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THE MEASURES OF ADAPTABILITY IN POLAND'S SYSTEM OF OFFICIAL STATISTICS UNDER CRISIS

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ABSTRACT

This paper presents the issue of ability of the Polish official statistics information system to adapt to dynamically changing economy. The main focus was both on internal changes of the organisation and public statistics relation with environment, that is government and self-government institutions, business and the media. It has been shown that due to the economic crisis not only the demand for statistical information is higher but also the role of official statistics in the information market in its broad sense is becoming more and more significant.

Key words: information market, public statistics, crisis.

1. Basic features of the information market

In so-called real sphere of economy, all the major economic agents – either in market or non-market sectors, including public and non-governmental units – make their decisions under uncertainty, partly due to incomplete and asymmetric information. The scope of uncertainty is even greater in the abruptly changing economic environment. One may distinguish between uncertainty associated with the future in contrast to the present, on the one side, and between uncertainty of market conditions and uncertainty of behaviours, on the other. For each rationally acting agent information is crucial (as a part of the rationality) and, consequently, it becomes a subject of market transaction. Of course, there is an expectation that benefits from acquiring information exceeds the costs incurred in collecting it independently.

Crisis phenomena observed in the world economy deepen the above mentioned areas of uncertainty to a large extent, causing the need for more and more information among entities belonging to all sectors. In terms of collected information, public statistics occupies a dominant position in Poland, similarly as in other countries. Throughout nearly all the period of economic transformation, one could observe insufficient use of the Polish official statistics potential

in satisfying different kinds of needs on the dynamically developing information market, little flexibility of institutions in reacting to market's needs and unsatisfactory quality of statistical analyses. At the same time, a growing competition from various kinds of agencies, associations and specialized firms was causing a slow process of marginalization of public statistics on the information market.

One of the most significant aims of public statistics is to enhance the supply of information to the general public, business and non-governmental sectors in order to compensate for the information asymmetry. In this sense, one should regard information as a public good provided by the state in its autonomous activity in socio-economic field. Nowadays, in modern societies the borders between private, public, tariff and common goods are blurred. The main reason of the above is that the social costs of producing public goods are very high. Some of the methods to reduce social costs of functioning of public institutions, which provide such goods, is commercialisation, public and private partnership, as well as privatization of the entire or just the part of activity. The decision on taking active part in information market will undoubtedly force Polish Public Statistics to make use of this form of activity. It is worth stressing that during the crisis the role of the state and public goods is becoming more significant. Consequently, the activity of public statistics on the information market in its broad sense seems to be a matter of growing interest.

2. The Polish statistical information system in the time of economic changes

In the last two years, several innovative actions in information infrastructure have been taken not only within the organization itself, but they were also aimed at ensuring integrity of the information system in the whole country. Such aspirations to entirely coordinate the system is particularly important when statistical information produced by different institution is dispersed. A natural consequence of such actions should be a common policy of dissemination for all institutions. A tool used for carrying out this policy would be an online information portal, administered by CSO as a unit coordinating the whole system. It will enable public statistics to strengthen its position on the information market not only by offering standard products, but also new ones that will match the customers' needs in rapidly changing conditions.

Expectations towards statistics concern mainly two aspects. Firstly, information should be "fast", and, secondly, statistical data should refer to possibly the lowest levels of aggregation in classification and spatial breakdown. Essential precondition for accomplishing these undertakings is to shorten the process of collecting, handling and disseminating data by public statistics, as well as using preliminary and estimated data more frequently. It should be emphasised here that in Poland the time lag between collecting data and making them

available is one of the shortest in Europe. What should be always remembered, though, is that the short time lag cannot reduce any of the quality dimensions: relevance, accuracy, timeliness and punctuality, accessibility and clarity, comparability and coherence.

Public statistics should pay more attention to the quality on every stage of data collecting and processing, especially in the time of crisis. A low completeness in collecting information can distort the image of dynamically changing reality to a high degree.

3. Innovations in the Polish official statistics

Statistics and government and self-government institutions

Obviously economic crisis is the reason for a greater need for statistical data concerning socio-economic phenomena, especially in the field of short-term statistics. Therefore government and self-government institutions, both on the national and regional level, turn to public statistics for preparing more detailed data that will go far beyond the established system of disseminating information.

