

***Situation Assessment Report
of the
National Statistical System 1999-2001***

10 July 2002

1. Summary

Recommendations / conclusions

SUMMARY

The Situation Assessment Report of the *Sistema Estatístico Nacional* (SEN, hereinafter referred to as National Statistical System) submitted at the end of the members' terms of office corresponding to the 1999-2001 period, pursuant to the National Statistical System's Law, is a key instrument for identifying the main problems prevailing within the scope of the National Statistical System and of recommendations to political bodies and to the institutional network of the National Statistical System, of the respective corrective measures.

The *Conselho Superior de Estatística* (Statistical Council, hereinafter referred to as the Council) considers that an enhanced overall technical coordination capacity is of the essence. The review of the principles in force in the field of the delegation of powers and of the delegations of powers in force shall contribute to greater efficiency and effectiveness of the National Statistical System. However, it does not depend exclusively on this review, but also on the reinforcement of the technical expertise of human resources allocated to the task of coordinating the official statistical activity.

In parallel and as a key instrument contributing to the enhancement of the above-mentioned coordination, the legal provision (Article 24 of the National Statistical System's Law) shall be systematically implemented, laying down the requirement to hear the Council beforehand when laws are approved that either create statistical services or contain any rules with a focus on the structure and functioning of the National Statistical System. It is deemed necessary to ponder on extending the concept of «focus on the structure and functioning of the National Statistical System» as expressed in Article 24 of the National Statistical System's Law.

The Council considers it important to underline the reinforcement of the maximum use of administrative data for statistical purposes by overcoming the remaining obstacles as another relatively relevant feature for consolidating and modernising the National Statistical System.

In order for its powers as the State body responsible for guiding and coordinating the National Statistical System to be enhanced, the Council deems it necessary to ponder on the usefulness of the revision of its composition, seeking to identify possible representativeness deficits due to a lack of relevant players of the civil society.

Given the current juncture, with a quasi-absence of implementation of the recommendations included in the Situation Assessment Report of the National Statistical System approved by the Council in 1999, these shall be resumed, with the due adjustments.

Hence,

the Council issues the following recommendations stemming from the situation assessment of the national statistical system in the 1999-2001 period:

RECOMMENDATIONS

1. The Council recommends that the Government:

- a) *Guarantees the required financial resources for the functioning of INE (Instituto Nacional de Estatística, hereinafter referred to as Statistics Portugal) and the entities with powers delegated by it, so that they may scrupulously comply with their national and Community statistical commitments, as well as the financial means necessary for improving the quality of statistical data.*
- b) *Requires the elaboration of the legal instruments conducive to contractual relations between the government and Statistics Portugal for the fulfilment of their public service.*
- c) *Provides for strict compliance with the provisions laid down in Article 24 of Law No 6/89 of 15 April on the requirement to hear the Council beforehand on legislation affecting the structure and functioning of the National Statistical System. In order for this to happen, the Council commits itself to preparing a reference document intended to clarify its understanding as to possible situations requiring its hearing beforehand.*
- d) *Makes general government entities aware of the need for compliance with Law No 6/89 of 15 April and Decree-Law No 294/2001 of 20 November enshrining, within the scope of official statistical activity, rules on access, collection and treatment by Statistics Portugal of administrative personal data, up to the completion of the recast of the National Statistical System's Law.*
- e) *Ensures all public services with powers delegated by Statistics Portugal, having the status of simple general government entities, effective technical autonomy as regards compliance with the delegated statistical tasks.*
- f) *Instructs the Council to prepare a draft recast of the legislation governing the National Statistical System, considering in particular the conclusions and the general contents of this Report.*

2. The Council recommends that Statistics Portugal:

- a) *Urgently presents to the Council a document clarifying and reassessing the principles defined for the examination of the draft delegation of powers and of a statistical coordination strategy.*
- b) *Reviews, in the context of sub-paragraph a), the joint-decisions establishing the delegation of powers and respective protocols, in order to make them more specific and binding, namely as regards the timetables for the release of information.*
- c) *Increases the ability of Statistics Portugal to effectively monitor delegated statistical operations and to make maximum use and foster the Council's structures in the coordination of these operations.*

3. The Council recommends that Statistics Portugal and the entities with powers delegated by it:

- a) *Commit themselves to compliance with the law, the rules regarding the coordination of the National Statistical System and the legal and regulatory provisions safeguarding statistical confidentiality.*
- b) *Define a strategy for the dissemination of official statistics.*
- c) *Evaluate the administrative data under the sphere of influence of each entity with delegated powers, liable to be used for statistical purposes.*
- d) *Present to the Council an assessment of the increase or decrease in the statistical burden, namely as a result of the delegation of powers.*
- e) *Define an integrated training plan addressed to the experts of entities contributing to the production of official statistics.*
- f) *Systematic presentation to the Council of the methodologies inherent in each statistical operation, including initiatives developed within the scope of quality and its release.*
- g) *Develop initiatives related to the quality of statistical production, through internal and external audits to both Statistics Portugal and the entities with delegated powers and the institutionalisation of a self-evaluation system at Statistics Portugal and at the entities with delegated powers.*
- h) *Create and foster working groups involving Statistics Portugal itself, one or more*

entities with delegated powers and, where appropriate, external experts to coordinate initiatives and solve technical problems in converging working areas.

4. The Council considers that the governments of the Autonomous Regions of Madeira and Açores should be made aware of:

The need to rectify the non-conformity between the National Statistical System's Law and the legal document that created the Regional Statistical Offices of Açores and Madeira, with a view to strengthening the consistency of the National Statistical System.

