**RESULTS OF INTENSIVE DEVELOPMENT ACTIONS IN OFFICIAL STATISTICS COORDINATION – A STATUS REPORT FROM HUNGARY**

József KÁRPÁTI, Hungarian Central Statistical Office, jozsef.karpati@ksh.hu

**Abstract**

*The paper presents new actions and procedures, developed by the Hungarian Central Statistical Office (HCSO) in order to enrich its coordinative function in official statistics. In the first chapter it briefly presents the partly revised coordination tools that existed earlier and the new actions which were introduced on the basis of the new national statistics act which entered into force on the 1st January, 2017. The paper describes the role of the newly established National Statistical Coordination Board, as the forum for data producers. The paper also introduces the National Statistics Code of Practice in detail. This is a new set of guidelines which were created to foster and harmonise the performance of this public duty on a high quality level in Hungary. The present members of the Official Statistical Service committed themselves to the guidelines laid down in the Code, and also undergo an audit procedure during 2018, where their compliance with the Code is examined. The paper describes the methodology of the assessment exercise and summarizes the first impressions gained from the intensified communication with the members of the service and from the already implemented audits among the organisations.*

**Keywords:** coordination of official statistics, statistics act, organisational development, code of practice, quality assessment

**1. Summary of improved and new coordination tools based on the new statistics act**

The amended Regulation (EC) No 223/2009 and the European Statistical System (ESS) Code of Practice (CoP) Peer Review process have led to a set of new plans at the area of the coordination activities within the Official Statistical Service in Hungary. National Statistical Institutes (NSIs) received a strategically important task and stronger legal authorisation to coordinate the production of official statistics at national level, which tasks are presented by *Articles 5 and 5a of the 223 Regulation*. The top management of HCSO intensified the preparation of the new statistics act and also established a new organizational unit for the coordination of official statistics. The content of the new act was discussed with the members of the Official Statistical Service in Hungary and the legislation plans received support in public administration. After the new statistics act[[1]](#footnote-1) entered into force on the 1st of January, 2017, the development actions received their strong legal basis. There are several areas, like the strengthened independence of the HCSO, the clarified definitions, data protection and confidentiality, data transmission procedures, etc. which became regulated by up-to-date rules in the new act, but this paper does clearly focus now only on the legal provisions in the area of coordination. Before the new act, there were mainly four channels more or less open for this purpose:

*1.1. Tools that existed earlier, but with some important developments*

1./ The first regular coordination tool was the *involvement of the HCSO in the preparation process of government decisions, and the opportunity to give opinion about planned legislative actions.* The role of HCSO in these legislative procedures remained as before, and is related to the high level of the position of HCSO’s President in Hungarian public administration. We may consider as improvement that the new act established a straight obligation towards owners of administrative (state owned) registers to consult HCSO officially, before any action would involve the operation or content of their register. HCSO, based on its position in public administration is also involved in all preparatory consultations on legislative actions.

2./ The second, existing tool was the *coordination of the preparation of the annual national statistical programme*, which included the planned statistical data sources of the Official Statistical Service members. The new act clarified that the statistical programme provides the framework for all statistical surveys from all data sources carried out by the Official Statistical Service, including both mandatory and voluntary surveys.

At the same time, the use of administrative sources became simply executable upon their inclusion in the statistical programme by the President of the HCSO, similarly to the implementation of voluntary surveys. The administrative data transmissions are implemented now based on a general authorisation in the new statistics act. The use of administrative data for statistical purposes became therefore easier and more flexible. The new act enables the free use of all available administrative sources without the need for further legislation. The only technical requirement is to publish the specific transmission as an element of the annual statistical programme (or include a new transmission by amending the programme later in the year anytime), and, to establish memoranda of understanding with the owners of the data on the detailed provisions of the transmission. We achieved a significant de-regulation at this area and now the President of the HCSO may decide upon using new administrative data sources for statistical purposes independently from any other legislation.

