

POLICY BRIEF



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Policy Briefs represent succinct and concise analytical summaries providing insights into top-priority policy issues and offering policy recommendations and second-best policy options. PBs are intended for certain target audiences, generally policy decision makers, development stakeholders, donor community representatives and other interested parties.

Official Statistics in Uzbekistan: Institutional Basis, Quality and Access

Introduction

Official statistics support transparency and accountability, two pillars of democracy in a market economy, and play a central role in the formulation and evaluation of government policies. At the same time it indicates the level of achievements to the citizens and other stakeholders. To fulfill this role, they should provide all categories of users with comprehensive, reliable, timely and appropriate economic, financial and social information. The Law of Uzbekistan on National Statistics confirms that the primary goal of statistical bodies is "to provide the government bodies and citizens' self-governance institutions, international organizations and the public with statistical information"¹.

This Policy Brief discusses the critical problems that both users and producers of statistical information face in Uzbekistan today. The user group consists of a wide spectrum of stakeholder, including decision-makers in the government and in the business community, international organizations, civil society, researchers and academia. Meanwhile, producers (information providers) consist of the Goskomstat, line ministries and government agencies that are involved in state statistical work. The Policy Brief addresses three particular aspects of official statistics: institutional basis of the national statistical system; the quality of data; and possible causes of limited access to statistics. It also outlines a number of specific policy implications and recommendations.

Institutional basis and capacity

The Government of Uzbekistan has undertaken several essential measures in recent years to reform the national statistical system to enable transparency and ensure wide access. The Law "On National Statistics", adopted in December 2002, defined the main organizational principles and the legal basis of the national statistical system. A State Committee on Statistics ('Goskomstat') was established by Decree of the President on December 22, 2002 and formally set up by the Resolution of the Cabinet of Ministers of Uzbekistan on January 8, 2003.

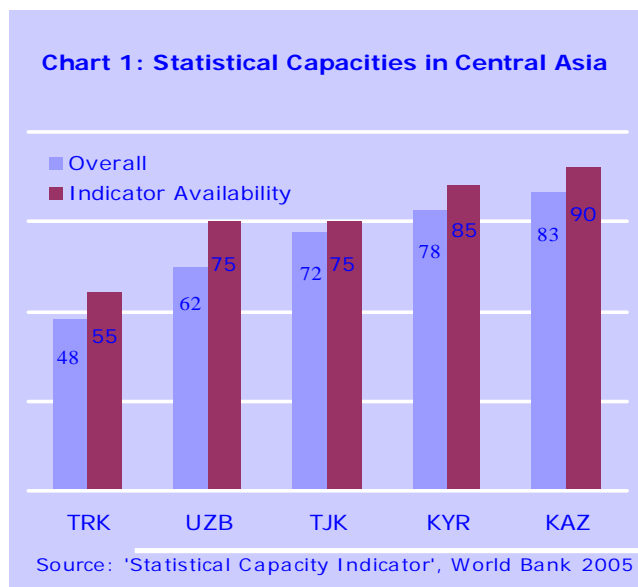
Goskomstat is today making considerable progress towards improving the accessibility

of official statistics. However, according to the World Bank estimates, national statistical system of Uzbekistan is ranked the fourth in Central Asia in terms of overall capacity and indicator availability² (see Chart 1). That there has not been a population census in past 16 years may have negatively affected the state organs' capacities to produce and analyze indicators in Uzbekistan.

Along with Goskomstat other government agencies (line ministries) and international organizations are involved in statistical work. This multiplicity of sources creates a number of challenges for an integrated national statistical system, including:

1. Incompatibilities due to differing definitions, data collection and data processing methods. A majority of line ministries and agencies involved in the collection and processing of data on similar subjects use different concepts and/or simply change definitions of indicators in order to obtain favorable statistics which show their achievements in a better light. Hence, to maintain consistency in the concepts/definitions and to generate comparable data, it is essential to introduce general national statistical standards.

2. Ad-hoc compilation of data and prioritization without taking into account users' needs. For instance, international donor agencies often tend to fund specific surveys relevant to their own mandate. They are usually non-periodic and conducted in cooperation with government agencies, and do not always meet the information needs of business, researchers, analysts and other users. The results of such surveys are used only in preparation of agency-specific reports, and the related metadata is not made available to the public. It is therefore advisable that regular consultations and interactions take place between data producers and users regarding the usefulness and periodicity of data collection.



