

The Framework Cooperation Agreement between Oesterreichische Nationalbank and Statistics Austria: Providing official statistics in a more efficient way

Walter Stübler*

Statistics Austria, Vienna, Austria walter.stuebler@statistik.gv.at

Abstract

At the beginning of 2000, the former Austrian Central Statistical Office was separated from Government Services by a new Federal Statistics Act. Since then it is an independent and non-profit-making federal institution under public law and is called Statistics Austria (STAT). It is responsible for performing scientific services in the area of federal statistics. In the performance of its duties, Statistics Austria has to observe a number of principles in the interest of its clients, other users and respondents. These principles are laid down particularly in the United Nations (UN) Fundamental Principles of Official Statistics and the European Statistics Code of Practice. UN-principle 8 reads: “Coordination among statistical agencies within countries is essential to achieve consistency and efficiency in the statistical system.” With Austria’s accession to the European Union in 1995 new challenges arose for the production of official statistics and for providing them better, cheaper and faster. To meet these new challenges STAT has endeavored to intensify already existing informal cooperation on international and national level and to formalize cooperation with the most important partners in providing official statistics. The Framework Cooperation Agreement with the Oesterreichische Nationalbank is the outstanding example for assuring coordinated work. It has been signed in 2002 and amended – so far – twice, in 2007 and 2012, respectively. It covers two areas of cooperation: Statistical domains for which an intensive cooperation seems useful and statistics compiled by one institution for which the cooperation partner has a vital interest as a user. Examples for these Statistics are National Accounts or Government Finance Statistics on the one side and Price Statistics or Monetary and Banking Statistics on the other. To translate the principle cooperation into practice individual working agreements are signed, additionally. Regular meetings of a high level steering committee are held to discuss strategic issues and overcome eventual weaknesses in the day by day cooperation.

Key Words: Fundamental principles, intensive cooperation, vital interest

1. Official Statistics in Austria

1.1 History

Compiling official statistics has in many other countries a long tradition and history. In Austria the first national statistical institute has been founded in 1829, the so called „Statistical Bureau“. The names changed over the years and from 1945 to 1999 the institute acted as „Austrian Central Statistical Office“.

Already in the 60s and 70s of the last century government activities started to be performed via extrabudgetary units or public enterprises. At the beginning the construction of motorways and highways has been outsourced, later – as examples - the Federal Postal and Telecommunication Services, the Federal Railways, the Federal Theatres, the Federal Museums, the Federal Computing Centre and the Federal Universities have been taken out of the core federal budget. In 2000 the Austrian Central Statistical Office was separated from Government Services by a new Federal Statistics Act. Since then it is an independent and non-profit-making federal institution under public law and is called Statistics Austria (STAT).

1.2 Framework principles

The Federal Statistics Act of 2000 defines federal statistics as a (non-personal) information system of the government providing data on the economic, demographic, social, ecological and cultural situation in Austria. This information helps administrative bodies in planning and political decision-making procedures and in controlling the measures they have taken. Moreover, data are made available to the scientific and economic community and to the general public. Federal statistics comprises the compilation of statistics of all kinds as well as analyses, forecasts and statistical models which reach beyond the interests of an individual Austrian province. The statistics are decreed by international legal acts of the European Community, by federal laws and by regulations.

STAT is responsible for performing scientific services in the area of federal statistics. In the performance of its duties, Statistics Austria has to observe a number of principles in the interest of its clients, other users and respondents. These principles are laid down – on the European level – in the European Statistics Code of Practice, and on the global level in the United Nations (UN) Fundamental Principles of Official Statistics. They can be summarized as follows:

- to maintain objectivity and impartiality in the compilation of statistics,
- to apply statistical methods and procedures according to internationally accepted scientific principles and standards and to disclose them,
- to continuously control quality improvements,
- to maintain a high degree of topicality,
- to publish statistics and their underlying concepts, definitions and explanations immediately,
- to endeavour to keep the costs to relevant persons and business enterprises as low as possible and to supply the providers of statistical data with sufficient information and
- to keep personal data confidential.

1.3 Coordination and cooperation

To improve efficiency when compiling official statistics, even within the framework of budget constraints, UN-principle 8 gives advice: “Coordination among statistical agencies within countries is essential to achieve consistency and efficiency in the statistical system.”

Article 27 of the Federal Statistics Act of 2000 authorizes STAT to close contracts with individuals or institutions with the aim to compile statistics when appropriate. This could be for reasons of economic feasibility or practicality. In addition to formal agreements, memoranda of understanding and even treaties informal cooperation exist in the day to day business with numerous institutions.

