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**PUBLIC CREDIBILITY OF STATISTICAL OFFICES:
GENERATING PUBLIC VALUE**

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INTRODUCTION

(a) Analysis of the environment

In society today, people are more educated and more demanding as they seek more opportunities for participation in political and economic spheres, and require greater levels of technology, communication and information. As a result, we find ourselves in "the information age",¹ which has a significant impact on service institutions such as the statistical offices.

Information has become a key resource for the development of nations and is of particular value to decision-makers. The future competitiveness of economies will therefore depend increasingly on the capacity to generate and disseminate statistical information in response to demands for information, as this is the only way to guarantee that the information is being used.

This relationship between the producers and users of statistical information increases the value placed on the generation of reliable, relevant, timely and up-to-date indicators. In this context, institutions must be able to adapt rapidly to changes in the environment brought by the new information and communication technologies.

(b) Main trends

The process of adapting to the changes and institutional modernization must take place within the perspective of the major global trends: globalization. This phenomenon is directly related to the production and consumption of information, and national statistical offices should therefore be reorganized in order to create public value and obtain the necessary level of credibility in the eyes of their clients.

Statistical information systems strengthen the economic and social management of countries and are a fundamental support for decision-makers at both the central and local levels.

In this context, the situation in Bolivia, which is experiencing decentralization and public participation, not only requires greater resources and new responsibilities for local governments (324) and departmental administrations (9), but also allows new actors and decision-makers to emerge on the political scene. These new groups are establishing themselves as permanent users of statistical information, which means that the statistical offices must be modernized in order to meet the new level of demand for local information based on advanced technology, and to generate new production and dissemination processes for statistical information.

(c) Challenges in the environment of the national statistical offices

To produce and provide statistical information for the public and for decision-makers. It is generally recognized that an efficient allocation of resources is important in order to have information that can be used to take appropriate decisions, thereby enhancing the impact of public policies.

¹ "The Balanced Scorecard", Robert S. Kaplan and David P. Norton, May 1999.

To generate a statistical culture in the authorizing environment. Recognition from actors outside the statistical offices is very important; they need to be encouraged to develop the view that resources allocated for producing statistical information are an investment rather than an expense.

To institutionalize the production of statistical information. A policy framework is needed so that the legal and social mandate can be defined in an appropriate way in order to identify the mission and vision, with a view to ensuring the continuity of activities relating to the production of regular, reliable, timely, consistent and basically useful information in response to the demand for information.

To define the requirements in terms of human, physical, technological and financial resources. It is important to know what is available and what is needed, as these resources are needed for the generation of statistical information in the information society.

To achieve the credibility of the statistical offices. Assurance is needed that the information produced is used by the clients. They need to have confidence in the data produced and the institution should be recognized for its technical capacity and professional responsibility, and not have any type of party political bias.

I. DEFINING THE ISSUE

The sphere of duties and authority of the statistical offices, as established in their legal mandate, determine the institutional mission, the common denominator being the executive and technical guidance of the national statistical information system (NSIS), which involves playing a regulatory, coordinating, operative and executive role in activities relating to the production of official statistics in Bolivia.

A. IDENTIFYING THE ISSUE

With regard to complying with this mandate, the statistical offices have been accumulating experience over the past ten years in the production and dissemination of official statistics. The following paragraphs indicate the problems encountered by the NSIS and consequently by the statistical offices:

A low level of coordination and articulation. Despite the efforts made, there is still a weakness in the inter-institutional dialogue with the other components of the NSIS, which limits their harmonious and integrated development, making it difficult to compare and analyze statistical information from different sources.

A mediocre level of institutional credibility. The lack of explicitly documented methodologies and concepts for measuring particular phenomena hinders the use of statistical information and this affects the credibility of the institution.

Lack of timely information. The timeliness of dissemination is certainly an essential characteristic of statistical information. In important areas of statistical production, the lack of timeliness is perceived as an obstacle to the design of short-, medium- and long-term policies, as well as for the processes of evaluation and decision-making in the public and private sectors.

Inadequate coverage of information. There is a critical perception of the levels of disaggregation of the statistical information, which leaves critical gaps as far as decision-making is concerned. This lack of information hinders the efforts of public entities to produce focused policies. For its part, the private sector claims that the shortage of information slows down the development of private investment.