Establishing a standard for the memoranda of understanding with the administrative data owners is a rather demanding, ongoing action, because all the details of the transmissions and all metadata must be defined in advance, for the purpose of transparency of data and to ensure the required quality of the process. The HCSO provided the standard form for general use in the circle of the Official Statistical Service members and coordinates the data transmissions between them. The structure of the national statistical programme was also significantly re-designed starting from reference year 2018. Notions, metadata, classifications of statistical activities were also cleared and revised.

3./ The third tool for coordination that existed earlier was the *operation of the National Statistical Council.* This consultative body represented a larger number of different users and the producers of official statistics. Hungary received a recommendation in the Code of Practice Peer Review in 2015, to revise and separate the different roles of this body. Therefore, with the help of the new act, the HCSO established a second body, called the *National Statistical Coordination Board* and moved the representation of data producers within the Official Statistical Service into this new body. The National Statistical Council remained an advisory body, representing the users of statistics, including - among others - the delegates of the Academy of Science, the universities, the chambers of commerce, the representatives of different civil societies etc. and data providers as well as the owners of administrative data. The Council is operating from a user and respondent perspective, focusing on issues of data provision, overview of accessible data, response burden. The President of the Council is an academic researcher. The main objective of the new National Statistical Coordination Board is to provide a platform for the members of the Official Statistical Service to discuss its activities from the perspective of the data producers. The Board involves all 15 members of the Official Statistical Service in Hungary, and serves as a regular meeting point for their representatives. This body was for example directly involved in the design of our new self-regulatory tool, the National Statistics Code of Practice (see point 1.2.1. and Chapter 2), and is responsible for bi-annual monitoring of the improvement actions based on assessments (explained under point 1.2.2.). The Board is entitled to discuss subject matter issues and launch task forces on statistical data production questions which require common efforts from different institutions. The President of the Board is the President of HCSO as chief statistician of Hungary. In 2017 the Board established a dozen of task forces which operate currently based on their TOR and will report back to the Board during 2018 with possible recommendations for changes and improvements.

4./ HCSO has traditionally the *leading role in Hungary at presenting the opinion on statistical issues on international level*. The position of HCSO in the European Statistical System’s context is obvious and the same can be told about statistical relations with other organisations like the UN, the UNECE, the OECD or others. Members of the Official Statistical Service have direct contacts to some other specific organisations at statistical areas to some extent as well. The HCSO has always been aiming at forming common opinions with other members of the Official Statistical Service in issues of international importance. HCSO also started a more direct monitoring of the EDAMIS data transmissions by other producers.

*1.2. Completely new tools introduced on the basis of the new statistics act*

1./ The most important development action was the establishment of a set of quality principles in the form of a code of practice. Based on the legal obligation in the statistics act, the *National Statistics Code of Practice* was elaborated. Our analysis of existing national/regional codes of practice (including more than half a dozen national and three supra-national) underlined the need that such a document shall serve as a joint, written commitment of the Official Statistical Service members for achieving the widest possible compliance with *generally accepted principles of statistical quality*. A series of consultations took place during the second half of 2016 and this activity was intensified after the new act has entered into force. The National Statistics Code of Practice was then finalised and accepted by the National Statistics Coordination Board in June 2017. The Code contains 14 principles and a total of 56 indicators under them, based on different quality dimensions. The importance of the National Code of Practice is underlined by the fact, that this was the first time when nearly twenty organisations have agreed upon joint efforts in a common, monitored and assessed framework for improving the overall quality of official statistics. They all have accepted the need for such a framework and that their activity will be benchmarked towards the principles in a publicly available form. The English translation of the document was also prepared.[[2]](#footnote-2) The documents in both languages are available on the website of the Official Statistical Service. The Code will be introduced in more detail in chapter 2.

