

RESTRUCTURING THE PHILIPPINE STATISTICAL SYSTEM IN RESPONSE TO NEW CHALLENGES: REDEFINING THE ROLE OF THE NATIONAL STATISTICS OFFICE IN THE SYSTEM¹

BACKGROUND AND RATIONALE

The Philippine Statistical System (PSS) is a decentralized system that consists of all government agencies which produce statistics either as their primary function or as by-product of their administrative or regulatory functions. These organizations include the National Statistical Coordination Board (NSCB) as the policy-making and coordinating body, the National Statistics Office (NSO) as the producer of general-purpose statistics, the Bureau of Agricultural Statistics (BAS) as the producer of agricultural statistics, the Bureau of Labor and Employment Statistics (BLES) as the producer of selected labor statistics from establishments, and the Bangko Sentral ng Pilipinas (BSP) as producer of monetary and financial statistics. The PSS also has the Statistical Research and Training Center (SRTC) as its research and training arm, although it maintains a healthy relationship with the academe.

The PSS produces statistics based on censuses, surveys and administrative reporting systems. Statistics on various sectors and areas of concern needed for policy planning, programs and researches in the government, private sector and in the academe are mostly provided by the PSS.

Numerous issues have arisen in the past years that affect the quality, reliability and timeliness of the statistical products coming out of the Philippine Statistical System (PSS). These issues pertain to the structure and legal frameworks governing the operations of the system that affect the integrity and completeness of national statistical programs.

The PSS is in charge of the coordination between statistical producers and of ensuring the coherence and compliance of the statistical system to the principles, particularly on official

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statistics. However, in the present setup of the PSS, being decentralized, there exist structural gaps with the agencies in the system. The ability of the PSS to produce statistics that cut across various areas of concern is hampered by inadequate coordination mechanisms and outdated means to ensure respondents' cooperation. Hence, there is a need to deal with the structural and functional limitations of the system by strengthening and rationalizing the institutions that comprises the PSS.

Thus, a review on the reorganization of the PSS was undertaken in line with NSCB Resolution No. 4, series of 2007 directing an external review of operations and organizations of the major statistical agencies comprising the PSS. The strategic review of the system was conducted in 2007 by a Special Committee, which was an independent body composed of respected and distinguished statisticians and other professionals knowledgeable and familiar with the situation prevailing in the PSS.

The findings of the review highlighted on the need to improve the system's capability to respond to the needs of its clients and to realize the vision of having a system that has independence, objectivity, integrity, relevance and responsiveness.

The recommendation of the 2007 Special Committee to Review the PSS to repeal Executive Order 121 was taken up during the 14th Congress of the Philippines.

The Congress of the Philippines is a bicameral body that consists the House of Representatives (HOR) and the Senate.

A proposed legislative measure, generally referred to as a bill, can originate from either the HOR or Senate, or from both. The draft bill passed through First Reading for referral to appropriate committees for consideration or action. The committee where the bill was referred to evaluates and determines if it is necessary to conduct public hearings. In the case of the various bills for the restructuring of the PSS, public hearings were conducted by the Committee on Economic Affairs in both houses, as well as the Committee on Government Reorganization in the HOR. The concerned committees invited resource persons from the public and private sectors, the academe, and experts on the proposed legislation. Thus, the

NSO along with other statistical agencies and other organizations in the PSS were invited as primary resource persons in the various congressional hearings. The NSO along with other agencies of the PSS took part in the Technical Working Group (TWG) established by the Committee on Economic Affairs and the Committee on Government Reorganization in the HOR which were tasked to consolidate all legislative measures on the reorganization of the PSS.

The output of the TWG is reflected in the consolidated, unnumbered bill that substituted House Bills 1382, 2205, 3320 and 3334 authored by various representatives of the HOR.

