

Conditions for a successful statistical cooperation between National Central Banks and Statistical Offices



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- *Data for policy makers are what music instruments for musicians.*
- *Instruments have to be well tuned and musicians well synchronized to produce good music... otherwise it turns to noise.*
- Coherent and reliable data are very important for all policy makers, but maybe a little more for central bankers, as they need to take frequent and regular decisions.
- Many economists say that if you do not have good data to identify activity cycle, the best decision is to not take any decision at all, because anyway the economy will return to the starting point.

What are the conditions for a successful cooperation between CB and NSO to enhance the quality of macroeconomic statistics?

- Worldwide, macroeconomic statistics are provided by several institutions, mainly central banks and NSOs.
- As far as we can tell, conditions for successful cooperation between CBs and NSOs depend in general on three factors:
 - ✓ Governance of national statistical systems (NSS)
 - ✓ The degree of specialization of the institutions responsible for the production of statistics
 - ✓ Technical cooperation and sharing of expertise

Governance of NSS



- Governance of national statistical systems refers to the institutional framework regulating the production of statistics and the bodies set up to ensure the well functioning of NSS.
- To analyze the governance of NSS we refer to 4 criteria:
 - ✓ the regulatory framework
 - ✓ the existence of a governing body
 - ✓ its objectives:
 - to enhance the coordination between all statistics' producers;
 - to establish a regular evaluation of NSS
 - ✓ its constitution and the independence of its chairman:
 - The chairman should be an independent personality;
 - all producers of statistics should be among the members of the coordinating body;



Governance of NSS



- A survey conducted by the UN in 2012 among 126 countries to evaluate the implementation of its *ten fundamental principles*.
- The survey gave an insight about the regulatory framework and the existence of a governing body:
 - ✓ 72% of the surveyed countries stated that they have established a “user council” or other advisory body. For the remaining countries, the main reasons given for not having such body were the absence of a statistical law or that the existing statistical legislation did not provide for a council.
 - ✓ 87% of the respondents stated that organizational arrangements are in place to coordinate data collection or set statistical standards and avoid duplication of statistics at the national level.
 - ✓ Coordination is implemented in different ways: by regulations, agreements or laws through supervisory, advisory or technical committees.



For the criteria uncovered by the survey, we examined the case of 7 countries with different level of development that have a coordinating body established by a legislation or statistics Act (Australia, Burkina Faso, Chile, France, Montenegro, Morocco, UK)

Objectives of the governing body

- There's no general rule about the objectives of such bodies or its constitution.
- They all have a common goal of coordinating the statistical activity.
- Their role does not always include the elaboration of a statistical program or a national strategy of statistics.
- None of those bodies publish an evaluation of the statistical production.



Governance of NSS



Members of the governing body

- In 4 countries, the statistical office systematically chairs the governing body.
- Central banks are not always among the members of the governing body.
- In the United Kingdom and Australia, a high authority in the country nominates the chairman of those bodies.

Governance of NSS



- **Worldwide, it appears that particular attention is given to the governance of NSS and, in most of the countries, a governing body is set up.**
- **The efficiency of such bodies appears questionable, as central banks and NSOs tend to put their own arrangements to meet their specific needs...maybe it's a matter of specialization in the production of statistics or technical issues.**

