

# Challenges of the Moldovan official statistics on the implementation of the European Code of Practice

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## Introduction

During the last years, both international organizations and the National Statistical Institutions (NSIs) concentrated their efforts on defining, elaborating and implementing of the appropriate framework in order to ensure the quality of the statistical activity and as a result – the quality of the official statistical data.

At the European level, an important step in this respect was the adoption of the European Code of Practice (CoP) on February 2005, with a stepwise monitoring procedure for the implementation of the Code, based on self-assessments, combined with elements of peer review, benchmarking and evaluation on the basis of the explanatory indicators.

Taking into account the external political vector of the European integration of the Republic of Moldova, the analysis of the level of compliance of national statistics with CoP and its full implementation, become crucial in the process of the alignment of the national statistical system with the European standards.

## Evaluation of the compliance of the Moldovan statistics with the selected principles of CoP

In order to evaluate the compliance of Moldovan statistics (through that of the activity of its central statistical body- the National Bureau of Statistics, NBS) with the quality principles stipulated in the Code of Practice, the self-assessment questionnaire had been used. The ESS national statistical institutes and Eurostat had completed such questionnaire, as a common tool in the framework of the evaluation procedure for the CoP compliance during December 2005-January 2006. Thereafter, this exercise was followed by some external reviews (peer reviews). The peer reviews had been limited only to those parts of the Code that refers to the institutional environment (principles 1-6 of CoP) and to the dissemination (principle 15), as well as to the coordinating role of the national statistical institution within the national statistical system.

The evaluation presented below is focused on the compliance of the NBS in its activity namely with these principles. NBS is the most important producer of Moldovan official statistics (the statistical system can be characterized as centralized), thus the evaluation of the activity of NBS according to the CoP criteria largely characterizes the situation regarding the compliance of the National Statistical System as a whole.

### Principle 1: Professional independence

The statistical activity in the country is advantaged by the existence of a good legal basis – the Law on official statistics (hereinafter called “statistical law”) adopted by the Parliament through the Law no. 412-XY of December 9, 2004. The non-interference of policy, political, regulatory and other interest groups is clearly stated in Article 5 of the Law. The Central Statistical Body (NBS) is authorized to establish – in an impartial and independent manner– systems of indicators, nomenclatures, classifications, methodologies, data sources, registration and processing techniques, to disseminate statistical information.

The statistical authority is under obligation to make available official statistics to all categories of users,

in terms of equality, simultaneity and non-discrimination regarding the quality and timing of statistical releases. All the statistical activities of NBS are part of the Annual Program of Statistical Works (APSW), performed independently and transparently. These responsibilities are fully observed by NBS in a professional and impartial manner, free from the influence of a third party.

The General Director of NBS is appointed by the Government and reports to the Vice prime minister (subject of the Governmental decision). At the same time, the statistical law does not include specifications regarding the selection procedure, the duration of the mandate and the reappointment of the Head of NBS.

**Principle 2: Mandate for data collection**

The mandate for data collection by NBS is stipulated in the statistical law and is sufficient for the performing of statistical surveys. All surveys stated in the APSW (which is approved by the Government) are compulsory for the respondents. Sanctions for non-compliance by respondents are provided in the law, but they are only used if other measures are not efficient to obtain primary data from the reporting units.

The statistical law allows the access of NBS to the administrative data sources (ADS), necessary for production of official statistics. Nevertheless, the potential of using the ADS are not fully explored yet. In some cases, the access of NBS to ADS, especially at micro level is limited.

**Principle 3: Adequacy of resources**

The personnel of NBS consist of professionals with extensive experience in statistical activity, high responsibility, creativity and initiative regarding the development of methods, processes and statistical products. However, the high turnover of the staff, especially among highly skilled statisticians and well trained young people, is a problem that decreases the capacity of the Bureau to meet the ever growing information requirements at the internal and international level. Main reasons for these are the relatively low level of salaries and the unattractiveness of the civil servants' promotion system for highly qualified, people.

It is crucial the need to rationalize NBS's Information Technologies (IT) and adopt solutions which have wider usage. This issue is addressed in the IT development Concept, approved recently by Government.

**Principle 4: Quality commitment**

Assuring the high quality of statistical data, including micro-data constitutes a permanent concern of statisticians at all stages of statistical activity. At present, timeliness and punctuality are basic criteria in the management of statistical processes.

Although the reference to quality issues is regularly done in the documentation on current activity and on strategy of NBS, quality commitment is not yet fully integrated in the management and implementation of statistical products and processes. Thus, quality monitoring does not belong to an integrated system of quality management. The lack of skilled people in the field and their high fluctuation, as well as inadequate level of IT development represent critical factors for integration and standardization of the processes among the production units and for developing a quality management system within the organization in general.