The consolidated bill was endorsed for Second Reading through a joint Committee Report, sponsored by both Chairpersons of the Committees on Economic Affairs and Government Reorganization in the HOR. It is during this session where a resource person from the Department of Budget and Management (DBM) is invited to tackle certain provisions that involve budgetary implications in the proposed reorganizational structures, particularly on key positions and personnel classifications/staffing patterns as well as personnel monetary benefits. The bill was approved in the Second Reading with modifications on budgetary provisions with respect to resource requirements of the proposed reorganization, as recommended by the Department of Budget and Management (DBM).

The bill passed through the Third Reading as an engrossed bill, numbered House Bill 6229 and was approved unanimously. Thus, HB 6229 was approved by the HOR on June 4, 2012, transmitted to and received by the Senate on June 6, 2012.

The bill undergoes the same legislative process in the Senate. At present, the status is still pending with the Senate Committee on Economic Affairs for endorsement to a Conference Committee or commonly referred to as the bicameral conference.

The Conference Committee is constituted to settle or reconcile differences or disagreements on any provision of the bill. The Conference Committee prepares a report which will then be submitted for consideration or approval of both Houses.

Once approved by the Congress of the Philippines, it will be transmitted to the Office of the President for presidential action. The proposed legislation though is part of the President's

priority legislative measures, as one of the government's priority legislative agenda for economic reforms.

HIGHLIGHTS

The proposed bill updates the scope and penal provisions on various statistical operations, especially on confidentiality of information and non-compliance to survey responses. The laws that primarily governed the mandates of NSO are relatively old and some of the provisions are already out of date. These include, among others, policy procedures/processes that curb obstacles to data production and information dissemination. Among these measures are those of scope, type of survey operations and use of modern technology, confidentiality, compliance and penal provisions that need to be upgraded taking into consideration inflationary factors. Also, the policy and coordination body in statistics will be strengthened as appropriate mechanisms in implementing an effective statistical system will be carried out in various levels of national government agencies (NGAs) as well as local government units (LGUs) -as the government's statistical development program emanates from the central statistical authority through the PSA Board.

This will help build the capacities of the LGUs to generate comparable and sustainable statistics for local development planning that will complement national development programs. Statistical capability building programs both at the NGA and LGU levels will be enhanced as the Philippine Statistical Research and Training Institute (PSRTI) shall take a major role in designing and implementing statistical training programs appropriate for NGA and LGU needs.

PERTINENT PROVISIONS

1. CREATION OF THE PHILIPPINE STATISTICS AUTHORITY (PSA)

The PSA shall be created, and for policy coordination purposes, it shall be attached to the National Economic Development Authority (NEDA).

The PSA shall be comprised of the PSA Board and offices on sectoral statistics, censuses and technical coordination, civil registration and central support and field statistical services.

The PSA Board shall be the highest policy-making body on statistical matters. The data produced by the PSA shall be the official and controlling statistics of the government.

The PSA shall be primarily responsible for all national censuses and surveys, sectoral statistics, consolidation of selected administrative recording systems and compilation of the national accounts.

The PSA shall be constituted from among the existing personnel of the major statistical agencies engaged in primary data collection and compilation of secondary data, i.e., the NSO, the Technical Staff of the NSCB, BAS and the BLES. The Department of Economic Statistics of the Bangko Sentral ng Pilipinas (BSP) will continue to take charge of banking and financial statistics, including the Balance of Payments (BOP) and flow of funds.

2. FUNCTIONS OF PSA

The mandates, functions and duties of the merged agencies in the PSS shall be absorbed in the PSA. Among others, the PSA shall serve as the central statistical authority of the Philippine government on primary data collection which includes conduct of periodic censuses and surveys on various sectors of the population and of the economy, as well as the government and the political sector for the use of the government and the public. Also, it shall carry out, enforce and administer civil registration functions in the country as provided for in Act No. 3753 otherwise known as the Civil Registry Law.

3. THE NATIONAL STATISTICIAN

The National Statistician, as head of the PSA, must possess experience in the management of data collection and at least a Master's degree in Statistics. The National Statistician shall be appointed by the President of the Republic of the Philippines and serve for a term of five (5) years and may be reappointed.

