

The Creation of a National Statistics System – Challenges for South Africa

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Abstract

There is growing acknowledgement that effective and efficient governance requires an array of policy instruments and a battery of what is largely quantitative data. Decision makers require this mainly for programme planning, input measurement, programme implementation, performance monitoring, and evaluation of outputs, outcomes and impact. Quantitative data subset fall within a framework of what has been termed a national statistics system (NSS). The framework consists of a coherent, integrated body of data quantifying the economic, social and developmental situation as it exists in a country at a given point in time. It also provides information that is used to monitor the situation in a country as it changes over time. The objectives of the system are to collect data that anticipate the needs, expectations and inputs of users, producers and suppliers of data through a differentiated range of dialogue tools. The reasons why the realisation and acknowledgement of the importance of data have been in part due to the rapid advances in information technology and the global drive towards democratisation and good governance. This paper attempts to provide a brief trajectory of how South Africa, through Statistics South Africa, (Stats SA), has fared in creating a NSS. It identifies three periods in the development of South Africa's statistical system: the pre-1994 era; the period from 1995 to 2000; and the post-2000 period, which receives the most attention in the paper. The paper articulates the nature and extent of challenges that lie ahead in creating an NSS, and describes the strategies and operational plans that Stats SA has laid out to meet these challenges.

1. Introduction

South African policy makers have recently recognised the need for a planning cycle and a framework for managing strategic policy priorities, and have subsequently acknowledged that, had this approach been adopted in the last six years, the country would have witnessed considerably more progress than has been achieved. For the implementation of plans and programmes, a country needs an integrated statistical information on all aspects of its work. A national statistics system forms the basis for providing this type of information.

In South Africa, Sections 7 and 14 of the Statistics Act (6 of 1999) specifically empower South Africa's Statistician-General to regulate the collection of statistics, and particularly official statistics, within government as a whole. The establishment of the NSS thus also provides an inclusive mechanism for the implementation of the Act.

The challenge is to put this vision of the NSS into effect. Stats SA has identified a two-stage process that broadly follows the framework adopted by the PARIS21 Consortium. The first phase of the process emphasizes the establishment of consensus concerning the form and shape of the NSS. Consultations will take place with relevant stakeholders which in the main, will include users, producers and suppliers of statistics. These consultations should lead to the development of a NSS implementation strategy. This phase is to be completed in South Africa by the end of November 2001 and will culminate in the establishment of a coordinating structure. The second phase represents the actual implementation of the strategic plan and will run for about the next three years. The implementation will be driven by the coordinating structure developed in phase one.

2. Rationale for a NSS

The need and justification for creating a NSS is based on three main considerations which are clearly seen when such a system does not exist or is ineffective.

- a) The first consideration is the cost of lack of co-ordination of statistics within the country. The cost of collating and integrating statistics through a co-ordination framework such as the NSS should be compared to the resultant cost when this does not exist.
- b) The second consideration, and a corollary to the first, is the political value added by such a system. A NSS enables policy makers to report timeously on the extent of progress or lack of it, in their particular field of concern in the country. Without the NSS, the political authorities would be unable to comment accurately on the performance of the political system and its expected deliverables.
- c) The third consideration is the cost of making inappropriate policy decisions due to a dearth of data.

The NSS aims to enhance the capacity of the state to formulate and evaluate policy decisions based on appropriate data. This will be achieved through the creation of an integrated network of state institutions. This network will focus on improving the quality of statistics, enhancing the comparability of statistics and minimizing unnecessary overlaps or duplication with the collection or publication of statistics among different organs of the state. The system will facilitate collaboration regarding specific series of statistics and the formulation and application of appropriate quality criteria and standards, classifications and procedures.

3. History of the statistics systems in South Africa

The development of a statistical system in South Africa was rooted in the underlying political system. During the apartheid era, in common with the political system, the statistical system was characterised by extreme and rapidly growing fragmentation under the apartheid era. This was particularly noteworthy in the period from 1970 to 1994, which witnesses the implementation of grand apartheid. For half a century before this period, the system reflected the racial tensions inherent in the formative years of discrimination and segregation, and was increasingly underpinned by the formal racial discrimination of the apartheid system. However, since 1994, when South Africa's first inclusive democratic elections took place, there have been new and positive developments in the statistical system as a whole, which are now gathering more momentum.

3.1 Fragmentation of the system under apartheid

During the apartheid era, state institutions were specifically set up to support the ideology of apartheid. The statistics function was provided by a number of institutions that focused on different racial groups and their geographic domains. Between 1970 and 1994, the statistics system deepened in fragmentation with the ushering in of independence to the homelands, and the system was dominated by six distinct but overlapping forces. Each of these had its sphere of geographic and/or thematic influence.

