The Implications of Centralised, Decentralised and Devolved Arrangements

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ABSTRACT

Official statistics should provide a picture of society and a window on the work and performance of governments at all levels. In this way they can be said to provide a mirror of the state reflecting the nature of that state and how it relates to its citizens. This paper explores current trends in the political landscape and how those trends are impacting on official statistics. It asserts that these changes pose challenges to orthodox thinking on the governance of official statistics. The twin forces of globalisation and devolution require new structures for official statistics if they are to thrive and meet the fundamental test of practical utility in a world where the role of the state at all levels is rapidly changing in many regions and sub regions of the world. The paper assesses the critical success factors which might enable official statistics to continue to thrive and draws on historical and contemporary examples before reaching conclusions on what might be done.

Trends in the political landscape

Since the word statistics was coined in the Dutch language in the 18th century the state it has sought to describe has been very largely the nation state. Nation states have organised themselves around a range of alternative political and administrative models, often reflecting a colonial history. In some, such as the United Kingdom, government Ministries, headed by Secretaries of State, carry significant influence in the business of government. In others, such as Germany power is shared between the federal government and the Lander. In others again, such as India, there is significant administrative devolution both by sector of government and geographical level.

In many countries the organisation of the statistical function rests on a National Statistical Institute which centralises the statistical work within government. Australia and Canada are examples of this. However in others the statistical institutions reflect more directly the way in which the business of government is done. Consider the three countries cited earlier for example. In the United Kingdom official statisticians work within a government statistical service many of whose members work in the individual Ministries where their prime customer is that Ministry. There is in addition a strong central core in the Office for National Statistics. In Germany the official statistical system includes statisticians working within the two main geographical tiers of government. In India there are separate statistical offices in each Ministry and at each geographical level.

There are examples where the statistical system in a country has adapted over time to become more aligned with the political. Australian experience reflects this since the statistical system had its origins in separate colonial settlements and adapted after federation as the federal government took on administrative and policy functions.
Over the last twenty years or more across the world new forces, political and economic have been at work. Liberalisation of trade, the growth of capital markets and the advent of mass communication – both physical and electronic – have driven the phenomenon of globalisation. Statisticians have long wrestled with the problems this has created for measurement, but at the same time globalisation has created a new role for statistical institutions operating at the world level e.g. United Nations, International Monetary Fund, Organisation for Economic Co-operation and Development, World Bank. The same force has been at work at the regional level too with examples such as the European common market, European Union and now the Euroland area, the North American Free Trade Area, the Southern Africa Development Community.

At the same time within many countries there has been a trend towards devolution of political authority. Notable examples are Spain and more recently the United Kingdom. More recently again increasing diversity amongst the communities within regions has led to a new language of social exclusion and cohesion with a focus on the political empowerment of communities and neighbourhoods. Special examples where political authority has moved towards smaller geographical units include the areas of the former Soviet Union and former Yugoslavia.

On the wider historical canvas the size of the units of the state and the ways in which they relate to each other have always ebbed and flowed as civilisations have made their rise and fall and empires have come and gone. What is perhaps unique about the current time as far as official statistics is concerned is the combination of globalisation and devolution occurring at the same time and driven in no small part by the creation of an information society. In such a society reliable and useful statistical information is a critical element in giving governments and citizens alike a route map by which to make and evaluate decisions.

**How these trends are impacting on official statistics**

At the world level a new authority has grown around the global statistical institutions. The United Nations Statistical Commission unanimously adopted in 1994 a set of fundamental principles of official statistics. In 1996 the International Monetary Fund approved its Special and General Data Dissemination Standards. Statistical evaluation reports prepared by the OECD command the respect of governments around the world. At the regional level Eurostat has promoted a raft of legislation to promote harmonised statistical information across its region and has been active in developing the concept of a European Statistical System founded on the principles of transparency and subsidiarity. Statisticians of the United States of America, Canada and Mexico have come together to create new classifications that enable comparisons to be made which will support the development of NAFTA as well as its member states.