2./ The new act also established the fundamental rules of an obligatory *assessment procedure* of the Official Statistical Service members. All current and future members must undergo the assessment to become / remain members of the Service. The exercise examines the compliance of the organisations with the quality principles and indicators of the National Statistics Code of Practice and this has to be repeated every five years. The methodology and the procedure is very similar to the ESS Code of Practice Peer Reviews and will be introduced in Chapter 3.

3./ HCSO has launched *a new website for the Official Statistical Service*. As the first step of long-term integration plans, the HCSO has dedicated a page on its website for the introduction of the other members of the service. The Hungarian National Bank, different ministries, supreme level jurisdiction organisations and special institutions have very different publication practices. Some of the larger actors have dedicated sites for publishing official statistics (like the National Bank for example), but other members publish information about their statistical activities in a very limited form. The new site ([www.ksh.hu/hssz](http://www.ksh.hu/hssz)) gives now a detailed picture for the users about the institutions producing official statistics besides HCSO, and the site also directs the users to those specific points on the internet, where their data or other statistical content can be found. In order to improve the visibility of official statistics, we also designed *a common logo* for the Official Statistical Service. Currently there is no deeper integration between HCSO’s website and the statistical data of other members, but there is a project under way, which would target the establishment of a joint database for all official statistics. Further plans also include dedicated social networking and file sharing services for representatives of the Service which would assist the communication between each other. The new website also hosts the documents related to the National Statistics Code of Practice and to the assessment procedure of the members. The website is now the most important and single structured resource of information about the statistical activity of these organisations (in some cases the members don’t even have a detailed description about their activity on their own website) and is updated regularly with new content. It is also a tool for enhancing transparency which helps to improve the public trust in official statistics as a whole.

4./ The Statistical Coordination Department of HCSO has established a wide range of contacts in a centralised way with the members of the Official Statistical Service and the other owners of administrative databases. A major task of the new organisational unit is to create detailed and standardised documentation on the administrative data sources and prepare the necessary inter-institutional steps for the implementation of the data transmissions. It is a demanding task to standardise the agreements which were previously prepared individually between organisational units of HCSO and the administrative data owners. In most cases, the data needs of HCSO were also revised and extended during the discussions, which resulted in further documentation needs. Within this revision process the separation of mutually free-of-charge data transmissions with Official Statistical Service members - based on the provisions of the statistics act - and other agreements on paid services offered by HCSO also require attention. Therefore, a new procedure was elaborated to separate the duties of different units within HCSO. The Statistical Coordination Department is also responsible for the planning of the annual national statistical programme. All the administrative coordination tasks are now migrated to this unit.

**2. The National Statistics Code of Practice**

The establishment of a common Code of Practice for Hungarian official statistics was the key first step to a harmonised approach and for a commitment to quality aspects. The production of official statistics is usually not a main activity of the other members of the Official Statistical Service. Therefore, the direct application of the ESS Code of Practice was not possible since its requirements don’t consider the diversity ranging from ministries to research institutes and the legally very different positions of these institutions within Hungarian public administration. Not all of them can be considered as “ONAs” either, since not all of them produce European Statistics. In some cases their official statistical activity is so small compared to the activities of the entire organisation, that the compliance with some general expectations would be simply impossible. To mitigate this issue, the HCSO has re-designed the set of European expectations without dropping the context and the general approach to high quality statistics, and used the opportunity to re-shape the structure of the principles to avoid overlapping of issues. It was decided to follow the GAMSO[[3]](#footnote-3) model and to group the 14 principles of the Code under the following chapters: I. Fundamental principles which have a strategically major role in official statistical activity (*Professional Independence, Impartiality and Objectivity, User Orientation, Coordination and Cooperation*); II. A*ppropriate organisational resources and capabilities and III. Efficient operation*; IV. Statistical business process and supporting overarching activities (*Quality Commitment, Sound Methodology, Confidentiality*) and V. Statistical outputs (*Relevance, Accuracy and Reliability, Timeliness and Punctuality, Coherence and Comparability, Accessibility and Clarity*).

