finally, section 4 concludes and draws a set of recommendations aiming at successfully meeting the contemporaneous challenges of statistical agencies.

2. The Portuguese National Statistical System and the Statistical Council

The principles, rules and structure of the Portuguese NSS are defined in the Law 22/2008,⁶ known as the National Statistical System’s Law. This law fully endorses the *Fundamental Principles of Official Statistics* adopted by the United Nations Statistical Commission, the *European Statistics Code of Practice* and the *European System of Central Banks’s public commitment* with respect to its statistical function.

⁴ For a complete description of the Banco de Portugal’s duties as a statistical authority, please consult <https://www.bportugal.pt/en/page/estatisticas>.

⁵ For a broader description of the Statistical Council’s mission, please see: http://cse.ine.pt/xportal/xmain?xpgid=cse_home&xpid=CSE&xlang=en.

⁶ https://cse.ine.pt/ngt_server/attachfileu.jsp?look_parentBoui=67938460&att_display=n&att_download=y.

Within this framework, the Portuguese NSS is composed by the *Conselho Superior de Estatística* (the Statistical Council) and the statistical authorities, namely: (i) *Banco de Portugal*; (ii) *Instituto Nacional de Estatística* (INE); (iii) the Regional Statistical Services of the Autonomous Regions of the Azores and Madeira; and (iv) the entities which are delegated by INE to produce official statistics.

The Statistical Council is the State body that oversees and coordinates the NSS and, currently, it has five Standing Sections dealing with Statistical Coordination, Statistical Confidentiality, Economic Statistics, Social Statistics and Territorial Base Statistics. In turn, these Standing Sections can have their own specialised Working Groups and the Statistical Council can also create task forces and organize seminars and workshops related to relevant themes for official statistics. In this important coordinating body, most of the relevant national statistical stakeholders participate, *i.e.* not only the aforementioned statistical authorities, but also other entities such as data producers' and data users' representatives – among them government departments, industrial associations, trade unions and universities – are invited⁷ to contribute to the work of the Statistical Council.

Pursuant to the attributions conferred by the NSS law, some of the main Statistical Council's tasks are:

- i. Defining and approving the general guidelines of official statistical activity and the relevant priorities;
- ii. Ensuring the respect for the core principles set forth in the NSS law;
- iii. Appraising the plan and the budget of the statistical activity of the statistical authorities and their respective progress reports;
- iv. Issuing recommendations within the scope of the definition of statistical methodologies, concepts and nomenclatures, for the use of administrative records to produce official statistics and ensuring their implementation;
- v. Issuing an opinion on the proposals for the delegation of powers of the INE to other entities, so that they can produce and disseminate official statistics.

In this framework, it is worth highlighting the work of the Statistical Coordination Standing Section, chaired by the *Banco de Portugal*, towards the mission of the Statistical Council, namely concerning the fulfilment of the tasks above mentioned⁸.

Additionally, the Statistical Council is also entitled to be consulted within the scope of the legislative procedure pertaining to statistical matters. Indeed, the approval of draft decree-laws setting up statistical services or containing rules governing statistical activities shall necessarily be preceded by a consultation to the Statistical Council. The recommendations and deliberations of the Statistical Council are, in turn, to be published in *Diário da República* (the Official Gazette of the Portuguese Republic).

At this point, it is now clear that this body allows for the sharing of production experiences as well as for the analysis and discussion of important statistical results with the other relevant stakeholders, which enables, *inter alia*, (i) the anticipation of the user's data needs, (ii) the calibration of the national strategy

⁷ Such members are appointed for three-year terms of office, renewable for equal periods.

⁸ Please consult

http://cse.ine.pt/xportal/xmain?xpid=CSE&xpgid=cse_main&cont_cse=277894&cse_smenu.boui=3109257&cse_smenu.selected=13670308&xlang=en for a complete overview of this Section's duties.

for official statistics (both in terms of focus and of role); and (iii) the widening of the communication channels with businesses, policy makers and research communities.

Notwithstanding, one of the most important and impressive features of the Statistical Council's work concerns the emphasis given to promoting cooperation initiatives between statistical authorities, in particular between the *Banco de Portugal* and INE. In the next section, we highlight how the Statistical Council has been shaping up this strategic cooperation efforts and highlight its spillover effects across the NSS.

