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STATISTICAL SYSTEM OF THE COUNTRIES- MEMBERS OF THE COMMONWEALTH OF INDEPENDENT STATES: 20 YEARS ON THE WAY TO INTEGRATION (CIS-STAT)

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ABSTRACT

Breakdown of the Soviet Union has clearly revealed insufficiency and in many directions even unsuitability of the existing for many years system of economic and statistical information for assessment of radical changes taking place in economy and social life. Serious reconstruction was needed of the existing fundamentals of primary accounting and statistics by means of reforming common methodological and organizational basis of statistics itself, as well as adjusting it in accordance with international rules and standards.

First of all, a serious step in the movement “towards the west” was the support proposed by The European Union in the field of transmission of “know-how” through the TACIS Program - Program of technical assistance to the CIS countries.

The Program has covered a wide range of directions: reforming of the system of government administration; restructuring of public enterprises and development of private sector, finances and banking sector, development of transport and communication infrastructure, energy sector, creation of efficient production system, etc. But statistics were not forgotten. In the total TACIS budget its share is rather low, not more than 0.2%. However, statistical projects play a special role in the creation of a new information infrastructure and promotion of the efficient exchange of data.

Cooperation with the EU within the framework of the TACIS Program has played an important role in the development of statistics in the CIS countries. However, it should be emphasized that for the development of the statistical potential of these countries it is also very important to interact with statistical services of other leading international organizations, first of all, with UNECE, OECD, IMF, the World Bank, ILO and other.

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Conference of European Statisticians, active cooperation with statistical organizations of the region.

Big role in building up national statistics was played by the Interstate Statistical Committee of the Commonwealth of Independent States, which at the first stage of CIS existence CIS-STAT became the main moderator of international standards introduction. Today CIS-STAT faces new challenges. First of all, this is methodological unification of different large-scale statistical works.

All the measures taken have enabled the creation and development of the interstate statistical system of the Commonwealth, although not everything took place in favorable conditions. Many national statistical services face serious financial difficulties constantly and for that reason they lag behind in technical equipment and other supplies, can not keep qualified personnel and have to reduce statistical activities. Some national statistical services are forced to give up conduct of a number of important statistical works.

Breakdown of the Soviet Union has clearly revealed insufficiency and in many directions even unsuitability of the existing for many years system of economic and statistical information for assessment of radical changes taking place in economy and social life. Serious reconstruction was needed of the existing fundamentals of primary accounting and statistics by means of reforming common methodological and organizational basis of statistics itself, as well as adjusting it in accordance with international rules and standards.

The last 20 years became the years of fruitful work on the way to integration of statistical system of the countries-members of the Commonwealth into the world standards. Let me briefly dwell upon the main milestones of our common history.

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The history of the TACIS statistical Program has gone through several stages.

The initial stage of TACIS cooperation in the sphere of statistics took place in 1992-1994 and *was based on common interstate priorities*. It was focused on mutual acquaintance of the EU and the CIS countries with each others' experience and on distribution of common approaches to the organization of statistics. Statistical programs implemented at this stage were one of important parts of the overall EU program of assisting CIS countries in transition from a centrally

planned economy to a market economy. In general, the first consultations aimed at the transfer of “know-how” in the priority fields of statistics became an important stage in developing close cooperation with the national statistical services of the European Union countries. Specialists from the CIS countries got opportunities to communicate with their European colleagues, to deal with urgent statistical problems in more detail, and to learn from the experience of the European Union.

More target-oriented cooperation in the framework of the TACIS Program became *after the signing of the Agreements on Partnership and Cooperation* with the majority of the CIS countries. These agreements provided new opportunities for the CIS countries to be integrated into the world economic system. They covered a whole range of cooperation possibilities between the EU and the CIS in the political, trade, and economic spheres. Certain articles of these agreements dealt with cooperation in the field of statistics. So, the second stage of the TACIS statistical program implementation was wholly devoted to reaching the objectives set in the bilateral documents with the cooperation being focused at the national priorities and covering a wide range of statistical subjects.

An important stage in extending the cooperation in the framework of the TACIS Program was the implementation of a series of thematic projects on the adaptation of state statistical systems in the CIS countries to new economic conditions. It was closely related to the start of the process to ensure the comparability of the statistical methodologies of the CIS countries with the international standards. Some thematic projects were devoted to specific methodological issues targeting the most urgent problems of the national statistical systems, such as the organization of sample surveys, statistical observation of prices, registers of enterprises, business statistics, etc. At this stage, cooperation was carried out in the form of providing consulting assistance, transfer of “know-how”, and implementation of pilot projects.

