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Session 2

PERFORMANCE INDICATORS FOR NATIONAL STATISTICAL INSTITUTES PLENARY SESSION

HOW DO WE MEASURE THE PERFORMANCE OF AN NSI – AN NSI PERSPECTIVE

Invited paper submitted by the Statistical Office of Estonia

I. Introduction

1. As for any other organisation it is also vital for statistical offices to measure their performance. The aim of this is to learn whether we have satisfied our clients' needs in the best possible way and how effective we have been in using scarce resources. The question is which indicators should be measured to get such information.

2. The presentation describes how the performance is currently measured and which performance indicators are used in the Statistical Office of Estonia. The presentation is divided into three main parts. The first part explains how the Statistical Office can be compared with other public sector in Estonia. The second part describes which indicators have been used to compare the Office with other statistical agencies in the world. The third part tells about user surveys that have been conducted to examine the adequacy of Estonian official statistics

with the fundamental principles of official statistics in the region of the Economic Commission for Europe.

II. Statistical Office of Estonia compared with other public sector in Estonia

3. Based on the assumption that services provided by the producers of official statistics to the public are somewhat different from services provided by other public sector, the Statistical Office of Estonia has not compared itself so much with other public administrations in Estonia. Also, there are not many possibilities to compare the Office with the other producers of official statistics because the statistical system is centralised in Estonia. By the law there are only two institutions producing official statistics — mainly the Statistical Office of Estonia and, in scope of balance of payments statistics, the Bank of Estonia. The Statistical Office has been trying to consider the Bank of Estonia more like a co-operation partner than a competitor. The Office has been avoiding making comparisons between these two institutions as the bank should be more conservative and institutionalised than the statistical office which respectively should be more open and close to the public.

4. Although, making comparisons within the country has not been the first priority, we have been using every possibility to get any feedback to its performance. In a word, we have tried to be as open as possible, readily participating in all kinds of competitions and contests.

5. For example, half a year after opening of the homepage of the Office on the Internet the Office participated in the contest for homepages providing citizen help organised by the Open Estonian Foundation. The object of the participation was to get specialists' opinion about our homepage's weak and strong points. But also, in case of a good result, to obtain some positive publicity for the Office. This time our homepage won the first place and a monetary reward. Specialists convinced the Office that the aim to develop a clear and user-friendly homepage had been reached. Now the aim is to add more information to the homepage.

6. In Estonia the State Chancellery organises each quarter a survey where similar and mostly the same questions are asked from public about many institutions (e.g. the president, the police, the customs, the tax department, some ministries, etc). There is a theoretical possibility to propose to include some other institutions in the questionnaire. But to be honest, the Statistical Office has made no effort as to suggest the inclusion of questions concerning the Office there. Probably this kind of a survey is a potential source of information for inter-country comparison between different public administrations.

III. Statistical Office of Estonia compared with other statistical offices in the world

7. As follows from the above-mentioned we have preferred to measure ourselves against other national statistical offices, but also against the fundamental principles of official statistics in the region of the ECE and the Special Data Dissemination Standard (SDDS) of IMF, etc. The comparison has been considered equally important both for the staff of the Office and for the public: both of them need to know what we look like in the background of other similar institutions. In Estonia's case it could be even more important for the public as the population in general is not very much used to using official statistics in their decision making. Sometimes even just the knowledge that things are done in a similar way also in the western developed countries might be the best argument of all.

8. When speaking about comparing one statistical institution with another, it is not always easy to find comparable indicators.

9. On the one hand, there are indicators that in our opinion do not suit that purpose. Firstly, most of the absolute numbers should be excluded because these depend mainly on the size of the country (e.g. the number of visits to the Internet homepage of the statistical agency which also depends largely on the software used for gathering such statistics). But there are also relative figures which should be treated with caution because they may create an erroneous impression. For example, the share of employees of the statistical office (or even the number of official statisticians) in the population may give a totally wrong picture due to enormous differences between culture, habits and other conditions in the country. Also, the share of public spending (or even government spending) on official statistics depends to a great extent on the fact whether the organisation of official statistics is centralised or decentralised and whether the analysis is considered as a part of official statistics or not.

