"Data Collection in Emerging Economies: Challenges and Prospects"

By

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Date: Monday, 22nd August, 2011

Time: 11.30 to 01.30 pm

Venue: Michael Smurfit Graduate Business School,

Blackrock, Co. Dublin, Ireland

…………………………………………….Ladies and Gentlemen,

It is indeed my privilege to be present here today among you on this very important occasion. I am particularly honoured to be given an opportunity to share my thoughts on such an important topic like "Data Collection in Emerging Economies: Challenges and Prospects", which is not only extremely relevant but also because the issue has indeed acquired a much greater significance in an environment of increasing incidence of emerging economies requiring more and more data to be collected, processed and disseminated for effective policy planning and analysis purposes.

Although, for an elite and well informed audience of the kind that is present here today, it may be a case of "Stating the obvious", I would first like to discuss the term "Data" itself. Data represents a powerful pair of alternate and additional eyes, using which one can understand the past and the present in a much better manner with a lot more of clarity and precision. It also helps in making objective and scientific forecasting of the likely future trends in a given sector or, for that matter, of the entire Economy, be it national or global. This brings to mind an age old adage, "*If something cannot be measured it cannot be controlled and if it cannot be controlled, then it cannot be managed well*". In a slightly similar vein, Albert Einstein had once said "*Not everything that counts, can be counted and not everything that can be counted, counts*". These sayings show both the complexity of collection and the importance of statistics in our lives.

Statistics, as you all know, continues to play a vital role in policy planning process and socio-economic development of any country. Increasing data demands is an indication of the growing importance of statistics particularly official statistics, in stimulating development process. In fact, data needs have been growing rapidly over the years particularly with the development of emerging economies, increasing inter-

connectivity of nations and the integration of World economies. This calls for finding new innovative ways and means to improve efficiency in data collection, data processing & analysis, data sharing & dissemination by increasingly using modern progressive information and communication technology in the field of statistics. These compulsions are more so in case of emerging economies as to accelerate growth both on economic and social front, requires a wide range of data to help in formulating good policies, managing resources and evaluating the impact of investments. The international obligations under data dissemination standards and increased globalization leading to unprecedented integration of societies and countries into a global community, also adds to the challenges of efficient collection of Data on developing economies.

Our Economies face unique challenges because while our level and scope of economic activity has increased to match the complexity in more developed societies, our structures of governance and institutions continue to face enormous constraints of infrastructure and resources both financial and human. These problems are further compounded by the fact that, overtime, across nations and societies; the base of the data user community has been steadily getting larger and larger. On the other hand the levels of diversities they represent have also been growing continuously and significantly. The demands on official data in a more disaggregated manner have risen as compared to what National Statistical Offices of the Emerging Economies are presently producing and disseminating.

In a vast country like India, which is on fast track of development and is one of the leading emerging economies in the World, the challenges are indeed massive and turning more complex due to compulsive thrust on decentralized development planning and policies. Good reliable statistics is also immensely useful in improving the transparency and accountability of policy planning besides facilitating good governance. This also improves management with greater control on the delivery of

various public services. The National Statistical Offices, all over the World, particularly in case of emerging economies, therefore, face many challenges in providing diverse information both spatial and temporal, to meet the burgeoning and often complex data requirements. Although, the critical and indeed growing importance of data in the modern planning process has brought to fore, the common need for governments to evolve progressive policies and take steps to strengthen the statistical systems, the response of the individual statistical systems usually depends on the data development policies and programmes of the respective Government, their statistical capacity in terms of available resources and the support it gets from the Government including sometimes the international agencies. However, in view of the emerging trend of information based societies entailing greater data demands, it is most critical that the national statistical systems particularly in the emerging economies be adequately strengthened to gear up their statistical capacity including infrastructure to meet the growing challenges of providing a wide range of information on key economic, social, demographic and environment statistics.

The Indian Statistical System functions within the overall federal set up of the country. 'Statistics' is a subject covered under the Concurrent list enjoining upon both the Central and the State Governments to develop statistical system in the country. The National Statistical Organization of India, under the Union Ministry of Statistics and Programme Implementation, functions as the nodal agency for planning and facilitating the integrated development of the statistical system in the country. It aims to supply data on key parameters to Planners and Policy makers in Government and outside; improve the quality and reliability of existing data sets including reducing the time lag; make available new data sets in response to the emerging data demands. In this mission, NSO is also committed to participating and contributing actively in all international initiatives and to support development of international statistical system.

In India, much like in many other cases, the importance of information technology has been duly recognized and there is an increasing thrust on deploying latest information and communication technology in data sector. Already, e-collection of industrial and price data is in operation. New initiatives are also being taken to develop more efficient statistical methodologies and practices for collection, processing and dissemination of various statistical data. Comprehensive e-system for data dissemination is being developed and e-publications are likely to become a norm soon. Steps are also being taken to accelerate e-governance to engage citizens' directly in the process of data sector reforms.

Traditionally, National Statistical Offices of Emerging econiomies, including that of India, relied heavily on "Using the majesty of the State" in their data collection pursuits. Thus in India, for the first three decades economic policy relied on the so called "Command and Control" regime. The changes in the world order led India to change this strategy through a carefully calibrated approach to reform. This was initiated to some extent by the passage of the "Collection of Statistics Act, 2008, which provides for a legal framework for data collection in our current times. The act represents a balance between the requirement of data and the individual right to confidentiality. The act also looks ahead to the institutional structures likely to arise in the future for data collection.