Starting from 1998, one of the main requirements to national TACIS programs is *a comprehensive conceptual approach* to their development. Separate projects were replaced by unified programs, where subprojects of the programs were interrelated and subordinate to a common priority task. As a result, the programs implementation period was clearly determined (three years), which allowed the national statistical services to carry out project work in stages with the account of the intermediate objectives.

National programs corresponding to this stage of the TACIS Program were targeted at development of statistical infrastructure (classifications, register of enterprises, regional statistics, dissemination of statistical information) and development of certain important fields of statistics (statistics of industry, national accounts, trade statistics, demographic statistics). A characteristic feature of this stage was the wide use of pilot surveys in the programs implementation, which were targeted at testing the techniques developed by national statisticians together with the EU experts and adapted to the economic peculiarities of the regions. Such an approach allowed a significant increase in the efficiency of

cooperation, when implementation of methods, software products, and statistical forms has become an inseparable part of the Program.

An illustration of it can be the adaptation of the model of demographic forecast proposed by the experts from Groningen University for the calculation of estimated number and age and sex structure of population as a whole for the Russian Federation and for each of its subjects. Thus, the software for this model was developed by Russian specialists. And further on, also in the framework of the TACIS Program the scope of this model was extended under the support of Austrian statisticians which enabled to make a transition from the forecast of population number to the forecast of number and structure of households. At present all the calculations are successfully made by Rosstat.

In 2000's *coordination and harmonization* became the main priorities. In view of the comprehensive approach to programs development, much attention was paid to linking new components of technical assistance to the long-term integrated statistical programs in the countries, to coordination of international programs of assistance to the CIS countries and selected cooperation programs. Consequently, at this stage the TACIS Program has become a tool for leading European experts to test the national methodologies in the key statistical areas. Approved methodologies have become the basis for conducting wider and more costly programs in the framework of national budget financing or with the help of international donors.

The main objective of the Program at the beginning of the new millennium has become the harmonization of the methodological approaches to calculating statistical indicators according to the standards and methodologies used by international organizations, and producing statistical data consistent with the generally practised methodology. This priority was predetermined by further integration of the CIS countries into the world economic system and by the necessity to improve the exchange of data among national statistical services and international organizations.

Another important feature of the recent stages of the Program implementation was the opportunity for the specialists from the CIS countries to take an active part in international statistical activities in Europe. Financial support within the framework of the Program has allowed them to participate in the most important seminars conducted under the auspices of the UNECE and Eurostat.

I cannot but give several figures which clearly show the scale of cooperation. During the past years, about 30 national statistical services participated in the Program implementation. More than two hundred projects, dozens of experimental surveys, and targeted supplies of equipment and software have ensured to a great extent the development of statistics in the CIS countries and have promoted convergence of their statistical methodology to the European standards.

Cooperation with the EU within the framework of the TACIS Program has played an important role in the development of statistics in the CIS countries. However, it should be emphasized that for the development of the statistical

potential of these countries it is also very important to interact with statistical services of other leading international organizations, first of all, with UNECE, OECD, IMF, the World Bank, ILO and other.

As an example, we can recall one of the most fundamental pieces of work carried out in the last decade and related to implementation of a totally new methodology in macroeconomic statistics, that is, implementation of national accounts methodology.

Substantial efforts to promote the implementation of the international standards of the SNA into the statistical practices of the CIS statistical services were made by OECD, whose experts were the first to take an active part in solving this global problem starting from the end of 1980's. Their experience, and their professional approach to the solution of arising questions contributed much to the successful start of this work. Later on, representatives of the Statistics Directorate of the OECD organized methodological seminars in many CIS countries and participated in experimental practical calculations.

Not less significant contribution to the implementation of SNA methodology in the CIS countries was made by representatives of the World Bank. The reports prepared in the mid 1990's, containing the analysis of the SNA implementation process and recommendations for its improvement, played a very important role in efficient continuation of this work. In several countries these recommendations were of a revolutionary character, and their publication greatly assisted national statistical services in advancement of this important work. Rather significant for increasing the general efficiency was the involvement by the World Bank of national experts in preparation of the reports. It was one of the ways to transfer international experience.

Cooperation with the IMF Statistics Department was also very important for successful implementation of the SNA. Detailed consultations and methodological seminars on the SNA implementation provided by its experts were very supportive to the work of the statisticians in the CIS countries.

Consultations and working meetings organized by the UNECE Statistical Division were also very important. Participation in these meetings provided CIS statisticians with a unique opportunity not only to focus on their urgent problems, but to see the whole range of issues related to the modern development of national accounts. It is of an invaluable assistance because it helps to see perspectives more clearly and choose the optimal way.

Many examples can be given from other fields of statistics, for example, participation of ILO experts in the development of labor statistics, price statistics, etc. All these examples are evidence of efficient cooperation with many international organizations with the purpose of solving the main strategic task in the field of statistics - transition from the methodology accompanying the centralized economy to the methodology of data collection and processing consistent with the market economy.