10. On the other hand, there are indicators suitable for comparing purposes, but it is not so easy to get concrete numbers for other countries.

11. The Statistical Office of Estonia has not established special routine procedures for comparing itself with other statistical agencies. The indicators of comparison have been found during the working process.

12. For example some years ago, when the growth of print runs of the "Statistical Yearbook of Estonia" and the monthly bulletin "Estonian Statistics" slowed down, we started to compare these print runs with other agencies. We did not put very much effort into the action and used mainly Georges Als' report to Eurostat which describes the situation in the EU countries at the beginning of

the nineties. And we found out that the print runs of the yearbook and the main monthly per 10 000 population are larger than in Estonia only in Luxembourg, in Denmark and in the Netherlands. In the case of Luxembourg the reason may be the relatively small number of population. It is hard to decide whether the dissemination has been directed to a great extent abroad or whether the great print runs depend on the large number of banks locating there or whether the Luxembourgers are exceptionally keen on statistics.

13. Up to now the Office has not compared any sales figures of statistical publications because these numbers depend extensively on national dissemination policy: whether the public administration, the media, libraries, etc. pay for the publications or not.

14. Probably the number of inquires for statistical information received by mail or phone per 10 000 population can also be compared. (These numbers have been growing steadily in Estonia and we consider it a sign of improving service to users, however, no comparisons with other countries have been made as yet.) But the Office has still not decided how to compare the content of printed publications or databases.

15. There are some absolute numbers the usefulness of which for international comparisons could be discussed. For example, the number of news-releases per year. In 1998 the Statistical Office of Estonia published as many news-releases as Eurostat -104 and 103, respectively. In the Office the number of published news-releases seems adequate but taking into account some qualitative research the opinion has been reached that the public could be informed about major statistical information by about 200 news-releases per year.

16. The Statistical Office of Estonia has considered subscribing to the Special Data Dissemination Standard (SDDS) of IMF as comparing the Office with other national statistical agencies. It is true that the standard gives clear and strict prescriptions for presenting metadata on statistics, data periodicity and timeliness and requires an advance release calendar of statistics. Estonia fully meets SDDS requirements and since February 1999 it is also among 17 countries that have opened a national summary data site on the Internet.

17. Before the SDDS the Statistical Office of Estonia published the advance release calendar of statistics once a year in January. In order to meet the standard's quarter ahead announcing requirement also for the first quarter of the year we published the calendar for 1999 already in September 1998. The calendar includes precise release dates for almost all news-releases. There are only a few news-releases which publication dates are not included in the annual calendar, but these are all included in the weekly calendar. The publication time of news-releases and weekly calendar is always at 9 o'clock in the morning. All users get the information at the same time, no publication under embargo to

any user' category has taken place since 1993 and never any ministerial commentaries have accompanied the statistics. Since 1995 the Office has failed to adhere to the annual release calendar three times in connection with publishing the quarterly GDP figures a few days before the pre-announced release date without giving an advance notice of the new date. Last time it happened last spring due to bad communication within the Office and there is hope that the staff has finally drawn conclusions.

IV. Adequacy of official statistics produced by the Statistical Office of Estonia to some of the fundamental principles of official statistics

The fundamental principles of official statistics in the ECE region state that official statistics should meet the test of practical utility are to be compiled and made available on an impartial basis.

18. In order to get some quantitative information how the official statistics produced by the Office fulfils the statement two user surveys have been organised. These surveys have covered four main user segments. In 1996 the media, educational institutions and foreign diplomatic representations based in Tallinn were surveyed. In 1998 civil servants were surveyed. These surveys have been sample surveys conducted by the Statistical Office. Also a private opinion research company has made a survey concerning the Parliament members and civil servants in the Parliament Chancellery.

19. It has been found that the official statistics produced by the Office accounts for around 1/3 of the statistical information used by civil servants. 68% of civil servants think that it is of practical utility for them, 91% of civil servants consider it available and 86% find it reliable. The reason why only 68% of the media, educational institutions and foreign diplomatic representations altogether considered official statistics available was because educational institutions complained about strict budget which did not allow them to afford all the statistical publications they would have liked to subscribe to.