The National Statistician shall direct and supervise the general administration of the PSA and provide overall directions in the implementation of the Civil Registry Law and related issuances and exercise technical supervision over the local civil registrars as Civil Registrar General.

4. ORGANIZATIONAL STRUCTURE OF THE PSA

The PSA offices shall be composed of the Sectoral Statistics Office, Censuses and Technical Coordination Office, Civil Registration and Central Support Office, Field Statistical Services comprising of the regional offices and provincial statistical offices.

SECTORAL STATISTICS OFFICE. The Sectoral Statistics Office shall provide technical staff support to the PSA in the areas of agriculture, natural resources, agrarian reform, mining and quarrying, manufacturing, electricity, gas and water, energy, construction, foreign and domestic trade, services, science and technology, finance, investment, population, women and gender, health, nutrition, education, labor and employment, social welfare, governance, public order and justice. It shall also provide technical staff support to the PSA in generating the national accounts and the development and maintenance of economic and social accounts.

CENSUSES AND TECHNICAL COORDINATION OFFICE. The Censuses and Technical Coordination Office shall prepare, conduct, process and disseminate census results in accordance with the approved statistical calendar. It shall also maintain and develop statistical standards and classification systems and provide technical assistance to other concerned government offices to meet their statistical requirements for policy-making, planning and programming. The Office shall also coordinate the activities of the Regional Statistical Services; provide information technology systems and programming and IT operations support for the PSA projects; provide other PSA offices with cartographic services; maintain archives and communication and information services of PSA generated data and; provide the data center for statistics and civil registration.

CIVIL REGISTRATION AND CENTRAL SUPPORT OFFICE. The Civil Registration and Central Support Office shall provide technical and support services to the various units of the PSA in the areas of administrative services, financial management services, human resources. It shall likewise provide technical and support services for the efficient functioning of civil registration system and perform such other tasks as may be assigned by the National Statistician.

FIELD STATISTICAL SERVICES. A Regional Statistical Services Office (RSSO) and Provincial Statistical Office (PSO) shall be established in each of the administrative regions and provinces, respectively. The RSSO and PSO shall provide technical staff support to the PSA. It shall also provide technical assistance as may be required by the implementing agencies and local governments in the regions and provinces.

5. **PHILIPPINE STATISTICAL RESEARCH & TRAINING INSTITUTE**

The Philippine Statistical Research & Training Institute (PSRTI) shall be created and shall be attached to the NEDA for purposes of policy coordination. As such, the Statistical Research and Training Center (SRTC) is hereby abolished and all SRTC assets and liabilities, appropriations, records and personnel, if any, shall be transferred to PSRTI. The PSRTI shall primarily develop a comprehensive and integrated research and training program on the theories, concepts and methodologies for the promotion of the statistical system. It shall also serve as repository of all statistical researches and studies to be generated by the PSA as well as back-up/duplicate files of data archives and other statistical databases of the PSS.

6. POSTING OF STATISTICAL PERSONNEL IN GOVERNMENT OFFICES

In the exercise of its functions and in accordance with the priorities set by the PSA Board, the PSA may post teams of its statistical personnel in other government offices to carry out the work program to be drawn up in coordination with the host offices.

The posted teams shall be proportional to the size and needs of the government offices. The heads of the host offices shall submit periodic performance evaluation reports on posted personnel to the National Statistician.

7. PHILIPPINE STATISTICAL DEVELOPMENT PROGRAM (PSDP)

The PSA shall prepare, in consultation with the PSA Board, a Philippine Statistical Development Program (PSDP). The PSDP shall consist of all statistical activities to be undertaken by the PSS in response to the requirements of development planning and policy formulation.

8. OBLIGATION TO PROVIDE INFORMATION

The National Statistician shall determine whether a statistical inquiry or survey to be conducted is with or without an obligation to provide information. If such obligation is stipulated, all respondents whether natural or legal persons shall be liable to reply to the statistical inquiry or survey. This applies to all statistical inquiries or surveys conducted by other statistical offices in the PSS. The PSA is also authorized to gather data from other government agency for statistical purposes.