In the new countries and countries with new constitutions in Central and Eastern Europe the opportunity of change has generally been taken to create a legal base for statistics founded on best practice. Within countries devolution has created new structures such as the concordat on statistics developed between the United Kingdom and the devolved administrations in Scotland, Wales and Northern Ireland created in 1999. Such structures seek carefully to delineate the responsibilities each party has in order that high quality cost-effective statistics are available that both meet the distinct needs of the institutions at each level and safeguard the coherence of the total statistical asset base.

At the most local level many countries are investing heavily in community statistics to meet the emerging requirements at this level. The USA Community Statistics Programme and the UK Neighbourhood Statistics Service are examples of this trend.

**Analysis**
Whether a statistical system is centralised, decentralised or devolved, the overriding objective must be the same: to provide users with authoritative, high quality, relevant and timely statistics that meet their needs. This objective should not be judged on the basis of each separate statistical output. Users need whole sets of statistics that are consistent and provide a coherent picture of the economic and social condition of the society. Hence all who contribute to this picture have a professional responsibility to see that their activities are integrated with all others to the benefit of the user community.

We identify some key processes that would need to be addressed within the normal organisational and administrative frameworks that exist in any country to enable devolved or decentralised systems to be effective.

We consider that the first requirement is the need to nurture a common culture of statistical professionalism, promoting practices of evaluation and quality assurance and emphasising the use of best practices. Without such a shared approach the problems of decentralised or devolved systems may prove to be insurmountable.

Second the system needs to be based upon mutual benefit to the parts insofar as this is achievable. The essential role that each part plays needs to be recognised and valued. The strengths, and in particular the professional skills and expertise that exists need to be recognised and these should be reflected in the division of roles and responsibilities so as to achieve the best outcome.

Third there is a need for some system of user consultation that is open and transparent and that tries to expose the needs of all users (and in the context of devolved authorities) at all levels. No statistical system can respond to all needs but a process that exposes the competing needs and attempts to establish the ‘public interest’ in some sense in meeting them provides the basis for resolving conflicting priorities.

Fourth there is a need for a co-ordinated planning and priority setting system that spans the key parts of the system and which builds on the user consultation processes. Inevitably there will be tensions and conflicts of priority and there needs to be a process for conflict resolution although how these are resolved will vary with national cultures. Where funding is provided to different parts of a decentralised or devolved system separately then the process needs to be able to identify where inadequate funding to one part of the system is impairing the effectiveness of the whole.

Fifth, it is essential that common concepts, classifications and standards are used so that statistical estimates are comparable and that statistics derived from different sources may be combined as needed. Some accepted process for establishing these decisions is essential including resolving conflicts that will occur. Sixth there is a need for processes of quality evaluation and quality assurance that span the system as a whole and which are conducted in the spirit of quality improvement rather than apportioning blame. The user consultation process can support quality assessment since often, knowledgeable users will have an appreciation of gaps and inconsistencies and of the overall quality achieved.

Finally, it is important that the statistical system is responsive to international developments, in terms of changing concepts, the need for new methods, standards and classifications. It needs to be responsive also to the changing needs of supranational and international agencies. The processes of user consultation, priority setting and quality assurance and evaluation must inform this involvement with the international statistical community and this implies that there is a need for strong co-ordination within the national system.

Conclusion
Whether a statistical system is centralised, decentralised or devolved, the overriding objective must be the same: to provide users with authoritative, high quality, relevant and timely statistics that meet their needs. In modern societies one cannot consider this objective on the basis of each separate statistical output. Users need whole sets of statistics that are consistent and provide a coherent picture of the economic and social condition of the society. Hence all who contribute to this picture have a professional responsibility to see that their activities are integrated with all others to the benefit of the user community. The issues that have to be addressed are user consultation; planning and priority setting; the use of common concepts, classifications and standards and also quality evaluation and quality assurance. These issues are the same whether the system is centralised or not. But the co-ordination and conflict resolution processes needed in decentralised or devolved systems need to be recognised and actively developed. In our view a common professional culture among all of the players is an extremely important factor that should be nurtured.