A majority of the principles have a direct connection to the ESS Code of Practice, and the fundamental content of the principles is very similar, but the expectations and wording are more in accordance with the position of statistical activities within the group of the involved organisations. The content of the Code in general does follow international and European good practices and the quality criteria reflect the well-known legal and methodological documents on quality aspects of statistics. But in some cases it was decided to regroup the content compared to the ESS CoP. For example, the mandate for data collection proved to be less relevant in this circle of organisations since the legal basis for surveys follows a common system based on the statistics act. Therefore it was decided to include the question of data sources and the access to administrative data in the Coordination and Cooperation, and in the Efficiency principles. Following the same approach, response burden has also been made an element of efficiency and included in the relevant principle. A separate principle has been dedicated to coordination and cooperation. The indicators under this principle identify three main issues at national level. First, there is supposed to be coordination and cooperation between the members of the Official Statistical Service. While the leading role goes to HCSO, this part of the principle examines the readiness and proactivity of other members to participate in joint actions and regular activities. Secondly, coordination and cooperation in statistical activities should exist between the members of the Service and their respective background institutions (if any) if they play a role in producing official statistics. Thirdly, coordination and cooperation has to take place between the different organisations in their external (EU and other international) relations in statistics.

In general, we consider the National Statistics Code of Practice as an innovative reflection on the ESS CoP that transmits the European requirements to the national level, by interpreting some principles and indicators in a slightly different grouping, and by accommodating their content to a different local environment.

**3. Introduction to the assessment procedure based on the National Statistics Code of Practice**

Members of the Official Statistical Service have to undergo an assessment procedure based on the principles of the National Statistics Code of Practice. The President of the HCSO has established a list of peers, which includes experts from the HCSO and delegates from the different Official Statistical Service members. Legal provisions contain the basic professional criteria for the delegated peers. The conditions ensure that the assessments are carried out by persons with relevant experience in statistics. The HCSO has developed and discussed the detailed methodology and applicable document templates with the members in advance. A *three day preparatory course* was also organised for the peers. Each assessment is carried out by a committee of three persons, where one of the experts must be a delegate from an organisation other than HCSO. *The procedure integrates different quality assessment tools.* It is important to underline, that the main activity of the assessed organisations is not statistics. They are usually public administration authorities, having regulatory tasks. Therefore, the scope of the assessment must be limited exclusively to their official statistics activity. In case of assessing the necessary organisational elements among the quality criteria, the general organisational provisions are always examined to find out how they influence the statistical activity. This for example includes how the deployment of the statistical activities is taking place at levels of decision making, how resources are allocated specifically for statistics or how the separation from other tasks is administered. So the assessment has to define the position, the possible strengths and weaknesses of statistics but may not deal with the implementation of other tasks in the organisation.

The first step of the process is *a self-assessment exercise*. A 70 page questionnaire was designed with the consultation of the Official Statistics Service members to give a detailed overview on the existing practices and rules of official statistics in the organisation. The questionnaire contains detailed points on how the quality principles and indicators are implemented in practice. During the design of the questionnaire, special attention was paid to the sensitive balance between the fact that producing statistics is not the main activity of the assessed organisations, and between the expectation that a set of quality minimums shall be ensured anyway. The questionnaire requires that all the replies and statements must be accompanied by the relevant documents and references, if they exist. A list was also elaborated to help the organisations’ orientation on the possible documents that are to be attached to the questionnaire.

After the self-assessment exercise, the peer team receives the questionnaire and the attachments. The team examines the documents and starts to prepare a visit at the organisation. The visit serves as *an external assessment* element in the process. The peer team meets relevant professionals and managers in the organisation to find further *evidence of the application of rules and practices which were explained in the questionnaire* and clarifies issues or unexplained points. At the end of the visit the peer team is required to share its major findings and the areas for possible recommendations at a briefing with the top management of the organisation.