In response to greater demand for information from these institution, public statistics establishes and publishes on websites a uniform set of indexes for monitoring socio-economic phenomena. Representatives of statistical offices are being appointed for various kinds of teams which mainly focus on monitoring socio-economic processes.

Statistics and business

Slowdown in the economy forces also business sector to become more interested in data of statistical institutions. Firms running business, especially in tough economic conditions, require a greater number of detailed information on their competition environment and turn directly to statistical offices more frequently. On this account, it is important to strengthen potential of sections responsible for information dissemination in order to meet growing needs for information in the business sector so as to identify the needs of individual customer (*personalization*), as well as customize the products to individual user's requirements (*customization*).

What seems to be necessary is greater automation of business customer service which consist among others in creating and developing a generator (software) of information package available via Internet for entrepreneurs. This kind of software will serve for making a socio-economic diagnosis needed for specifying conditions for running activity in a given area, especially useful while taking investment decisions as well as applying for projects financed by the European Union. Advanced version, with an analytical part should be used by statisticians for more complicated orders. Another action undertaken by the Polish official statistics concerns optimization of entrepreneurs' reporting burden

because firms especially on the point of bankruptcy are very sensitive to additional administrative load.

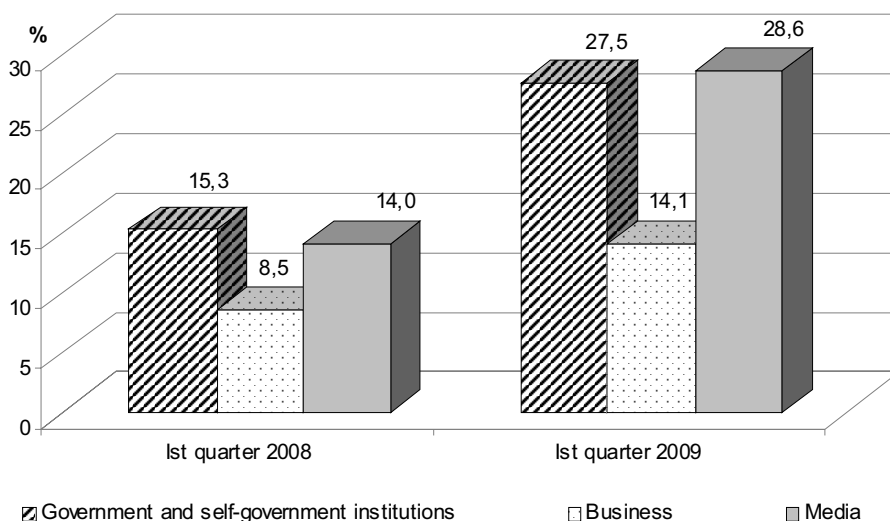
Functioning of recently launched reporting portal enables firms to receive feedback, which facilitates comparisons especially in terms of financial results for a group of enterprises with similar scope as well as for competitive environment.

Official statistics could also help entrepreneurs by creating cross-border data banks. Using registers of entities of the national economy, firms can penetrate neighbouring country market in order to launch activity or find markets abroad.

Statistics and the media

Recent years have seen a worrying phenomenon of crowding out superior quality information by inferior one. Therefore cooperation between public statistics and the media is becoming especially important. As part of the actions towards improvement of this relationship statistical offices are developing information materials well edited for the mass media, facilitating contact via the Internet, e.g. by providing a special tab for the mass media on the website. Institutions of official statistics organise also more frequent briefings and meetings with journalists aiming at systematic access to statistical information for society and proper interpretation of transferred information, especially in the time of crisis, when information “noise” is becoming higher.

Chart 1. Growth dynamics of enquires about statistical data (previous period = 100)



The chart 1 shows an increasing tendency in enquiries about statistical data from government and self-government institutions, business and the media. The

number of enquiries almost doubled in the first quarter 2009 compared to first quarter 2008.

4. Intra-organization changes

For the last two years, several innovative actions have been undertaken in order to improve the functioning of the organization as well as to strengthen its official position and change its image.

One of such actions was implementation of the reporting portal. Involving all entities in on-line reporting improves data quality and shortens the time of data processing.

Another project being carried out is establishing thematic data basis, which will constitute a consistent set of information from any available sources, concerning individual socio-economic phenomena. It will ensure integrity of the country's information system and, through the system of meta-information, correct interpretation as well as the use of statistical data.