3. Institutional cooperation

There is ample motivation for actively fostering cooperation between statistical authorities, both at the national and at the international levels. Indeed, the recent experiences have proved that it allows for an effective clarification of the responsibilities committed to each of the agencies involved in producing and disseminating statistical data and that it is also an important element in improving data coherence as regards terminology, classifications, definitions and other relevant metadata, thus facilitating the integration of data produced from different sources. In addition, institutional cooperation promotes steady efficiency gains throughout the statistical system, by reducing possible duplication of effort in reporting, hence contributing to a better allocation of resources, minimizing the respondents reporting burden and avoiding data redundancy.

Typically, an effective institutional cooperation promotes the exchange of data and experience among statistical agencies, with mutual benefits: that is the case, for instance, when NSOs provide specialized data to NCBs for policy purposes or when NCBs help NSOs to develop particular statistical capacities.

To this extent, in the framework of the aforementioned collaboration types and under the strategic guidance of the Statistical Council, *Banco de Portugal* and INE have established several agreements for the purpose of statistical production.

A protocol to fulfil Portugal's commitment to the International Monetary Fund's dissemination Standards which also includes the Ministry of Finance, has allowed Portugal to comply, in 2015, with the requirements for adherence to the IMF's Special Data Dissemination Standard (SDDS) Plus – the highest tier of the Data Standards Initiatives –, thus being part of the first set of countries joining the IMF's newest data initiative, at its birth. At the time, from the first set of 8 countries that complied with SDDS Plus, only Portugal met all of the 9 new data categories, which further reinforces the impact and the importance of such protocol.

A Protocol for the transmission of the European System of National and Regional Accounts establishes and systematize the compilation process of national accounts: the non-financial accounts are compiled by INE, while the financial accounts are compiled by Banco de Portugal. This working arrangement has enabled Portugal to fulfil all of its obligations in the framework of the ESA 1995 and 2010 transmission programme.

A Protocol for the quarterly survey of non-financial corporations aims to obtain quarterly accounting data from companies in an efficient way that fosters the reduction of the reporter's burden. It has been particularly important for the production and dissemination of quarterly statistics on non-financial corporations.

In the field of Balance of Payments, several formal and informal agreements exist between Banco de Portugal and INE, such as those related with International Trade Statistics (2007) and FATS-Foreign Affiliates Statistics (1999). A Travel survey (involving also the Turismo de Portugal) was launched in 2004. The INE is responsible for the collection and dissemination of the International Trade statistics in Goods and Banco de Portugal for the compilation and dissemination of the Balance of Payments statistics that includes the Goods Account. As an example concerning Trade Statistics, on a monthly basis, the INE provides to Banco de Portugal information on the amount of imports and exports in goods by country.

A Protocol for the Household Finance and Consumption Survey follows the international version of the Household Finance and Consumption Survey proposed by the Eurosystem and was adapted to the Portuguese reality. The aim of the survey is to collect data on the household's financial and economic situation as well as additional demographic and social data. This information should allow characterizing the situation and financial decisions of households, particularly regarding wealth, indebtedness and consumption/saving decisions. It should be noted that microeconomic data allow us obtaining information that cannot be obtained on the basis of aggregated data.

Additionally, several initiatives involving INE and *Banco de Portugal* and other institutions, under the strategic guidance of the Statistical Council, had an important impact in the Portuguese Official Statistics.

At the beginning of 2006, an institutional cooperation agreement in the field of general government statistics was signed between the *Banco de Portugal*, INE and the Ministry of Finance. In March of 2017 it was signed a new institutional cooperation protocol in this field, including also 10 other entities – *e.g.* the Portuguese Public Finance Council, the Directorate General of Local Government, the Portuguese Treasury and Debt Management Agency, the Regional Statistical Services of the Autonomous Regions and the Court of Auditors. In the spirit of the previous agreement, this protocol seeks to promote institutional cooperation and data quality in the field of general government statistics, with a particular emphasis on the data requirements pursuant to the Excessive Deficit Procedure and to the European Semester and on the transmission mechanisms underlying the source information.

Furthermore, the *Banco de Portugal*, INE, the Ministry of Finance and the Ministry of Justice have also developed a joint project aiming at defining a harmonized solution for the collection of annual data from the financial statements of non-financial corporations. This resulting system is known as IES (*Informação Empresarial Simplificada*), which literally means Corporate Simplified Information, and was formally introduced through the Decree-Law 8/2007. IES is the electronic submission of accounting, fiscal and statistical information that companies regularly have to remit to the above mentioned authorities. Through IES, companies can fulfil their reporting obligations to four authorities through one single electronic submission at one moment in time. This initiative integrates a set of measures that have progressively streamlined administrative and legal procedures for companies, thus reducing their reporting burden.