The increased requirements of data for a decentralized system of governance implied that there was a need to pay attention to the statistical structures in the federal Sub- components of the Indian Statistical System. The Statistical Agencies at the level of the states and districts in India needed augmentation of both physical and human infrastructure. To achieve this goal the Government of India has developed a unique scheme for central assistance called the "India Statistical Strengthening Project", with its primary focus on strengthening of State Statistical System. The objectives are to strengthen the infrastructure facilities & the capacity

of the Indian Statistical System at sub-national level in order to provide reliable, timely and credible socio-economic statistics for decision making within and outside government, to stimulate research and to promote socio-economic development. The uniqueness of the scheme lies in its flexibility of design and scope to allow States to formulate plans suited to their unique characteristics. Further the principal onus of developing implementable programs lies in the State government, thus increasing ownership and its chances for eventual success. The Plans themselves are to be formulated through a consultative process between data producers and data users.

The Project expects to expand in a phased manner, with considerable emphasis on learning by doing and dissemination of knowledge from more advanced regions to less advanced ones. The sharing of experience is sought to be institutionalised through both traditional systems of conferences, where we have established a system of annual conference of state and central statisticians but also through more effective use of media and the internet.

A critical component of this plan is its emphasis on human resource development. People ware, which is often one of the relatively much less thought of and discussed issues, represents a far more critical issue to be concerned about and dealt with in an appropriate and effective manner, since most of these statistical organizations are essentially people-centric and ones wherein the employees are by far the most precious asset of the organization. Thus, We have embarked on a program of work to develop the process of identifying and developing partners in academia and civil society, who will assist in this venture of Human Resource management.

In this context, the role of international statistical cooperation assumes a critical importance spurred by increasing convergence of global economies and emergence of global societies. Active exchange and transfer of statistical skills, knowledge, practices and innovations is a critical tool to drive the process of capacity

building by strengthening national statistical capability including statistical infrastructure, to meet progressive data requirements besides delivering other statistical products from time to time.

Partnerships are important not merely for Training but will become necessary also in the process of data collection. Administrative data will be inadequate for policy formulation in emerging economies for the simple reason that the problem of development requires strengthening the administrative and service delivery machinery. But the requirement of data precedes the system of administrative strengthening. This implies that emerging economies will for the foreseeable future require an expanding set of well designed surveys.

India has been one of the pioneers in using surveys as a vehicle for gathering data for policy purposes. The National Sample Survey is one of the world's largest and well respected organizations for conducting regular surveys. However, the demand on range, diversity and frequency of data that requires to be supplied is beyond the capabilities of any one organization to meet. This implies that survey work needs to be at times outsourced. So far this meant that non-official agencies faced problems of access and privilege. This is now being addressed through the legal regimes developed as part of our modernization program.

Alongside data generation, the increase in user demands has meant that the analysis of the data requires much wider structures for data dissemination. Dissemination of micro data enables a wider range of possible users to analyze and present different reports. Our Experience with a long program of dissemination of micro data has been both a high degree of user confidence in data reliability as well as rich diversity of economic and social analysis. It is a matter of pride for the Indian National Statistical Office that both praise and criticism of social policy is rooted in official data.

Another challenge before the statistical systems, particularly in most emerging economies, is about giving adequate publicity to the large variety of statistics being produced and major statistical activities being undertaken, which is important not only for improving the visibility of statistics but also highlighting the crucial role played by statistics in the development process of the country. This is becoming steadily more important and critical as public is now not only showing greater concern about various data, or rather the quality of such data being produced by the statistical system, but also a distinct inclination to analyze and scrutinize various data. The statistical agencies, therefore, have a responsibility to inspire public confidence by maximizing the quality of data being produced by the statistical system as well as making conscious efforts to present statistical data with as much clarity as possible to minimize the chances of confusion or misinterpretation.

Dissemination poses its own challenges. Anonymization of micro data deserves special attention. The respondents/data suppliers need be assured that data/information provided by them is used only for statistical purposes and will not be used in any other way. This has become especially challenging because the rise in computational power enables correlation to a degree not envisaged earlier and is a potential threat to simple structures of anonymization. Staying ahead of this threat, without compromising disclosure remains a central concern.

The ability to learn and innovate continuously may be, a Statistical organisation's only source of competitive advantage, especially in the turbulent times the Global Economies, Communities and Institutions are presently going through. The success and growth an Organization especially Statistical organization will depend on its ability to foresee, recognize and identify possible future changes in the internal and external environments, and to cope effectively with it. In my opinion, the centre of interest of Statistical Organizations' ought to be pitched around innovation both in

products and processes and to continuously evaluate and change its methods of ensuring employee satisfaction.

To close, the challenge before Statistical Offices of emerging economies is to expand their ability to act and deliver results in fast changing and evolving external environment. In this connection I am reminded of an observation of the Father of our Nation, Mahatma Gandhi "***The outward freedom that we shall attain will only be in exact proportion to the inward freedom to which we may have grown at a given moment. And if this is a correct view of freedom, our chief energy must be concentrated on achieving reform from within.***" It is this spirit of reform from within that we seek to develop and achieve to meet the growing challenges.

With these words, I would like to thank all of you for giving me this opportunity and hearing me so patiently. Thank you and GOD bless.