Limitations on statistical dissemination. No statistical dissemination policy or plan exists, and thus no adequate process has been developed to publicize the range of statistical products and services offered.

Lack of articulation between supply and demand for information. The new statistical projects do not adequately respond to information demands from the emergent actors in economic and social development.

Scarce resources. One common denominator of the problems mentioned previously is the lack of financial, physical, human and technological resources, which has limited the capacity of the INE to exercise its function as the governing entity of the NSIS and consequently has a negative impact on the development of statistical products.

The main cause of this lack of financial resources is an authorizing environment with little awareness of the importance of statistical information as a determining factor of efficient and effective management and the low level of institutional credibility. In short, the problems identified for the NSIS and thus for the statistical offices, may be stated as follows: "*The authorizing environment,² defined as international cooperation agencies,³ national, departmental and local authorities, is not aware of the importance of statistical information and does not consider the data provided by the institute to be accurate.*"

This paper therefore suggests a strategy for increasing awareness within the authorizing environment regarding the importance of statistical information and for gradually enhancing the level of institutional credibility.

In this context, the mission of the National Institute of Statistics is to establish itself as a credible institution oriented to assisting the actions of the Bolivian State.

B. OBJECTIVES

(a) Overall objective

To achieve institutional credibility, which is a determining factor in efficient and effective management for the creation of public value, by providing reliable information to those who formulate and implement public policies in order to optimize the well-being of all Bolivians.

(b) Specific objectives

Substantive dimension

- To establish itself as a credible entity for the production and supply to the population and decision-makers of reliable, relevant and timely information according to demand in order to optimize the well-being of all Bolivians.

Political dimension

- To generate a statistical culture in the authorizing environment.
- To institutionalize the production of statistical information.

Administrative and operational dimension

To be aware of the requirements in terms of the existing human, physical, financial and technological resources, and those that will be needed for the sustainable generation of statistical information.

² This does not refer to persons under the authority of the INE.

³ International cooperation agencies that finance the creation of information systems in the sectors producing statistical information have a distorting effect on the activities of the NSIS, as they tend to duplicate activities.

II. THEORETICAL FRAMEWORK

A. THE PROCESS OF STRATEGIC MANAGEMENT IN THE PUBLIC SECTOR

The main analytical model used in this paper consists of the theory of strategic management and the creation of public value presented by Mark Moore (1997).

In general terms, the following elements are suggested as necessary for public institutions:

- to have political support, which means gaining sufficient authority and financial resources to ensure the proper functioning of the institution;
- quantification of the operating costs; and
- definition of the internal processes that are essential to the institutions in order to fulfil their mandate and to identify the factors that make it possible to achieve excellent results in the three dimensions.

Lastly, the process concludes with results obtained on the basis of the legal and social mandate to meet the demands and needs of users, and thus public value is created.

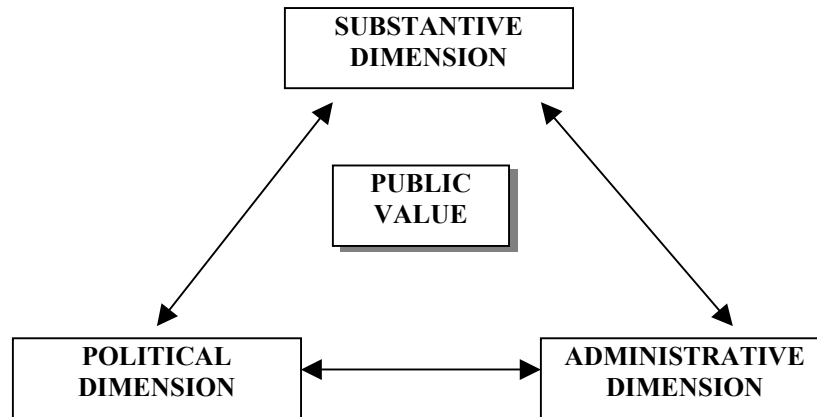
B. STRATEGIC MANAGEMENT IN THE PUBLIC SECTOR

Moore's proposed approach for the public sector, known as the strategic triangle, consists of balancing three interdependent dimensions in order to generate public value (Moore 1998, p. 116):

The strategy must to be substantively valuable. The institution must generate value for its clients at a low cost, that is, the strategy must assist in generating public value on the basis of institutional credibility.