Specialization in the production of statistics

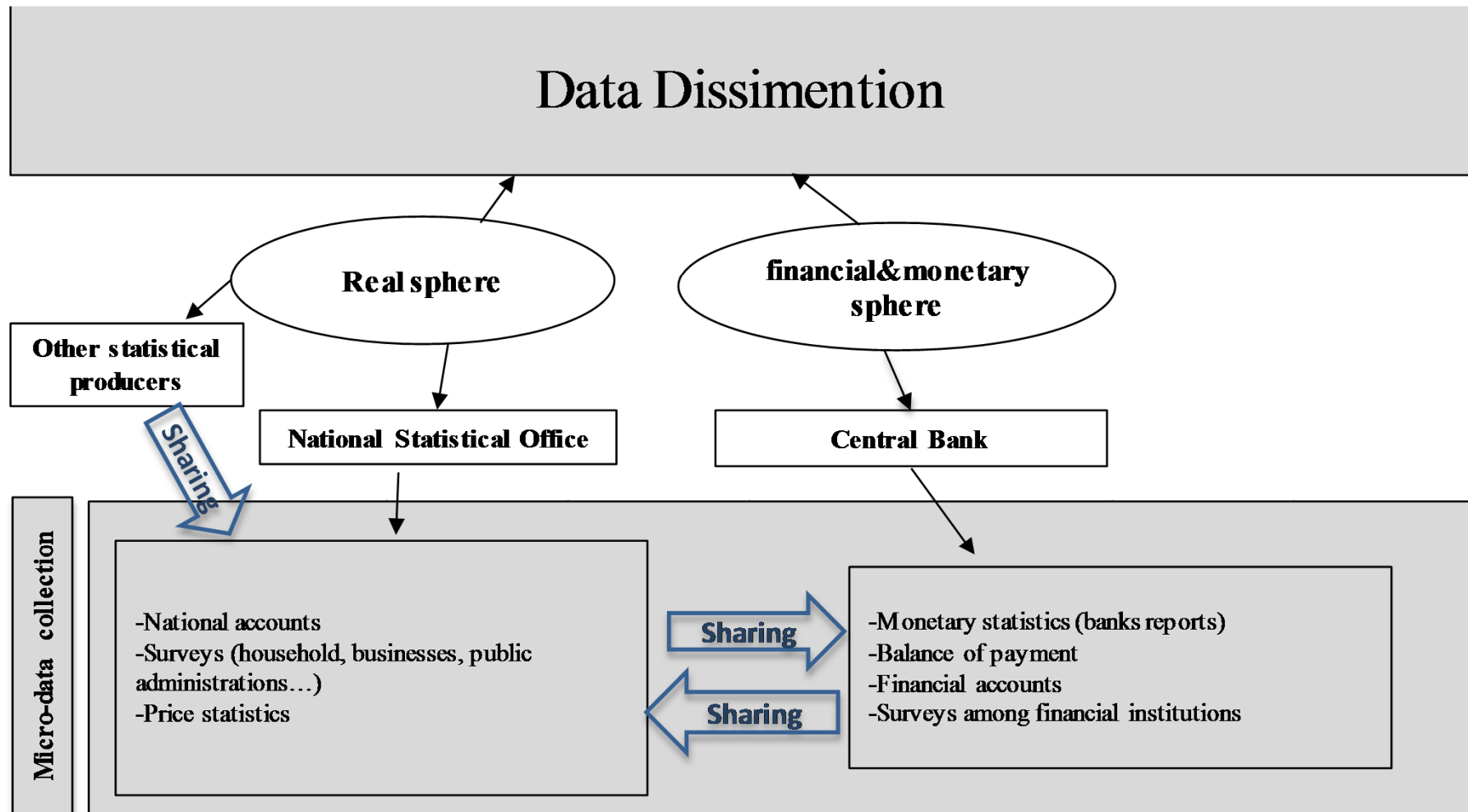
- A clear mission of CB and NSO in terms of the production of statistics would avoid duplication, reduce the data collection costs and the burden on firms and household and capitalize on the expertise of each producer of statistics to enhance the quality of NSS.
- An IMF survey in 2006 among 41 SDDS subscribers showed that there's no general rule about who produces what :
 - ✓ National accounts and price statistics are mainly produced by NSOs, but still 10% of the surveyed countries indicated that they were compiled by central banks;
 - ✓ Balance of payments statistics are not systematically produced by central banks, 22% of the respondent suggested that they are compiled by NSOs;
 - ✓ Financial and monetary statistics were exclusively compiled by central banks.



Specialization in the production of statistics

- Some practices are costly, add respondent burden and generate a problem of coherence between macroeconomic statistics.
- For balance of payment statistics, even if CB don't produce it, they still collect financial sector's data to compile monetary and financial statistics and the same goes for financial accounts.
- For the conduct of surveys, in many countries, both CB and NSOs conduct surveys among industrial firms.
- We believe that the best framework to produce statistics should avoid duplication, reduce costs and assure coherence.

Specialization in the production of statistics



Technical cooperation : case of Morocco

- A good governance of NSS defining the responsibility of each producer can't avoid technical cooperation.
- Despite the manuals and guidelines established by the UN in order to harmonize the production of the different macroeconomic statistics, but practices showed that the interpretation of those manuals could be different even within the same country

Technical cooperation : case of Morocco

- In this context, BKAM has taken many initiatives to strengthen its statistical framework to meet its data needs mainly for monetary policy decisions.
- Central bank of Morocco collaborate on a frequent and regular basis with the Exchange Office and Ministry of Finance.
- In 2012, a common project with the different statistics producers was established, including the NSO (HCP). Its main objectives were mainly to:
 - ✓ establish a common classification and segmentation of the units within the financial accounts;
 - ✓ enhance the coherence between monetary and financial statistics with BoP and the international investment position;
 - ✓ foster a continuous dialogue between the different statistical producers;
 - ✓ share the experience of data collection, by capitalizing on the efforts of the various statistical producers and ensuring the harmonisation of data needs.

Technical cooperation : case of Morocco

- This collaboration based on a friendly agreement turned out to be very successful as it permitted to adjust some classifications in data to ensure coherence;
- But it will be better if a formal agreement between CB and NSO is established.

CONCLUSION

- The coordination between CBs and NSOs can take various forms but it should respect some general rules:
 - ✓ It should be included in the global framework of governance of NSS;
 - ✓ It requires a specialization in the production of statistics within the field of each institution;
 - ✓ It should cover technical aspects to improve the coherence of macroeconomic statistics.