The most outstanding cooperation agreements are those with state government statistical offices (especially on regional statistics), with universities (for instance on evaluating and developing statistical methods or assessing the quality of register based census), with the Austrian Chamber of Commerce (in general aiming to reduce burden on respondents to statistical surveys) and the Framework Cooperation Agreement with the Oesterreichische Nationalbank (OeNB).

2. The Framework Cooperation Agreement between OeNB and STAT

2.1 New challenges for the Austrian official statistics

In 1995 Austria became a member of the European Union (EU). Already in the preparation phase for the accession, delegates of STAT participated in the various technical working groups on statistics chaired by the Statistical Office of the European Community (Eurostat). In some of these working groups both National Statistical Institutes and National Central Banks are represented, especially in the areas of Monetary, Financial and Balance of Payments statistics. So the already at that time existing cooperation of STAT and OeNB got an additional – supranational – dimension.

Soon it became clear that meeting the new European standards would make it necessary to streamline and formalize the cooperation of STAT and OeNB and to agree on a common Memorandum of Understanding. Consultations and negotiations finally led to the Framework Cooperation Agreement (FCA), which was signed in May 2002. The FCA was marginally amended in December 2007 and underwent a general update in 2012 with a formal prolongation in December 2012.

2.2 The FCA - General features

Macro-economic statistics are of great importance for national and international policy purposes. They are used predominantly by the national government and international institutions like the European Commission, the European Central Bank, the International Monetary Fund or the OECD. Data are needed for planning, decisions and controlling, for instance in the field of the EU fiscal surveillance system. STAT and OeNB cooperate to produce high quality statistics as requested by national and international legal acts. Guiding principles for this cooperation are partnership, mutual understanding, assistance and the generation of synergies based on the respective comparative advantages. The emphasis of STAT's work could be seen in the statistics on the non-financial economy whereas OeNB has a traditional focus on financial statistics.

To assure an efficient production of statistics the following requirements have to be met:

- avoiding double statistical work and redundant surveys,
- using jointly administrative/statistical registers and administrative data,
- reducing or even avoiding response burden,
- transferring know how and expertise and
- using common infrastructure.

Two types of cooperation are identified:

- Statistical domains for which an intensive cooperation seems useful (e.g. National Accounts areas (like Rest of the World Account, Financial/Non-financial Sector Accounts, Government Deficit and Debt), Government Finance Statistics)
- Statistics compiled by one institution for which the cooperation partner has a vital interest as a user (e.g. Price Statistics, Short Term Economic Statistics, monetary and banking statistics)

The FCA does not specify the details in the cooperation for the production of the individual statistics. For this purpose annexes are formulated and signed by the partners.

A high-level steering committee is established to discuss strategic issues of the cooperation, to evaluate proposals for new annexes and decide on them, to exchange information relevant for the other partner and to cooperate in the preparation of new or amended legal acts.

3. The FCA - Statistical projects with intensive cooperation

Intensive cooperation in this context means that both institutions work jointly on a statistical project or product. Leading partner is who is responsible for the implementation of the project/product by the respective legal act. In case it is necessary for the production process that data not published have to be exchanged data confidentiality has to be secured. The ex-ante transmission of data to be published which are, however, not essential for the production process itself is excluded in any case. The final results of the statistics compiled are published by the partner accountable for it.

Examples of activities in an intensive cooperation are the following:

- decide on the steps and the course of the project,
- decide on the production phases, deadlines and interfaces,
- evaluate new requirements (of statistical, technical, financial and legal aspects),
- discuss positions to be represented in national or international fora,
- discuss issues of necessary amendments of legal acts from a statistician's point of view,
- use jointly and harmonize existing registers, administrative data and other information available and relevant for the project/product.

The following topics for intensive cooperation have been identified:

- National Accounts, especially for reasons of consistency checks between non-financial and financial accounts and balance sheets
- Balance of Payments
- Government Finance Statistics; for details see section 5.2 below
- Foreign Affiliates Statistics
- Statistical Business Register
- Implementing and fulfilling the international standards on data and metadata dissemination
- Data collection systems if appropriate in substance and economically justifiable

4. The FCA – Statistical projects with vital interest of the partner institution

The FCA does not only cover statistical projects that are jointly produced by both institutions. Additionally there are projects which are compiled by one institution only but where the partner institution is vitally interested in the results. This could be because of methodological, analytical, legal or financial aspects. In such situations the partner institution may bring in arguments and proposals for the production process and should be informed regularly on the progress of the project.