In Poland, there is a specific employment structure in public statistics – most Polish statisticians work in the regional statistical offices. The way for effective allocation of human resources was a specialization which contributed to establishing analytical and expert groups in particular research areas of statistics.

As part of improvement process there is of course inventory of information resources of statistics as well as designing new and modification of some surveys so as to adapt public statistics to changing socio-economic situation.

In the time of fluctuating economy, public statistics should include new phenomena in their survey programme. It should be noticed that crisis phenomena in countries that Poles emigrated most frequently to, increases the number of returns to our country. Since such a situation influences numerous aspects of life, they should be included into more detailed surveys and analyses. The CSO systematically publishes on websites studies concerning migration on regional and national level, based on statistical surveys and external information sources (also in cooperation with international institutions).

Table 1. Economic aspects of migration in Poland

Observed effects	Short and long-term results of migration (possible scenarios of events)
Labour market • decrease in unemployment rate, • deficit in some professions (health care, construction workers etc.) • brain drain (generally young and higher educated), • slight pay rise.	• further decrease in unemployment rate, • accelerating the process of decreasing people in working age, • increase in immigration, • higher pay rise dynamics.
Inflation • similar to average level in EU-27.	• increase in inflation (caused by increase both wages and remittances) and as a consequence increase in interest rate and possible decrease in export.
GDP • upward tendency (GDP per capita makes up 53% of average in EU-27), • increase in consumer and investment demand thanks to mainly remittances.	• deceleration of economic growth.
Remittances • steady increase.	• decrease in remittances due to different type of migrants behaviour.

The above table shows economic aspects of migration in Poland not only as observed effects but also as short and long term results migration divided into labour market, inflation, GDP and remittances. Econometrics model are being created on the basis of these specified issues. Obviously these models are used to create difference forecasts.

An excellent example can be also depreciation of national currency, which has caused higher economic activity in the cross-border areas. In general, functioning of a consistent survey system for cross-border areas will enable information on local, regional, nationwide and international level to be used extremely effectively. Effectiveness of such system requires support from standardized sources of information (official registers, bank registers, traffic automatic measure, etc.) and creation of projects that will concentrate on processes observed not only on borders but also in the border areas. Recently we have launched surveys on external and internal borders of the European Union (survey of goods and services turnover in border traffic on Polish–Ukrainian border, pilot survey of the volume of vehicle traffic on Schengen borders). Results of the surveys can be an important supplement to statistical information on total turnover of foreign

trade, better assessment of National Account and Balance of Payments, migration statistics, tourism and transport and government and self-government policies.

In order to create a uniform survey system one should establish cooperation between countries in setting subjects of survey covering the most current socio-economic issues occurring in border areas of course taking into consideration its unique character. Thus, it is significant to identify the most important endogenous and exogenous factors effecting economy and regional development in order to include them in the process of designing and carrying out surveys, as well as disseminating information. Undoubtedly standardization of methods as well as conducting joint surveys on these areas are also important.

In the time of increased need for information from statistical offices, they are expected not only to provide information, but also to analyse and interpret them in a detailed way. Therefore, selection and using of survey methods and tools for data analysis that require more than usual expert knowledge is particularly important. The example quoted here can be the use of different seasonal adjustment methods (e.g. Tramo-Seats and Arima-X12) in national accounts, which, in case of lack of thorough analysis, can show contradictory results in the time of great changes – a slight increase or slight decrease in GDP. It can greatly undermine trust in public statistics.

What appears to be necessary is to institutionally strengthen this organization in a way that will enable it to use and develop existing methods for more advanced analyses of socio-economic processes.

A key issue is constant improvement of communication with receivers of information (FAQ, Newsletter, RSS; user satisfaction questionnaire, etc.) by means of developing IT infrastructure, especially in terms of visualization of data, and more particularly in terms of users' interfaces in data banks available on websites.

Conclusion

The ongoing economic crisis world-wide, including Poland, the demand for reliable and timely information are increasing. Monitoring of socio-economic processes has become fundamentally important to government and self-government institutions, business sector and public opinion at all levels (the micro, mezo and macroeconomic). Thus, owing to the current economic crisis, the role of official statistics in the information market is becoming more and more significant. While as a 'public good' official statistics becomes better suited also to the information market's demand during the crisis, its challenges put the system of official statistics under the pressure of modernization and adaptation to new environment, including numerous innovations aimed at improving quality and availability of the produced data and information.

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