Quality of statistics

Another related challenge is the issue of quality of the data produced by Goskomstat and other line ministries. Quality refers here to how well statistics, once disseminated, meet users' needs and expectations³, and can be assessed through three sets of dimensions: i) relevance; ii) timeliness and frequency; iii) consistency.

1) Relevance: In general, the national statistical system can be deemed relevant if the data it generates is appropriate to users' needs. Statistics are generally relevant when they can be used for economic analysis, policy decisions and business planning.

In a recent user needs assessment 74% of respondents indicated the irrelevance of official statistics to their work. Nearly half of those surveyed believed that Goskomstat was not able to satisfy their needs. There are several reasons why users are not satisfied with the official statistical indicators where the state statistical bodies annually collect and produce a large quantity of them (about 12,000):

1. User groups are becoming increasingly demanding in their requirements for statistical information in a society undergoing transition to market-oriented economy.
2. There is a serious gap in the 'user-producer' relationship. Obviously, broadening the dialogue with users would encourage Goskomstat to produce what they need.

3. The human resources capacity of Goskomstat is insufficient to respond to the user's needs, even when it becomes aware of them.

4. The entire chain of data collection and processing is so rigidly established that only a much higher authority than the user community or Goskomstat management is required to step in for any significant change.

2) Timeliness and frequency: Frequency and timing of statistical information is essential for mapping trends (for instance, monthly changes in key macroeconomic indicators) and has consequences on the relevance of information. Monitoring development trends and conducting dynamic analysis require time series (for example, repeated surveys, frequently updated data etc.). In broad terms, the frequency includes the periodicities of data collection and dissemination.

The frequency and timeliness of data dissemination remain unsatisfactory in Uzbekistan, where outdated statistics often limit the usefulness of information for both policy-making and monitoring of government performance. Table 1 provides a comparison of the frequency of selected data in Uzbekistan compared with international standards, in particular, with the General Data Dissemination System approved by the IMF in November 2003. It indicates that there are wide discrepancies in the availability of regular data in comparison with international standards. Moreover, the majority of core financial and external sector indicators are not published.

Table 1: Consistency of Selected Data Frequency Compared with International Standards

Core Indicators	Frequency (periodicity)	
	Recommended by the GDDS	Availability in Uzbekistan
I. Real Sector		
▪ GDP (nominal and real)	Annual (quarterly encouraged)	Quarterly
▪ Consumer price index	Monthly	Annual
▪ Manufacturing index	Monthly	Quarterly
▪ Industrial index	Monthly	Annual
▪ Employment / Unemployment	Annual	Quarterly
II. Fiscal Sector		
▪ Revenue, expenditure, balance and financing with breakdowns	Quarterly	Quarterly (without breakdowns)
▪ Domestic debt and foreign debt	Annual (quarterly encouraged)	Not published
III. Financial Sector		
▪ Net external position, domestic credit, broad or narrow money	Monthly	Not published
▪ Monetary base	Monthly	Not published
▪ Short and long-term government security rates, policy variable rate	Monthly	Not published
IV. External Sector		
▪ Balance of Payments aggregates (Imports and exports of goods and services, current account balance, reserves, overall balance)	Annual (quarterly encouraged)	Not published
▪ Gross official reserves (denominated in U.S. dollars)	Monthly	Not published
▪ Total merchandize exports and imports	Monthly	Quarterly

Source: This table has been generated by the authors based on the General Data Dissemination System (GDDS) approved by the IMF, November 2003.

3) Consistency: Both users and producers need to be clear about the contents and properties of available data. The interpretability of the statistical information depends on the availability of 'metadata', i.e. detailed descriptions of the underlying concepts, methods of data compilation, processing and estimation. The metadata also allows

users to know what types of statistical information are available or where to get them. Coherence (consistency) defines the degree of utilization of common concepts, classifications and methods in data collection, processing and dissemination. It consists of domestic (comparability of the data between government agencies) and international coherences (comparability with international statistics).

None of the major statistical publications of Goskomstat and of other line ministries contains any supporting metadata or methodological notes. This omission makes it difficult for users to understand the methodology used for calculation and estimation and creates challenges for correlating data from other sources. Moreover, the absence of standard guidelines and methodological manuals among government statistical data producers in turn limits data consistency.