All the efforts described above have enabled the creation and development of the interstate statistical system of the Commonwealth, although not everything

took place in favorable conditions. Many national statistical services face serious financial difficulties constantly and for that reason they lag behind in technical equipment and other supplies, can not keep qualified personnel and have to reduce statistical activities. Some national statistical services are forced to give up conduct of a number of important statistical works.

The solution of the tasks faced by statisticians of the Commonwealth countries was promoted and will be promoted by the discussion of urgent problems at the Conference of European Statisticians, active cooperation with statistical organizations of the region.

The Conference of European Statisticians retains its leading role as "the coordinator of coordinators" in the field of international statistical cooperation. Along with that it, has one more very important significance for statistical services of the CIS countries: it provides a unique opportunity for their heads to participate in general discussion of the most important problems of the modern development of statistics. In rather difficult situation, in which CIS countries statisticians have to work, such the discussion helps them to plan efficient strategies for further development.

Now it is possible to ascertain with confidence that national statistical services of the Commonwealth countries, some in better, some in worse way have managed to form practically new national statistics, adequate to socio-economic situation of the societies in their states and meeting, as a whole, *the Fundamental principles of official statistics approved by the UN Statistical Commission*.

Some words about the activities of the Interstate Statistical Committee of the CIS, which will celebrate its 20th anniversary together with national statistical services. The past twenty years were a complicated period when it was needed to put all statistics on a new footing.

At the first stage of CIS existence CIS-STAT was the main moderator of international standards introduction. For a period since 1992 till 1995 more than 160 methodological recommendations prepared with the account of international standards were developed and sent to national statistical services of the Commonwealth.

But, perhaps, most difficult both in the work of CIS-STAT and in practice of national statistical services was to persuade politicians, members of parliaments of the necessity to organize statistical activities on a legislative basis. **And it can be stated with satisfaction today that laws on statistics have been adopted in all the CIS countries; laws on population and agricultural censuses have been adopted in a number of countries as well.**

Now methodological function of CIS-STAT fades into the background because national statistical services of the CIS have gained experience and have highly professional specialists who participate in the elaboration of standards at international level.

Today CIS-STAT faces new challenges. First of all, it tries to combine different large-scale statistical works in methodological and time unity.

In particular, this refers to 2010 round of population censuses in the CIS countries. By initiative of the Council of Heads of Statistical Services of the CIS the Council of Heads of Governments of the Commonwealth has adopted a decision to conduct population censuses in the CIS countries in maximum close dates. In the framework of specially created Coordination Council a number of model organization and methodological documents were elaborated and summary tabulation was reconciled for the purpose of unified presentation of information.

Unfortunately, the countries couldn't manage to realize to the full extent time unity in the conduct of population censuses. At present seven CIS countries have conducted the censuses. Other countries will conduct their censuses in 2012-2013.

We are waiting impatiently for the results of the censuses. Demographic situation in the countries remains rather complicated. Intensive migration processes are going on, the structure of population is changing. The process of aging and depopulation has put the problem of labor force on the first place. Complex analysis of the results of national population censuses is needed to understand and forecast the situation at labor market and migration trends not only in the Commonwealth countries but in the European region as a whole.

Speaking about the population censuses one more problem should be mentioned. The entire statistical community is preoccupied with perspectives of preparation for 2020 round of population censuses. We see how social composition and, correspondingly, mentality of population are changed and censuses become litmus paper which clearly shows these changes. At present CIS-STAT is preparing jointly with Canadian statisticians a special seminar in the framework of the Conference of European Statisticians devoted to the results and lessons of the last round of population censuses and preparation for the next round.

Big work, which CIS-STAT is dealing with at present, is the translation into Russian and scientific editing of the text of the last version of the SNA 2008, which was approved by the UN Statistical Commission. By the end of this year the translation and scientific editing will be completed.

In 2010 CIS-STAT began preparatory works on the conduct of the second 2011 global round of comparisons of GDP and purchasing power parities of currencies. The first round was realized in 2005 and was considered to be successful. This very complicated and interesting work is an example of statistics of future. In the current global round 186 countries participate and there will be carried out practically one stage unified methodology observation of 3 000 commodities selected on the basis of strict specification. All this work is concentrated in one centre (the World Bank) and during 2012 it is envisaged to receive the first data.

In 2011 the World Bank allocated grants for two very important projects which were already started by CIS-STAT. The first is the project on training

personnel of the CIS statistical services. At present priority themes and partners, who will prepare training courses, are determined. The second big project is devoted to complex study of labor migration in the CIS countries.

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During the past years much was done and today we can positively say that thanks to joint efforts of international organizations and national statistical services modern system of statistics, meeting international standards has been created in the Commonwealth region.