**Principle 5: Statistical confidentiality**

From the viewpoint of legal framework and implementation of legal stipulations in the NBS activity, this principle is strictly respected. Chapter 4 of statistical law regulates data confidentiality, addressing the interdiction of disclosure aspect of confidentiality, as well as the strict limitation of confidential data to statistical use. There are strict procedures applied for external users that access statistical micro-data for research purposes. All staff, including temporary personnel, has to sign a Confidentiality Undertaking.

**Principle 6: Impartiality and objectivity**

NBS commitment related to scientific independence, objectivity, transparency and impartiality is based on the adequate legal framework and executed de-facto. The sources and production methods of official statistics chosen by NBS are solely driven by statistical considerations. NBS treats all users in an impartial way. The equal and simultaneous access of users to statistical releases and data is provided via NBS' website.

**Principle 15: Accessibility and clarity**

According to legal stipulations, NBS should produce and disseminate reliable statistics and provide all users with equal access to statistical data. Dissemination is a key policy for the institution. Taking into account that NBS is a public institution and official statistical data is „a public good”, all the information, including publications, is put at disposal of users by means of NBS' website, free of charge. Information on methodologies and data sources of statistical products is widely documented and it is exposed on the site. Description of metadata is standardized based on Euro SDMX Metadata Structure (ESMS).

Generally, users of various categories are largely satisfied by the accessibility to information provided by the NBS, information considered to be clear and easily understandable. The results of user satisfaction survey carried out in 2008 shown that for 54 % of respondents, statistical data is easily understandable and 77% of users consider that methodological explanations provided by NBS are sufficient and adequate.

**Evaluation of coordination role of National Bureau of Statistics**

Statistical law stipulates that central statistical body (i.e.NBS) has the mandate to coordinate the activity within National Statistical System (NSS). NBS interacts with other government agencies in many ways, most of them bilateral ones: through conventions for access to administrative data, periodical consultations with important users, as well as multilateral ones, through the Statistical Council. Annual Program of Statistical Works also constitutes an important tool to coordinate the activities within NSS.

However, NBS role of NSS coordinator is limited, especially because of inadequate level of resources.

**Quantified assessment results (against the indicators of the Code).**

The assessment of compliance of Moldovan statistics (based on NBS example) with the Code, based on the analysis and evaluation of respective indicators according to CoP, points out the following.

*Table 1 Assessment of compliance of Moldovan statistics (NBS) with CoP*

CP principles	Assessment results of CoP indicators , %			
	Fully met	Largely met	Partly met	Not met
1: Professional independence	57	43	0	0
2: Mandate for data collection	67	33	0	0
3: Adequate resources	0	0	100	0
4: Quality commitment	0	40	60	0
5: Statistical confidentiality	80	20	0	0
6: Impartiality and objectivity	71	29	0	0
15: Accessibility and clarity	33	50	17	0
Total	51	34	15	0

In the Republic of Moldova, the situation is relatively better in terms of legal provisions, commitments and practices of the national statistical institute regarding the following principles: statistical confidentiality,

impartiality and objectivity, the mandate for data collection. According to the results of the assessment, based on the use of quality indicators, the CoP principles are „fully” met in the Republic of Moldova for 67-80 % of indicators for these principles and „largely met” for 20-43 % of the indicators. The situation regarding the compliance of Moldovan statistics for above mentioned principles is almost similar to that existing one in most of the countries within ESS, presented in the Commission Report on implementation of the CoP of 2008: ESS countries in average, „fully” met 71 - 86 % quality indicators for the above mentioned principles and „largely met” for 11-24 % indicators. Despite the fact that professional independence is largely assured and ensuring transparency, accessibility and clarity is a very important dimension of the NBS activity, supplementary efforts are still necessary in view to improve the situation.

At the same time, there are great problems related to the implementation of quality management and resources adequacy. In the Republic of Moldova, these CoP principles are only “partly” met. Thus, the improvement of resources and of quality management constitutes a major challenge for Moldova.

It is to be mentioned the analysis limits, since the evaluation of NBS activity was done based on the assessment carried out by author at the end of 2010, while the data related to the situation existing in the ESS are based on the results of external assessments, presented in the Commission Report of 2008.

### **Improvement activities**

The analysis of the results of the assessment on the level of compliance of NBS with the CoP pointed some major gaps. Below some activities for the improvement of the compliance with the Code are mentioned.

#### **Principle 1: Professional independence**

➤ Thorough analysis of the use of official statistical data, in view to identify and to speed up the reactions to erroneous interpretation and misuse of statistics.