Limited Access to official statistics

The Resolution of the Cabinet of Ministers of Uzbekistan of January 8, 2003 states that "Goskomstat disseminates and provides for all users equal access to open statistical information". Yet, the survey conducted by UNDP shows that while the government sector is the principal user of official statistics, other user groups (including academia, private sector, civil society and the international community) have only limited access to information (Table 2). Notably, the donor community and civil society sector often receive their statistical information from line ministries and local authorities instead of from Goskomstat.

This is perhaps not surprising given that official statistics are essentially used by government agencies and institutions for policy formulation and evaluation. Yet, what is alarming is that about half of government users do not have regular access to official statistics at all. Thus, policy advisors and analysts *cannot adequately perform their duties* and make provide analytical inputs into the decision-making process.

Limited access also creates *a serious obstacle to the development of an independent policy research sector*, which, along with civil society, can play an important role in measuring and monitoring the performance of government activities. In turn, the government misses the opportunity to have an indispensable instrument of evaluation of its policy choices. For instance, in most developed and developing countries, governments often rely on the national research community for independent advice. Research institutions in turn mobilize experts to do the groundwork for policy decisions and recommendations for action. The UNDP survey revealed that in Uzbekistan, the majority of research staff of analytical departments of key economic ministries, research institutions and centers face regular problems in obtaining the necessary statistical data for their analytical work.

Table 2: Access to Goskomstat Data in Uzbekistan
(Share of respondents who had access to selected indicators/data; in %)

Data type	Government sector	Private sector	Civil society	Donor community	Weighted average
SME data	61	52	33	10	45
Macroeconomic data	49	36	46	11	40
Prices	52	27	26	14	33
Social protection	32	37	29	27	32
Employment	36	23	25	8	26
Living standards	53	13	14	24	26
Average:	47	31	29	16	

Source: 'The User Needs Assessment', UNDP Country Office 2004, Tashkent, Uzbekistan.

Likewise, limited data access *retards the development of a business-oriented research market*. Local consulting and marketing companies often face difficulties in obtaining timely and comprehensive statistical information to estimate the economic effects of

specific changes, for instance, from legislation or public policy. The fact that feasibility studies cannot be conducted with a reasonable degree of confidence also tends to deter local and international investments.

Thus, there is an urgent need to significantly improve the overall management of access to statistical data, including both production and dissemination of adequate indicators. The following limitations were identified by the UNDP survey:

1. Lack of information on data availability: The survey indicated that in most cases, users, including government officials, did not know what information was available or where it could be obtained. Such an absence of information has led to a considerable under-utilization of existing statistical information produced by the public sector, as well as a lack of public investment in statistical activities. State statistical bodies are often reluctant to adopt a business mode which requires them to act as service providers. Furthermore, there is a lack of coordination and effective exchange of information among relevant agencies. Better informed users will undoubtedly increase the demand for statistical information.

2. Ineffective distribution channels⁴: Users surveyed noted that the existing information distribution channels employed by government statistical bodies were not effective and needed to be significantly improved. For instance, the traditional dissemination tool of printing regular statistical reports, which is extensively used by Goskomstat, no longer meets the users' needs. Although the number of such publications is steadily growing, the quality remains comparatively low and the dissemination strategy inadequate. On average, they are published in 80-120 copies and distributed mainly among government agencies that Goskomstat assumes to be the primary or only users. Given the absence of libraries and/or resource centers in public organizations, a limited number of staff members have access to such periodicals. Furthermore, most users surveyed were not even aware of the statistical publications of Goskomstat and other ministries (see Table 3).

*Table 3: Users' Awareness of Goskomstat Publications
(Share of respondents who were not aware of the publication; in % of total)*

	Publication Title	Share of Respondents
1.	"Uzbekistan in Figures"	61
2.	"Basic Social and Economic Development Indicators"	63
3.	"Finances of the Republic of Uzbekistan"	64
4.	"Agriculture in the Republic of Uzbekistan"	75
5.	"Uzbekistan and the CIS Countries"	78
6.	"Domestic Trade in the Republic of Uzbekistan"	84
7.	"Housing in the Republic of Uzbekistan"	90

Source: 'The User Needs Assessment', UNDP Country Office 2004, Tashkent, Uzbekistan.

3. Absence of an Internet Portal and regularly updated online databases: About one-third of the all respondents and two-thirds of donors considered the absence of Internet-based online databases as one of the key factors limiting access to official statistics. While practically all government agencies generating official statistics have created websites, these often lack user-friendly interface or a well-structured up-to-date statistical database. In most cases, definitions and methodological background information are missing.

