



Institutional Arrangements in SDDS Countries “Best Practice” Revealed?

**William E. Alexander
Deputy Director
Statistics Department**

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Introduction

- This presentation is derived from work undertaken by my colleagues, **Claudia Dziobek** and **Florina Tanase** (two of their papers are included as background material)
- They report on a survey that seeks to understand the division of labor among data-producing agencies in “mature” statistical systems as a basis for establishing a **benchmark** for other countries
 - Does the benchmark make sense for small economies and are there particular lessons for them?
 - Are there areas where small economies should deviate from the benchmark?



Survey Results

- There is substantial diversity in arrangements—no “one size fits all”
- In many instances, there is a distinction between compiling and disseminating data
- Producing macroeconomic data is a **cooperative venture**, typically involving several agencies
 - Producing national accounts often involves a complex web of cooperative arrangements, with the central bank, MoF, and other agencies (e.g., customs) providing data to the NSO
 - Producing External accounts often involves more than one agency



Survey Results

(Continued)

- Typically, NSOs, central banks, and MoFs take the lead with particular data sets
- Usually, the NSO is the main producing agency (but not always! As in Central America, the central bank is the dominant producing agency)
- Central banks are major players in producing data, along with NSOs



Why Cooperation is Important?

- Gaps, overlaps, and ambiguities in legislation
- Timely production of statistics
- Consistency of independently-produced data sets



How is Cooperation Arranged?

- Legislation assigns responsibilities in NSOs (80 %); central banks (90%); and MoFs (64%)
- In many cases, legislation results in overlaps, gaps, and ambiguities—implies a need for supplementary, formal arrangements such as MOAs, official agreements, or recognition of established practices
- Interagency cooperation is supported by: working groups (70% of respondents); statistical committees and councils (17%); other arrangements, such as ad hoc expert meetings and mutual consultations



How is Cooperation Arranged?

(Continued)

- Special nature of relationship of NSO and central bank
 - Independence + Independence \neq cooperation
- Increasing use of formal arrangements: MOA; staff secondment; annual service contract; shared responsibilities



Best Practice Revealed

- Principle of comparative advantage means that production of a comprehensive set of macroeconomic statistics typically will involve several distinct agencies
- The responsibilities of particular agencies is best assigned by legislation
- Legislated responsibilities need to be supplemented by formalized cooperation arrangements
- Special attention needs to be given to the relationship between NSOs and the central bank



Lessons for Small Economies

- It is legitimate to separate compilation from dissemination of statistics
 - Is there a case for concentrating dissemination through a single institutional portal?
- It is desirable to formalize cooperative arrangements among agencies
 - To what extent are MOAs, secondments, annual service contracts, etc., useful modalities?
 - Are formal arrangements relevant in a small economy where everybody knows everybody else?
- There can be good reasons for adopting a centralized agency model
 - To what extent could the Central American central bank model be applied?