The strategy must be legitimate and politically sustainable. In other words, the institution must continuously attract authority and money from the authorizing political environment to which the public manager is accountable.

The strategy must be operationally and administratively feasible. The activities authorized can be carried out through the existing organization with the help of other institutions which can be induced to contribute to the organization's goal.

STRATEGIC TRIANGLE OF M. MOORE**C. CREATING PUBLIC VALUE**

Moore suggests that public value is created by generating the maximum possible value for the population on the basis of the financial, human, physical and technological resources available in the institution, on the basis of managerial imagination, in order to achieve the aims established in the mandates with the maximum effectiveness and efficiency.

From this perspective, the managers are considered as explorers who are attempting to discover, define and create public value. There is also reference to the need for public managers to have an entrepreneurial spirit, so that instead of seeing new demands as a problem, they consider them an opportunity (Moore, 1998, p. 43).

III. THE PROPOSED STRATEGY

A. DESCRIPTION OF THE NATIONAL INSTITUTE OF STATISTICS (INE)

It is important to give a brief description of some characteristics of the institution in order to establish its place in the public arena, identify its current mission and vision, and to indicate its users, sources of authority, financial resources and the potential benefits of creating public value.

What the INE does

The INE has the legal mandate of being the executive and technical organ of the NSIS, and is responsible for the management, planning, implementation, control and coordination of the system's statistical activities. The purpose of the NSIS is to obtain, analyze, process and provide in the most efficient manner statistical information for guiding the socioeconomic development of the country. At present the INE generates, collects and disseminates economic, social and demographic statistical data that are collected through censuses, surveys and administrative records.

How the INE is organized

The INE, according to its legal and social mandate, is organized as an Executive Office and a Sub-office, to which the eight area offices report: Censuses and Surveys, Administrative Records, Statistics and Indicators, National Accounts, Departmental Coordination, Dissemination and Public Relations, Informatics and Cartography, and Administration and Services.

The sources of authority of the INE

The INE is a decentralized body with administrative and management autonomy, which reports to the Ministry of Finance. Its direct authority is therefore the Executive Director, and the indirect authority is the Minister of Finance.

The highest decision-making body of the NSIS is the National Statistical Council (which was never established), its executive and technical body is the INE, and its coordination and support agencies are the Technical Committees for Departmental Statistical Coordination (which were never established).

The sources of financing of the INE

The INE has the following sources of financing: the National Treasury, bilateral and multilateral cooperation agencies such as the Inter-American Development Bank (IDB), the World Bank, the United Nations Development Programme (UNDP), the Andean Development Corporation (ADC) and others that provide loans or donations to finance statistical projects.

The clients of the INE

The clients of the INE are, on the one hand, central government, the departmental administrations and local governments, and on the other hand, private enterprises, international cooperation and civil society in general (researchers and students).

B. CREATION OF PUBLIC VALUE

The strategy proposed, understood as "general guidelines for a process of intervention that bases its analysis on the initial situation diagnosed and on the objective image that would be achieved by implementing the activities" (Women and Legal Reforms 2000 Project, p. 27), includes specific actions for each of the three dimensions referred to by Moore. These dimensions will be considered by offering responses to leading questions.

(a) Substantive dimension

As Moore argues, the first step in generating public value is to establish a process of continuous reflection on the part of the directors of the INE. This step is defined and reflected in the following institutional mission and vision:

"To provide support for decisions relating to the development of Bolivia, in the form of relevant statistical information"

"To be the lead institution of Bolivian public administration and of the National System of Statistical Information"

For the substantive dimension, the proposed strategy consists of specific actions defined in response to four questions.

1. What is proposed for improving the usefulness of the information produced by the INE and achieving the necessary institutional credibility?

Three actions are required in response to this question:

- *Transition from a culture of supply-oriented information production to one that is demand-oriented.* The following action must be taken: (1) encouraging interaction between users and producers of statistical information; and (2) training of users in the use of statistics and indicators for governance in order to achieve an efficient interaction between information users and producers based on a careful reading of information demand and needs.
- *Generation of specific technical skills in INE personnel.* The following action must be taken: (1) training of the institution's executive personnel in the area of public management; and (2) training of INE technical personnel in the area of statistical analysis, which will ensure a high level of qualification of professional staff member.