4. Constraints on dissemination of certain types of information: About 35% of all respondents were convinced that there are restrictions against dissemination of information in Uzbekistan. Yet, most of the statistics that are officially restricted by the Uzbek authorities are available and accessible on the web resources and publications of the international financial organizations such as the World Bank, IMF, etc.

5. Lack of an effective system of coordination and data exchange among government statistical service providers. Such a lack of coordination makes available information more difficult to access, generates duplication, and consequently

leads to ineffective utilization of public resources while increasing the burden on respondents. It is therefore necessary to introduce reforms in the organization of the national statistical system. For instance, the creation of a National Statistical Activities Coordination Board could provide effective coordination of statistical activities and data exchange both among government agencies and user communities.

Recommendations and proposals

This Policy Brief argues that improving the quality of data and widening access to statistical information is a key factor in national development, as all levels of users need a ready supply of reliable information to make the right decisions in a timely manner.

The recommendations below address the five priority areas for action by the Government in the next three to five years in order to improve the availability and comparability of data.

1. Promote partnership among government statistical agencies and develop an integrated statistical system. This requires harmonization and coordination among statistical agencies in all stages of data compilation and dissemination to achieve good compatibility and coherence of statistics from different sources. Such coordination should essentially include synchronization of programs to avoid duplication and coordination of statistical standards to compile comparable statistics (compatible both to national and international standards). It also requires the promotion of best practices in statistical data collection, processing and dissemination. In this respect, Goskomstat could serve as the national standard setter.

2. Strengthen statistical data sharing system and exchanges among producers and users of statistics. Government agencies should establish regular dialogue with major user groups, including the private sector, civil society, research community and international organizations. Moreover, they should streamline data sharing among organizations. A centralized database system should be created, such as for example a "National Data Exchange Center" which can provide free, easy-to-use and well-structured online access to statistical information through an Internet portal.

3. Reform data dissemination system and practices. Agency/institution-specific plans and strategies must be developed to foster discussions on user needs and respond to their requests of official statistics. In particular, the following activities can be considered: (1) preparing a list of databases available to the public and making them widely available, through, for example, a catalogue of statistical publications; (2) developing advanced online databases; (3) clarifying with statistical authorities what is open to public dissemination and what is considered confidential; (4) reviewing existing regulations and procedures, and if needed, revising them by introducing new, simplified and customized procedures on obtaining statistics; and (5) increasing the circulation of printed copies and unifying the style of statistical publications.

4. Improve the quality of statistical information. The quality of data in Uzbekistan deserves urgent attention. In this regard, key actions could include: (1) prioritizing among key indicators in different sectors and identifying the frequency, timing and methodologies for gathering statistics in respective sectors; (2) customizing information products by taking into consideration the demands and requirements of different group of users; (3) elaborating common classification and methods in data collection, processing and dissemination. A greater consistency in standards would facilitate the integration and comparison of data from different sources.

5. Raise public awareness and understanding. Finally, it is important to raise the public's awareness of official statistics by promoting these as objective, accurate, updated and readily accessible sources of information. This requires the Government, supported by the civil society, the donor community and research institutions, to develop and conduct educational and training programs specifically tailored to different groups of user and producers.

¹ Article III, the Law of Uzbekistan on National Statistics adopted on 12th December 2002.

² Statistical capacity indicator provides an overview of the statistical capacity of developing countries. It is based on a diagnostic framework developed with a view to assess the capacity of statistical systems using metadata information generally available for most countries. The framework has three dimensions: statistical practice (the ability to adhere to internationally recommended standards and methods); data collection (frequency of censuses/surveys and completeness of vital registration); and indicator availability (availability and frequency of key socioeconomic indicators). Countries were scored against specific criteria, using information available from the World Bank, IMF, UN, UNESCO, and WHO. A composite score for each dimension and an overall score combining all three dimensions were derived for each country on a scale of 0-100. A score of 100 indicates that the country meets all the criteria and suggests good statistical standing.

³ *Encyclopedia of Statistical Sciences*, Update Volume III, John Wiley & Sons Inc., pages 621 – 629. Source: <http://dsbb.imf.org/vgn/images/pdfs/Encyc.pdf>

⁴ According to the survey findings, only a third of the entire statistical information flow and about half of official statistics were disseminated through the official channels of Goskomstat.