- a) The Central Statistical Service (CSS) of the time predominantly focused on Whites as a population group and the economy of the geographic component referred to as the erstwhile White South Africa. This left the economy of the Black population in the rest of the country relatively unknown. Indeed, this situation remains relatively unexplored. Within this context, seven factors contributed to the demise of the apartheid statistical system:
 1. The association of the CSS with apartheid removed legitimacy from the organisation as a producer of official statistics.
 2. The organisation resisted transformation and certain sections remained less amenable to transformation compared to others.
 3. The organisation resisted interpretative and analytical reporting and thereby used moribund methodologies, with detrimental effects on public confidence in the data produced.
 4. While new technology signalled immense possibilities for decentralisation of the system, the organisation resisted this type of change.
 5. The organisation lacked a user orientation.
- b) The parastatal Human Sciences Research Council (HSRC) was also a source of statistical information. It tended to focus on the Black population, both in the former homelands and what was regarded as the former 'South Africa', and largely limited its studies to demographics.
- a) The third force was the Development Bank of Southern Africa (DBSA) which was also a parastatal body, had its main role as the financing of Black development. The organisation predominantly collected information on the homelands. There was some conflict and professional jealousy between the erstwhile CSS and the DBSA, particularly over the general report on the nine provinces issued in 1994/95.
- b) The fourth area was dominated by academia. This segment was largely active in the field of demographics and population projections.
- c) The fifth force consisted of market researchers. The Bureau of Market Research (BMR) of the University of South Africa (UNISA) was the predominant force specialising, in particular, in income and expenditure surveys. The BMR was also very active in research in the "homelands."
- d) The sixth institution was made up of the statistics offices of the "homelands." These functioned with varying levels of effectiveness. Their focus was largely on informing the sharing of the Customs Revenue Pool, and the running of population censuses in their areas.

The previous official statistics agency, the then CSS, focused on a minority of less than five million people, as opposed to the estimated population of 43 million people (in October 1999). The new official statistical agency, Stats SA, has to collect information required by all the people in the country.

3.2 Post-apartheid attempts for developing a national statistics system, 1995-2000

In the time span from 1995 to date, attempts have been made to consolidate the fragmented areas of statistical work outlined in the previous section. Stats SA has made visible gains in reclaiming lost ground through pre-emptive activities such as networking and entrenching statistical legitimacy by means of the new Statistics Act.

Improving work processes methodologies and technologies have been the focus of developments in economic statistics. Entire sets of statistics have been re-engineered to ensure compliance with the International Monetary Fund's, (IMF), Special Data Dissemination Standards (SDDS). Similarly, the Gross Domestic Product (GDP) was re-weighted and brought in line with the United Nation's (UN) 1993 System of National Accounts (SNA '93).

Partnerships with other government departments increased over the period. Collaborative activities ranged from the construction of a national spatial database with the Department of Land Affairs and the Independent Electoral Commission, to conducting a 'Victims of Crime' survey for the Secretariat of Safety and Security, and an Agricultural Survey for the Department of Agriculture. Another noteworthy cross-cutting initiative has been the South African Revenue Services (SARS), where we jointly develop Business Register (BR), to facilitate a better sampling frame for statistical inquiries into economic trends and patterns.

Despite the achievements of the system, Stats SA need to review the outputs of the system in greater detail. The agency will be required to test these outputs in terms of their veracity and robustness, methodology, quality and relevance. In this vein, the new Statistics Council has been tasked with reviews of Stats SA products and data, and has started this with the labour statistics series.

The new Statistics Act referred to above strengthens the position and independence of Stats SA. The Act also makes explicit reference to a national statistical system. Other important developments have been the appointment of the country's first Statistician-General, and the setting up of a fully fledged independent Statistics Council that is a watchdog of the NSS and responsible for advising both the Minister and the Statistician-General. These changes have provided the stimuli for a more focused effort to develop a coherent and integrated national statistical system..

4.0 Challenges for implementing the NSS in 2001 and beyond

The concept of what a national statistical system means for South Africa is only beginning to evolve, and will develop further as consultations with both users and providers take place. The basic concept as set out in the new Statistics Act, implies that the NSS should cover all official statistics. In practice, the system will cover the collection, compilation, processing, analysis, storage and dissemination of a wide range of data derived from censuses, surveys, registers and by-products of management information systems from other departments. In this regard, the evolution of the NSS is likely to be much smoother when other providers are persuaded and begin to participate in the system.

5. Dimensions of a NSS

A NSS will comprise three dimensions:

- Statistical production. The activities to establish this dimension include harmonising classification and definitions, conducting needs analysis, policy analysis, interdepartmental workshops and the setting of quality standards;
- Training for statistical literacy and to establish this dimension, the activities include statistical literacy audit in government, training courses aimed at acquiring this type of literacy, scholarships for academic study in subjects related to the functions of the agency and workshops;
- Communication of statistical information, including dissemination standards, press conferences, education of journalists, input into the State President's State of the Nation Address, the national budget and other key political policy processes.