9. CONFIDENTIALITY OF INFORMATION

Individual data furnished by a respondent to statistical inquiries, surveys and censuses of the PSA shall be considered privileged communication and as such shall be inadmissible as evidence in any proceeding. The PSA may release aggregated

information from statistical inquiries, surveys and censuses in the form of summaries or statistical tables in which no reference to an individual, corporation, association, partnership, institution or business enterprise shall appear.

Confidentiality of information does not apply to: a) Information in the form of a list or index of individual business firms, establishments or organizations that contain any or all of the following information: 1) the name, address, and telephone numbers; 2) the business and products that they are engaged in; and 3) the specific ranges of number of employees; b) Microdata from statistical inquiries or survey form/questionnaire/schedule prepared by PSA for purposes of research, with care to ensure that identities of a particular person, business or organization will not be disclosed in whatever form; and c) Access to census data after 100 years for historical, genealogical, scientific or other research purposes.

10. **PENALTIES**

Respondents of primary data collection activities such as censuses and sample surveys are obliged to give truthful and complete answers to statistical inquiries. The gathering, consolidation and analysis of such data shall likewise be done in the most truthful and credible manner. To ensure compliance, any violation shall result in the imposition of the penalty of one (1) year imprisonment and a fine of One Hundred Thousand Pesos (Php 100,000.00). In cases where the respondent who fails to give a truthful and complete answer to such statistical inquiries is a corporation, the above penalty shall be imposed against the responsible officer, director, manager and/or agent of said corporation. In addition, such erring corporation or any other juridical entity, depending on the category of the enterprise or business concerned whether small, medium or large, shall be imposed a fine ranging from One Hundred Thousand Pesos (Php 100,000.00) to Five Hundred Thousand Pesos (Php 500,000.00).

Any person, including parties within PSA Board and PSA, who breach the confidentiality of information, whether by carelessness, improper behavior, behavior with malicious intent, and use of confidential information for profit, are considered guilty of an offense and shall be liable to fines as prescribed by the PSA Board which shall not be less than Five Thousand Pesos (Php5,000.00) nor more than Ten Thousand Pesos (Php10,000.00), and/or imprisonment of three (3) months but not to exceed one (1) year, subject to the degree of breach of information.

Failure to comply with the survey clearance provision shall be penalized by a fine of Fifty Thousand Pesos (Php 50,000.00) to One Hundred Thousand Pesos (Php 100,000.00), depending on the gravity and seriousness of such non-compliance.

CONCLUSION

As to the legal framework of the PSS, there is a need to amend provisions of existing laws that govern the mandates of the agencies comprising the PSS, specifically those of NSO, as affected by Commonwealth Act 591 (1940), such as confidentiality of statistical inquiries and penalty provisions.

The proposed bill reorganizing the PSS is patterned after other Statistics Act of other countries, and, practically in all Statistics Act, provisions on compliance, offenses and penalties are all integral components of the Act, along with the confidentiality disclosures that will protect the identities of establishments or individuals involved in the survey.

As to the structural and technical framework of the PSS, the proposed bill will ensure that the PSA has to pay particular attention to ensuring that census and survey standards in data collection, data processing as well as information materials, the analysis framework and the terminology of the statistical results disseminated are coherent and understandable for users and non-users alike especially in the case of diverging results compiled from different sources.

Statistical gaps in the collection and production of data on some sectors by other agencies in the PSS that may lead to data inconsistencies will be resolved as all primary data collection will be consolidated under one agency. Correspondingly, substantial measures are required to be put in place to sustain integrity of data and statistics being produced and disseminated.

The statistical agenda of the government can only be served better if there's a change in the legal, organizational and functional structure of the present PSS. The grounds for the restructuring are contained in the proposed legislative measure.