CONCLUSIONS

A. Legislation of the National Statistical System

The legislation of the National Statistical System – the System's Law and the Statutory Laws of Statistics Portugal – requires urgent recasting, namely as regards the following aspects.

a) Basic Law of the System

- Adaptation of the Council's composition in line with the prior identification of possible representativeness deficits of the civil society.
- Update of the regulatory framework governing the principles of the delegation of powers.
- Flexibilisation of the implementation of the statistical confidentiality principle, namely in the case of access to anonymised databases for scientific research purposes, under the terms of the legislative proposal for the recast of the current Article 5 of the System's Law, approved by the Council in 2000.
- Explicit reinforcement of the rules deemed necessary to ensure, in practice, access by Statistics Portugal and entities with delegated powers to administrative records liable to be used for statistical purposes.
- Integration of Banco de Portugal in the structure of the National Statistical System, given the powers of the central bank in the areas of monetary, financial and balance of payments statistics and the necessary cooperation that Portugal has to ensure to

fulfil Community statistical commitments, namely those related to the European Central Bank.

- Rectification of the non-conformity between the National Statistical System's Law and the legal document that created the Regional Statistical Offices of Açores and Madeira.

b) Statutory Laws of Statistics Portugal

- Clarification of the conditions and types of public financing of the production and dissemination of official statistics.
- Deepening of the system of relationships among Statistics Portugal, entities with delegated powers and the Government departments in which the former are integrated.

B. Coordination of the National Statistical System

A number of constraints persist, stemming from:

- Insufficient capacity of Statistics Portugal to ensure, in this period, an effective coordination and monitoring of delegated statistical operations, in overall terms and especially at the level of the respective quality control.
- Non-presentation by Statistics Portugal of statistical dissemination strategies for the National Statistical System, in coordination with the entities with delegated powers.
- Insufficient implementation of internal and external quality audits.
- Low degree of replacement of the classical paper-based statistical collection method by computer media that facilitate statistical reporting by statistical units, in particular enterprises.
- Insufficient assessment of possible duplications in the collection of official statistical data.
- Approval of legislation focusing on both the structure and the functioning of the National Statistical System without hearing the Council beforehand, thus jeopardising the coordination of the System.
- Insufficient clarification of the exercise of technical autonomy by public services with powers delegated by Statistics Portugal, given the need to reconcile the status of simple general government entity¹ of the majority, with the power that, via that

¹ Atenção ao erro que está no português: falta o "l" em pública!

delegation, is entrusted to them to «... freely define the means that are technically more adjusted to the performance of the tasks of Statistics Portugal, acting with full independence, within the scope of their technical expertise».

C. Statistical confidentiality principle

The statistical confidentiality principle, which is a vital safeguard of the confidence of reporting statistical units within the National Statistical System, continues to be a key principle of the System.

However, in eight years, entities with delegated powers in the statistical areas of labour and education did not submit their Regulations implementing the statistical confidentiality principle, in accordance with the Council's deliberations.

In turn, reference should be made to the fact that only Statistics Portugal submitted requests for access to confidential statistical data, for the Standing Section of Statistical Confidentiality to issue its opinion thereon.

D. Resources allocated to the National Statistical System

a) Financial resources

In recent years Statistics Portugal has relied excessively on Community funds and more recently on PIDDAC (*Plano de Investimentos e Despesas de Desenvolvimento da Administração Central* - Development Investment and Expenditure Plan of the Central Administration) for operating expenses.

The executive order envisaged in the Statutory Laws of Statistics Portugal containing the annual definition of the financial resources allocated to Statistics Portugal for the production and dissemination of official statistical data has not been published to date. Hence, contractual relations must be put into place between the Government and Statistics Portugal so that official statistics can be produced and disseminated.

Also, the legal provision that underlies the above-mentioned executive order does not cover the financing of official statistical activities assigned to entities with powers delegated by Statistics Portugal.

b) Human resources

Considering the diagnosis made in Chapter 6.1. 2. on human resources and also that the National Statistical System can be fairly considered to be a complex system comprised of different bodies and activities, stress being laid on Statistics Portugal and the entities with powers delegated by it, and where values, people, attitudes and rules (co-)exist under a complex multi-dimensional pattern, the whole system is deemed to be more than a mere sum of the parts integrating it.

In turn, experience has proven that, as these different parts are integrated into the National Statistical System they tend to develop their own self-regulatory standards and mechanisms that may collide with the System as a whole, and seriously jeopardise the reach of its imperative systemic unity in the technical, functional and operational fields.

Hence, human resources allocated to the National Statistical System, with particular relevance when it comes to its official statistics producers, which are its most important resource, require the analysis of the institutional possibility, maybe in the context of the recasting of the System's Basic Law, of formulating and implementing an integrated human resources policy that enables the raising of the status and dignity of the task of official statistics producers and ensures a composition that consequently reinforces unity when taking action.

E. Functioning of the Council

The Council is the appropriate channel to express the interests of the different users of official statistics, as well as to intensify the dialogue between the respective producers and users.

As regards its functioning, it is of the essence:

- To reinforce the observance and ensuing swift implementation of the Council's recommendations in the various statistical areas; the reasons that may have compromised their implementation shall always be submitted to the Council in due course.
- To ensure the ongoing monitoring by the Council of actions regarding official statistics quality control.
- To reinforce technical support to the Council through recourse to experts in the subjects under appraisal.

- To carry out a public debate on the diagnosis and recommendations presented in this Report, under the aegis of the Council, permitting contributions to be collected from the «civil society».