In South Africa, potential suppliers of official statistics are at very different levels of development and statistical sophistication. The implication is that it will be necessary to move at different speeds with different agencies. Stats SA will need to develop a strategy of engagement with other agencies to identify how they can participate in the NSS and what support, if any, they will need. This is likely to place a considerable workload on the senior management team.

There are a wide range of users of statistics, some of who have considerable experience and expertise, while others will need substantial assistance and support to use official statistics effectively. In addition to the obvious users in the national government departments, the NSS will need to engage with politicians, officials of provincial and local governments, civil society organizations, business leaders and other market participants, the media and the general public. The NSS will also need to ensure that its obligations in reporting data to the rest of the world continue to be met.

6. Priority areas for NSS:

We outline some of the priority areas in South Africa at present:

- a) The Integrated Sustainable Rural Development Strategy of the national government: The vision of the government of South Africa for rural development is to eliminate poverty and enable development by focusing on the provision of infrastructure and services in rural areas and restoring economic rights to marginalised areas.

The NSS can contribute by providing:

- Poverty and agricultural activity statistics that are critical to ensuring sound policy formulation, implementation and monitoring.
- Geographically referenced small area statistics enable targeted interventions.

The current challenge to both the NSS and government is how well national denominators are collated, progress is monitored, performance is measured, and intended outcomes and impact are measured and understood. Thereby providing rich feedback into planning and budgeting systems.

- b) The Urban Renewal Strategy of the national government: Crime and poverty are to be tackled together in this strategy in high-density urban areas. Continued unemployment and poverty provide a fertile environment for crime, which is to be tackled by an integrated criminal justice strategy.

The NSS can contribute by providing:

- Economic statistics, especially on labour market dynamics, at various levels of geography, coupled with small area statistics on service delivery. These data provide critical information for local, provincial and national government programmes.

The challenge to the statistics system is even more complex in this area, as the demand for small area statistics becomes increasingly urgent, and the direction of resource flows and benefits have to be tracked.

- c) Public sector transformation: Effective service delivery in the spirit of **Batho Pele** (people first) is the primary goal of public service transformation.

The NSS can contribute by:

- Developing the statistics system and enhancing the quality of statistics. This provides not only delivery of better statistical services, but it also allows government departments to plan and monitor the inputs and outputs of their own service delivery.
- In addition, an emphasis on the development of Stats SA's human resource capacity provides for the sustainability of quality initiatives.

- d) The vision of an African Renaissance demands collaboration with other African countries, especially in the South African Development Community (SADC) area. Such collaboration may help to achieve an era of peace, democracy and development on the African continent.

The NSS can contribute:

- Through harmonising population, migration, price and other statistics among SADC countries. By these means, integrated economic and demographic initiatives can be planned.
- There is need to apply an appropriate methodology that takes into account the need for a national statistics system within each SADC country and across SADC countries.

Some countries in the SADC region have begun reviewing the Statistics Acts of their respective countries.

7. Towards an effective NSS

Ultimately, the NSS in South Africa must be demand driven. However, many users have relatively little experience in using data effectively and, for some time to come, the NSS will also have to focus on helping to generate demand as well as assisting users to articulate their needs. In effect, the NSS, led by Stats SA, will need to become involved in a substantial and sustained marketing and public relations endeavor to make users aware of what is available. Within this context, the NSS needs to be collaborative and inclusive, aiming to bring in as many partners as possible. These priorities will be driven by the main national policy processes, especially the national goals on poverty reduction and job creation.

A key emphasis will be on cost-effectiveness, by making sure that public resources are used in the most effective and efficient manner possible, to produce the data that users need. In this regard, the Statistics Council will have a crucial role to play and its capacity may have to be strengthened to enable it to play this role. Finally, the NSS should be responsive to changing political, economic and social processes, but it should at all time aim to be independent of day-to-day political control.

In terms of outputs and objectives, the day-to-day concern of the NSS will be to provide good quality statistics and make them accessible to all potential users. In doing this, the system will need to be open, transparent and accessible, providing not only data outputs, but also the other information users need to interpret and use the data effectively. In doing so, the NSS will achieve its longer-term goals, raising, in particular, the profile of national statistics generally and promoting a culture of evidence-based decision-making at all levels of society.

The new environment provided by democracy enables the development of a national statistical system. The advent of a democratic dispensation has increased demand in the arena of the need to know, holding those in positions of responsibility to account. Parliament has explicitly acknowledged this, passing the Promotion of Access to Information Act, which provides an institutional framework for accessing and demanding information. In addition, rapid advances in information technology have created better ways of communication as well as more efficient ways for enabling analysis and interpretation of information.