- *Raising awareness in the authorizing environment concerning the importance of the generation and use of information in decision-making.* For this purpose, training must be provided in the authorizing environment in systems of management information in order to establish the legitimacy of the INE, and so that Government representatives, starting with the President of the Republic, international cooperation agencies and all users, recognize the importance of statistical information as an effective input for monitoring and measuring the impact of public policies.

2. How can the demands of INE clients be met?

Six actions are needed to establish a dissemination process that ensures the availability of and ease of access to statistical information.

- *Generation of an electronic dissemination programme with continuous updating of contents.* The following is required: (1) provision of access to the INE web site; (2) regular updating of the statistical information and indicators contained on the web site and (3) extension of the dissemination of statistical information through the use of magnetic media.
- *Enhancing the use of communication networks between central and local government.* The following action is needed: (1) strengthening and reorganizing of the departmental offices of the INE; (2) generation of strategic alliances between the departmental offices of the INE and the departmental administrations and local governments; (3) encouraging the creation of forums where public- and private-sector representatives identify needs and priority issues for consideration in each of the INE regional offices; and (4) establishment of the Technical Committees for Departmental Statistical Coordination.
- *Decentralization of the generation of information.* The following is needed: (1) providing INE departmental offices with sufficient capacity to generate departmental and local information; and (2) providing INE departmental offices with the necessary human, physical, financial and technological resources for them to be able to respond to the demands for regional information.
- *Generation of future demand.* For this purpose, the primary education curriculum should include topics relating to the importance of statistical information and its appropriate use as a citizens' right, so that future decision-makers are aware of the use of information.
- *Provision of information to those responsible for shaping public opinion.* The following is needed: (1) to raise awareness of the importance of appropriate information use by opinion makers, economic analysts, trades union leaders and others; and (2) to generate products with easily interpreted statistical content, segmenting the markets.

3. What is proposed in relation to the current mandate?

Two actions are needed in relation to this issue:

- *Ensuring the full functioning of the National Statistical Council and the Technical Committees for Departmental Statistical Coordination.* The following is needed: (1) establishment of regulations for D.L. 14100 in order to ensure that the National Statistical Council, the highest decision-making body of the NSIS and the Technical Committees for Departmental Statistical Coordination, which are coordination and support bodies for the NSIS, carry out their functions; or (2) draft a new law on the National Statistical Information System whereby the executive is appointed by the National Congress, thus avoiding any type of political labelling of the institution.
- *Strengthening the role of the INE as an executive and technical body of the NSIS.* The following is needed: (1) modernization of its internal structure and technology; (2) more extensive dissemination of its products; (3) generation of networks and strategic alliances with the other components of the NSIS; (4) prevention of duplications and in-depth study of areas where official statistics are lacking; (5) enhancement of efficiency in data collection, processing and dissemination; (6) standardizing national data according to the requirements for international comparability and (7) standardizing the collection, processing and dissemination of official statistics.

4. How to achieve legitimacy in the eyes of the clients?

Two actions are required in connection with this issue:

- *Enhancing the external credibility and legitimacy of the INE,* for which the following is necessary: (1) generation of a comprehensive programme of technical auditing and internal review of procedures for the generation of statistics and indicators; (2) holding of meetings with the public and private sectors in order to implement a National Statistical Plan; and (3) updating of methodologies for official statistics.
- *Establishing a strong position for the Bolivian INE in the national and international market,* for which the following are necessary: (1) re-launching of the corporate image of INE; and (2) establishment of panels of external experts to evaluate the statistics and indicators and inform the INE of their conclusions and recommendations.

(b) Political dimension

For the political dimension the proposed strategy consists of specific actions defined in response to three questions.

1. Why do the public managers of the INE have to spend time on influencing the authorizing environment?

The following action is required:

- *To ensure a continuous allocation of resources and authority.* In order to achieve this goal, the following is necessary: (1) to gain the support of the council of ministers for the activities oriented to generating public value; and (2) establishment of an Inter-Agency Council of Cooperation that facilitates the generation of strategic alliances with international cooperation

agencies such as the International Monetary Fund, the World Bank, the Inter-American Development Bank and the United Nations system.

2. How to have an impact on the authorizing environment in order to obtain a higher level of resources?

The action needed to respond to this question is:

- *Reduction of dependence on financial resources from international cooperation agencies.* In order to achieve this goal, the dependence on economic support from international organizations must be overcome by gradually replacing it with national resources that ensure the sustainability of the NSIS.