Moreover, drawing up on the successful experience of institutional cooperation in the implementation of IES, the work of the Statistical Council, and of its Standing Sections, has also led to the creation of the Information System of the Portuguese Classification of Economic Activities (SICAE – *Sistema de*

*Informação da Classificação Portuguesa de Atividades Económicas*⁹), which was implemented through the Decree-Law 247-B/2008. This constitutes a good example of the use of administrative data for several purposes (including statistical production) and of excellent institutional cooperation, led by the Statistical Council and involving the *Banco de Portugal*, INE and several Ministries.

With SICAE, there is a single site where one can obtain updated information on the economic activity classification (CAE – *Classificação Portuguesa de Atividades Económicas*) code (harmonised with NACE's classification and adapted to the Portuguese context¹⁰) of any company, association, foundation and other collective persons. With SICAE, obtaining information about the CAE code of any entity is: (i) simpler, because only the CAE code in SICAE is valid for all legal purposes; (ii) up to date, because all the amendments to the CAE code are automatically entered in SICAE; (iii) faster, because all the information in SICAE is freely accessible and free of charge and available through a simple search; (iv) accessible, because the CAE code of any entity is now permanently available for consultation in a single place.

The common application of the Harmonized European Policy for Regular Revisions, which is defined in the framework of the Committee on Monetary, Financial and Balance of Payments Statistics, is also a good example of institutional cooperation between the INE and the *Banco de Portugal*, by fully implementing those guidelines for statistics under their responsibility.¹¹

Another domain of institutional cooperation in the statistical field worth emphasizing refers to the efforts of technical assistance envisaged by the Portuguese statistical authorities. This has comprised the arrangement of bilateral visits and the organization/participation in seminars and workshops with foreign entities, with a view to promote the sharing of best practices, thus mutually benefiting the participating institutions. In fact, over the past 20 years, *Banco de Portugal* has cooperated with institutions from 61 countries around the world and several protocols have been signed with some of them (e.g. Brazil and Cape Verde), which have contributed to the development of their respective National Statistical Systems.

Finally, the INE and the *Banco de Portugal* contributed to the foundation in 1989 of the School of Statistics and Information Management of Universidade NOVA de Lisboa. Today, the NOVA Information Management School (NOVA IMS) is one of the most reputed schools in the world educating managers trained to lead and guide the compilation, analysis, exploration and use of information. In order to strengthen the relationship between the academy and central banks, the *Banco de Portugal* cooperated with NOVA IMS in the development of a Postgraduate Course on Statistical systems, specializing in central bank statistics, backed by the European Central bank and the Irving Fisher Committee on Central Bank Statistics, and which earned the EMOS (European Master in Official Statistics) accreditation, by the European Statistical System (ESS).

4. Conclusions

To be better prepared to meet successfully the challenges ahead, statistical authorities should consider being more pro-active and more outward-looking, which implies:

⁹ For more information on the SICAE, please consult <http://www.sicae.pt/default.aspx>.

¹⁰ Statistical Classification of Economic Activities, in line with the European Commission's Regulation 1893/2006.

¹¹ For more details on the Banco de Portugal's revision policy please consult https://www.bportugal.pt/sites/default/files/anexos/documentos-relacionados/policy_revisions.pdf.

- Deepening further the degree of institutional cooperation – both at national and international levels;
- Attempting to identify, as early as possible, the likely changes and the true underlying economics of the events and transactions which have to be measured;
- Promoting mutually beneficial interrelationships with the relevant users (and with the data providers as well);
- Increasing the technical skills (including training and education in information and communication technologies) and the conceptual and analytical capabilities of its staff;
- Defining a communication strategy that is capable of matching the users' expectations towards the way data are delivered, and of converting data into knowledge.

Moreover, institutions with statistical responsibilities can only benefit from being engaged in processes of institutional cooperation, both nationally and internationally. These processes promote an efficient use of resources, avoiding duplication of efforts and reducing the reporting burden. They thus benefit the many agents that intervene in the various stages of the production cycle, from data collection to statistical dissemination. Cooperation also enhances the sharing of best practices through multilateral contacts and technical cooperation on a bilateral basis. That said, it is clear that, to fully reap the benefits of such initiatives, it is important to have a body responsible for overseeing the National Statistical System, to bring together the main stakeholders and coordinate with them, through active and open discussion, the most relevant strategic priorities.

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