➤ Stipulating by law, for minimizing the influence of political conjuncture on the professionalism, independence and stability of the NBS leadership, of the: mandate of the Head of the institution, other than that of the Government, specifications regarding the selection procedure and of the reappointment of the manager.

➤ Intensify the activity of the Statistical Council in promoting statistical production, dissemination and education

#### **Principle 2: Mandate for data collection**

➤ Carrying out the NBS'assessment of administrative data sources, aiming at their possible use for official statistics purposes and further collaboration with the owners of ADS.

➤ Analyzing and solving the problem of legislative nature related to the access to certain ADS, including to micro data (forbidden or restrained by certain specific laws).

#### **Principle 3: Adequacy of resources**

➤ Improving the structure and the functionality of units within the NBS system.

➤ Collaborating with decision-makers in view to improve the NBS staff activity conditions.

➤ Implementing the new IT concept, envisaging the re-design of statistics production and dissemination architecture, etc.

#### **Principle 4: Quality commitment**

➤ Drawing up a strategic plan in view to implement the quality management system in accordance

with the European best practices, including the following: i) drawing up the quality handbook and the supporting documentation serving as general tool for all statistical surveys; ii) setting up an unit responsible for the quality as a permanent structure within NBS; iii) implementing of new surveys for quality evaluation (including those on respondents' burden) and of the use of quality parameters in view to monitor the statistical production quality; iv) drawing up the quality reports, with the information of users.

**Principle 5: Statistical confidentiality**

- Setting up a Commission on confidentiality to enhance the regular, systematic activity on this.
- Standardizing physical and technological measures to assure data dissemination according to confidentiality restrictions and prevent unauthorized access to files and equipment.

**Principle 6: Impartiality and objectivity**

- Continue to develop statistical activity in line with international standards and best practices.
- Increase the number of products with impartial analytical results and series with analytical components (such as seasonally adjusted time series, etc.).

**Principle 15: Accessibility and clarity**

- Regularly organizing press conferences and other meetings with users.
- Increasing the number of series in the data bank and implementing GIS in statistical activity.
- Extending the meta-data described in the standard approved by NBS (based on ESMS /SDMX).
- Promoting the statistical culture and literacy among the users.
- Setting up "securitized room" facilities for an easier and secured access to anonymous individual data for research purposes.
- Regularly carrying out user satisfaction surveys.

**The following are proposed in view to improve the coordination within the NSS:**

- Strengthening the institutional capacity of NBS: i) setting up in NBS a special unit responsible for the NSS coordination, as permanent structure of NBS in order to promote the observance of the fundamental principles of official statistics, of the Code of Practice within the NSS; ii) improvement of the mechanism of NSS coordination, etc.
- Carrying out the assessment of all official statistics products obtained within the NSS; Defining and strictly delimiting the competences of institutions responsible for official statistics.

**Conclusions**

Moldovan legal framework largely meets the requirements stated in the Statistics Code of Practice. The assessment of the activity of NBS regarding compliance with the Code reveals that the Bureau observes to a large extent the examined CoP principles. In Moldova, the situation is relatively better in terms of legal provisions, commitments and practices of the national statistical institute regarding: statistical confidentiality, impartiality and objectivity, the mandate for data collection. Despite the fact that professional independence is largely assured and NBS in its activity pays important attention to transparency, accessibility and clarity, supplementary efforts are still necessary in view to improve the situation in this respect.

At the same time, there are problems related to the implementation of a performing system of quality management. The need for a systematic approach of quality measuring and reporting, based on the tools recommended according to the European best practices is obvious. One of the key problems is that of

adequacy of resources, especially of human ones. The improvement of the structure and of the functionality of NBS, the larger access to administrative data, the implementation of the new IT concept, focused on re-designing and modernization of the statistical data production and dissemination architecture will contribute to the increase of the efficiency of statistical activity and the alleviation of resource's constraints.

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## RÉSUMÉ

*The high quality assurance of statistical products and services from the users' perspectives has become a major concern for the national statistical institutes, including the National Bureau of Statistics (NBS) of the Republic of Moldova. The implementation of the European Statistics Code of Practice (CoP) - an useful tool intended to assess, monitor and promote the quality of statistics in Moldova, with its aspirations for the integration into the European Union aims to achieve this goal.*

*The paper presents the results of the evaluation of compliance of Moldovan statistics (through that of the activity of NBS) with some selected principles stipulated in the Code of Practice. This exercise has been carried out on the basis of self-assessment questionnaire, used by the ESS statistical institutes as a common evaluation and reporting tool of the compliance with CoP within the comprehensive study carried out by Eurostat in 2005- 2006.*

*The paper reveals the existing gaps in national statistics to meet the requirements stipulated in the Code and thus to ensure the further harmonisation of Moldovan statistics with EU standards and norms.*