3. Which other actors can contribute to influencing the authorizing environment?

The two actions required in connection with this question are:

- *Generating a national consensus.* For this purpose, a growing demand for statistics must be generated so that their production can be co-financed through strategic alliances with public and private institutions, such as development and investment funds, prefectures, local governments, sectoral chambers, associations and others.
- *To achieve efficient action in systemic terms.* In order to achieve this goal the following is necessary: (1) establishment of the Inter-agency Committee on Statistical Information, which is an agency for coordinating cooperation activities, thus avoiding duplication of activities and allowing systemic management in which all of the components benefit and the NSIS is strengthened; and (2) ensuring financing of long-term statistical projects from international cooperation resources so that the NSIS has a sustainable capacity to develop complete, reliable and timely statistical information.

(c) Administrative-operational dimension

For this dimension the proposed strategy consists of specific actions defined in responses to three questions.

1. What is the technology needed for the INE to meet the needs of its clients?

The actions needed in connection with this question:

- *To establish a position on the frontier of change in computer technology.* In order to achieve this goal the following are necessary: (1) to assign more resources to invest in technology in order to modernize the processes of data capture, processing and dissemination of results; and (2) to transfer and collect electronic data from the suppliers to the institutional servers.

2. What are the human resources needed for the INE to meet the needs of its clients?

The action required in connection with this issue is as follows:

- *To establish an ambitious policy of enhancing the professional level of the institutions producing statistics.* This goal requires the following: (1) that the INE allocates its resources to developing a human resources policy and strategy oriented to the culture change that contributes to the personal development and upgrading of the technical skills of staff members, through professional training programmes in accordance with the needs of the NSIS.

3. What are the financial requirements for the INE to meet the needs of its clients?

The action required in connection with this issue is as follows:

- *To gradually replace cooperation resources with national resources.* For this purpose the following is needed: (1) to establish co-financing policies for the production of departmental and local information; (2) to provide incentives for the private sector to finance the generation of statistical information; (3) to co-produce information with development and investment funds and allow for measurement of the impact of their activities; and (4) to provide technical assistance and information generation services to public and private institutions.

4. What are the physical resources needed for the INE to meet the needs of its clients?

The action needed in connection with this question is:

- *To provide an adequate infrastructure at the central and local levels,* which requires the following: (1) managing the transfer of public infrastructure; and (2) investment in the purchase and re-modelling of infrastructure.

5. How to achieve better results in the administration of resources from projects and programmes for data production?

The action needed in connection with this question is:

- *Dynamic institution.* This requires the following: (1) ensuring a continuous process of reflection on how better to meet the demands of INE clients; (2) to accelerate the process of modernization of the INE and to encourage a modern style of quality management in order to meet ISO standard: 9001-200; and (3) to adapt and invigorate the INE with the changes brought by the new information and communication technologies.

In short, the creation of public value will depend on the interaction of the three dimensions. That is, the generation of a statistical culture in the authorizing environment will be achieved by providing training in the use of information as a basic input for appropriate decision-making, for which purpose institutional confidence must be generated and the production must be recognized by achieving an active authorizing environment which supports the full operation of the NSIS in so far as this allows the production of useful statistical information.

It is very important to gain support for the systemic concept of the NSIS and to reduce to the minimum the distorting effects caused by duplication of activities. The Inter-Agency Committee on

Information will constitute an important forum for collaboration with the NSIS in order to achieve maximum efficiency.

All of these policies must be backed by authority and basically by resources, the latter consisting not only of those from the General Treasury but also those received from the co-financing of policies.

The private sector and local governments are fundamental actors for the INE as they are also involved in decision-making, which is not restricted to the public area, and are increasingly requesting information in order to ensure an efficient allocation of resources and effective action to facilitate competitive action in the markets reflecting the new world order imposed by globalization.

In this context, the generation and provision of reliable, relevant and timely statistical information will allow those responsible for formulating, implementing and evaluating public policies to develop policies based on quality decisions which will result in improved living standards for the Bolivian population. Resources are increasingly scarce and needs are greater.

Lastly, statistical information plays a vital role in all aspects relating to the quality of life of the population and facilitates the targeting of public and private policies for vulnerable groups.

The implication of the above is that the information highway should be strengthened so that it can lead to the modernization of public administration on the basis of establishing the public value and legitimacy of the statistical offices.