The following topics have been identified

- as vital interest of OeNB:
 - a) Foreign Trade
 - b) Price Indices
 - c) Short Term Economic Indicators
 - d) Principal European Economic Indicators (PEEI)
- as vital interest of STAT:
 - a) Banking Statistics
 - b) Direct Investments
 - c) Enterprise Statistics

5. Annexes to the FCA

5.1 General remarks on annexes

As mentioned above, the FCA does not specify the details in the cooperation for the production of the individual statistics. For this purpose annexes are to be formulated and also signed by the partners. To get a common understanding of all aspects of the cooperation it is necessary that the annexes cover the following issue comprehensively:

- Detailed description of the statistical project/product,
- reference to the national and/or international legal basis,
- description of the data collection method,
- sharing of work between the partners,
- project time table,
- rules on data exchange and decision on data interfaces,
- commitments to publish and notify the results,
- copyrights,
- strategies for revisions and publications and
- agreement on who bears the cost.

Currently annexes for the following areas have been agreed upon: Balance of Payments collection system, Foreign Affiliates Statistics, Registers, FISIM (Financial Intermediation Services Indirectly Measured), Annual Financial Accounts in general and Financial Accounts for Sector Government.

5.2 An example: Financial Accounts for Sector Government

According to the Federal Statistics Act STAT is responsible for compiling and publishing National Accounts. Currently some components of National Accounts are produced in fact by other institutions, the official notifications and transmissions of the final data to Eurostat are made nonetheless by STAT. The two outstanding examples of cooperation in this area are the quarterly compilation of GDP by the Austrian Institute of Economic Research (WIFO) and the annual and quarterly compilation of Financial Accounts and Balance Sheets by the OeNB. Whereas the quarterly and annual figures on GDP and its components are fully consistent with each other statistical discrepancies exist between the nonfinancial and financial accounts for each institutional sector.

Although intense investigations have been made jointly by STAT and OeNB for several years into this subject it has not been possible to decrease these discrepancies. One reason for this situation is in any case that no integrated direct data source could be used so far for the compilation of the whole sequence of government accounts. STAT uses direct data from government units whereas OeNB's calculations are based partly on indirect sources like Money and Banking Statistics and security-by-security database. Due to the outstanding importance of consistent accounts of sector general government Eurostat urges countries to minimize the discrepancies between the net lending/net borrowing balances derived from nonfinancial and from financial accounts on the one side and the remaining discrepancy in the stock-flow adjustment between net lending/borrowing and the change of government debt.

So, in 2009 it was agreed between STAT and OeNB that STAT should overtake the compilation of Financial Accounts after a transition period. This agreement was formulized as an annex to the FCA. In the transition period personnel capacities and technical infrastructure devoted to this task should be built in STAT. The intention was to use direct data sources to a maximum possible extent also for Financial Accounts compilation. The main focus of the work in 2010 was to analyze the

available direct data of the main state government units (“Länder”) including many bilateral contacts to understand the accounting system in the public accounts and to consider its use for National Accounts purposes. The level of quality of the basic data varied a lot when work started. At the end of 2010/beginning of 2011 a formalized transmission process of federal government (“Bund”) data to STAT was established, additional problems stemming from the major reform of the Accounting System of “Bund” had to be tackled. Although some encouraging progress has been achieved, the original time table (end of the transition period by mid-2013) could not be met. So it was decided jointly by STAT and OeNB to continue with the transition period till September 2014. Consequently, the change of the compilation procedures and the reporting/publication of the figures will then be done simultaneously with the change from ESA95 to ESA2010. 2012 emphasis has been put to improve the quality of the direct quarterly data and comparisons have started between the actual figures calculated by the OeNB and the results of the transition project.

One important part of the work during the transition period is, of course, the intensified collaboration between experts of the two institutions. So, for example, a monthly Jour Fixe takes place on a technical level to accompany and structure the work.

6. Regular meetings of OeNB and STAT

The FCA has established a high-level steering committee with two regular participants from each institution. Principle tasks of this committee are to discuss strategic issues of the cooperation, to evaluate proposals for new annexes and decide on them, to exchange information relevant for the other partner, to overcome eventual weaknesses in the day by day cooperation and to cooperate in the preparation of new or amendments of existing legal acts. The committee meets four times a year, the chair and the responsibility for administrative matters change annually between the partners.

Besides this high-level steering committee several bilateral working groups exist, currently several of them support the implementation of the new European Standard of National and Regional Accounts (ESA2010). One important feature of the cooperation is also the joint participation in European fora dealing with statistical matters like the Committee on Monetary, Financial and Balance of Payments Statistics, the Balance of Payments Committee, the Financial Accounts Working Party or the Working Group on Quarterly Sector Accounts.