20. The surprising outcome of the survey was that the media and economic counselors of foreign diplomatic representations did not have almost any complaints regarding the practical utility, availability and impartiality of official statistics. At the same time the fact that 97% of civil servants did not have any problems of understanding the official statistics was fairly unexpected. It was also interesting to discover that the members of the Parliament used official statistics more frequently than civil servants – 61% of civil servants and 87% of Parliament members admitted using it at least few times a week.

21. On the other hand, as regards the less satisfactory findings, 55% of civil servants thought that official statistics should be released more operatively,

journalists and economic counselors of foreign diplomatic representations would have liked to have more explanations and comments.

The fundamental principles state that statistical agencies are entitled to comment on erroneous interpretation and misuse of statistics.

22. The Office has been monitoring major state and local newspapers regarding in particular what they write about the Office and how adequately they reflect the official statistics. As the media monitoring is not very common in Estonia and the service is quite expensive, so it is done by the staff of the library of the Office who collect statistics about positive and negative press coverage.

23. In the Office, as also in some other statistical agencies, the newspaper coverage has been measured in column-centimeters and classified by the field, but also the positive, negative and neutral coverage have been given separately. The policy of the Office is to comment any major misuse or misinterpretation through the same media where it occurred. In case of a smaller misunderstanding we contact the concrete person and explain the situation. On the whole, drawing too much attention with constant explaining of mistakes has been tried to be avoided. The same policy has been implemented for all user categories.

The fundamental principles state that individual data are to be strictly confidential and used exclusively for statistical purposes.

24. The Office has been extremely meticulous about protecting confidential data. Since the beginning of the nineties there have been no leakages of confidential data. Before that period, the policy had been totally different: all the individual data was public and integrated information was kept secret. In Estonia there is a special regulation of the Government which allows giving individual data for scientific research. The regulation has been used only on few occasions and always-strict contracts have been concluded with scientific organisations, no confidential data have been given out to individual researchers.

The fundamental principles state that the laws, regulations and measures under which the statistical systems operate are to be made public.

25. In order to fulfil that principle the Statistical Office of Estonia has issued the Official Statistics Act of Estonia as a separate printed publication. It is also available on the homepage of the Office on the Internet. There is also another printed publication including the Fundamental Principles of Official Statistics in the Region of the ECE, the ISI Declaration on Professional Ethics and, as Estonia has applied for membership of the EU, the Council Regulation on Community Statistics.

The fundamental principles state that co-ordination among statistical agencies within countries is essential.

26. Due to a centralised statistical system and the fact that official statistics are produced in addition to the Statistical Office only in the Bank of Estonia, the co-ordination has been quite successful after some differences in opinion were overcome. The last example of the co-operation is the joint compilation and maintenance of the national summary data site on the Internet in connection with the SDDS of IMF.

The fundamental principles encourage statistical agencies to use international concepts, classifications and methods.

27. This principle could be characterised by the fact that the Office presents regularly statistics to 10 international and supranational organisations. This number was not reached easily. For example the information was presented to the UN Statistics Division on a monthly basis for two years before they started to publish it in the "Monthly Bulletin of Statistics". The Office has interpreted it as Estonian official statistics becoming trustworthy.

V. Closing remarks

28. The development process of the statistical system suitable for democratic society has been ongoing in Estonia for less than ten years. During these years the Office has worked under extreme scarcity of monetary and human resources. The staff has been actively engaged in day-to-day work and has not made enough efforts to evaluate the performance. There is no quality management system introduced in the Office as yet. The above-mentioned first steps have taken place in the last few years. At present we still see ourselves at the beginning of a long way.

29. The main problem faced by the Statistical Office of Estonia has been getting comparable information for other national statistical agencies. Of course, there is a "Handbook of Official Statistics in ECE Member Countries" but it is not always up-to-date and does not include enough information. Also, the Dissemination Bulletin Board for the Special Data Dissemination Standard on the Internet supplied by IMF provides valuable information. And another important source of information, which should not be underestimated, are the international personal contacts.

30. The Statistical Office of Estonia supports the idea to make a list of performance indicators for measuring the performance of a statistical agency and to create an Internet based operative system of changing such information.