The team then prepares *a written review* which includes a detailed assessment on all 56 indicators of the 14 principles, including an assessment in case of each indicator, whether it is fully met, partly met, or not met. The compliance with a principle is judged on the basis how the indicators are met. Possible good practices are also identified and indicated in the review report. The review contains the *set of recommendations*, which are to help further developments.

The new statistics act established the possibility to remove an organisation from the members circle, if the assessment discovers outstanding quality problems. Therefore the peer team has to include a proposal at the end of the report for the President of HCSO, whether the organisation shall become / remain a member of the Official Statistical Service or not. If the final assessment is the latter, a one year provisional period enters into force. During this period the organisation has to carry out all the proposed developments, otherwise the President of HCSO may remove them from the Service. For that case, the act contains the process rules for closing down official statistical activities.

Based on the list of recommendations, the organisation has to elaborate a set of *development actions* and a related time frame, to improve its compliance with the National Statistics Code of Practice. The progress is then monitored by periodical reports for the National Statistics Coordination Board. This exercise serves as an *ex-post quality monitoring* tool in our statistical system.

In order to ensure transparency of the assessments, all the methodology documents and templates, and then all assessment reports and development action plans are published on the website of the Official Statistical Service. The entire procedure is organised and supported by the Statistical Coordination Department. The first assessment was carried out at the Office of the Chief Prosecutor as a pilot, beginning at the end of 2017. The experience gained was shared during the course held for the peers and the final report was made accessible on the website. During the first half of 2018 four further assessments were started, involving the Ministry for National Development, the Ministry of Foreign Affairs and Trade, the Hungarian Energy- and Public Utility Regulatory Authority, and the Ministry of Agriculture. More assessment procedures are scheduled for the summer and second half of 2018. The final reviews are published as soon as they are approved.

**4. Through the magnifying glass - first impressions of enhanced coordination**

There is a generally very positive feedback on our efforts from partner organisations. Active coordination actions guide the attention of the organisations to the relevance of their own official statistical activity, which is otherwise usually considered rather residual from a point of view of a large ministry or regulatory authority. The improved communication can emphasize the importance of the process and product quality of this activity for the decision makers. The position, the strength, the resources and the way how statistical decisions are met, have very different practices and habits in their mother organisations. The staff involved in official statistics is often not exclusively dedicated for statistics activities. The enhanced, systematic inclusion of these professionals into subject matter issues adds the required awareness to harmonisation. They welcome additional know how, information or organised events, where they could meet and exchange experience with each other and increase their knowledge on subject matter issues.

It also can be stated at this early stage that in most cases user orientation means that all internal data needs of the organisation must be satisfied. Real user consultation is rare and logically would require joint, coordinated development actions in the future.

Another common issue is the accessibility of the information they produce. In most cases their contribution to official statistics remains less visible for the users than HCSO’s. Users are often not aware what they could / should find at other members.

Technological development actions sometimes require larger investment which cannot take place for some reasons. The assessments discover possible joint actions, where instead of separate financing, the implementation of a technology or service could satisfy more actors. Such synergies have not been explored and examined earlier.

These current activities of HCSO improve the documentation and transparency of statistical activity and harmonising practices. They introduce a common quality framework for official statistics which enables to set up development actions in the system, and these actions will help integrating the different actors in official statistics, operate their interactions, which would enhance the efficiency of the developments and would promote the flow of information. This complex set of tasks requires constant attention and a very pro-active approach from HCSO. In our interpretation, these activities cover the notion of “leading role” in official statistics coordination.

1. Act Nr. CLV. of 2016. on official statistics [↑](#footnote-ref-1)
2. Available under: <http://www.ksh.hu/docs/bemutatkozas/eng/national_statistics_code_of_practice.pdf> [↑](#footnote-ref-2)
3. Generic Activity Model for Statistical Organizations, UNECE, https://statswiki.unece.org/display/GAMSO [↑](#footnote-ref-3)