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**VIETNAM STATISTICS:
PROGRESS AND REFORMS**



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INTRODUCTION

The National Statistical Service of Vietnam has undergone fundamental changes during the last some years. The changes in organization, operation and output are to be seen as response to the changing conditions of the Vietnam economy and society. The changes have been seen as a results of the comprehensive reform agenda in 1986, which recognized the essential role of a multi-ownership structure of the economy; introduced free market prices for commodities and private property rights on enterprises; and supported macroeconomic stabilization and external liberalization. These measures have been successful and Vietnam is now undergoing rapid development. GNP per capita doubled from 1990 to 2000 and the annual growth rate has remained around 7-8%. International trade has increased rapidly and foreign companies have increased investments.

During the last some years, the GSO has taken significant steps towards becoming a modern and internationally recognized statistical institution. Yet there is need to reform and improve the GSO institutions on all levels, both to adapt to new conditions created by administrative reforms of the Government and a new Statistical Law and to improve capabilities needed for analysis of statistical data for monitoring poverty reduction and national development.

The administrative reform, PAR, which is currently in its second phase, will simplify the rules of government, clarify roles of government bodies and decentralize powers to provinces and districts. A new Statistical Law, in line with the reform, went into effect by 2004, giving GSO a more precise role and vast powers concerning all statistics collected by government. The reforms affect GSO, both by changed and more diversified needs of statistics from other government bodies, and by underlining the needs to become a cost efficient independent service institution for government on all levels and also other users.

However, there are still areas of weakness. Deep sampling skills, data bases with broad statistical coverage, systematic use of enterprise registers and other administrative registers, are still weak areas. Certain special areas also need to be strengthened such as gender differentiation of all statistics, energy statistics, and statistics from the service sector. There is also a need to produce statistics enabling the government to monitor the development as regards democracy and related areas. There is no tradition to have user dialogues and to adopt user needs. Principles for pricing of statistics need to be further developed, as well as management mechanisms and skills necessary for a service oriented role. The strategy adopted by government for the development of GSO points out the needs to have a consistent statistical coverage of all areas and to adopt international standards.

This paper presents recent development of Vietnam Statistics and needs for reform in the immediate future.



RECENT DEVELOPMENT

The progress of Vietnam Statistics in our view should be assessed by evaluation of its outputs in relation to each of the five standard criteria: relevance, effectiveness, impact, efficiency and sustainability.

1. Relevance

The Government has a clearly expressed need for good economical statistics to enable it to improve the management of the new market-based economy. In accordance with this objective the Government of Vietnam has strengthened GSO through a series of measures:

- reorganization of GSO, where GSO was strengthened by moving authority of provincial and district statistics offices from local authorities to GSO at central level;
- a statistical law passed in June 2003, which gave GSO an important role in coordinating and overseeing the national statistical system;
- a government decree, which in September 2003 gave GSO a more streamlined organization;
- resources for GSO, where staff has increased despite several reductions in the number of government employees in the project period, and government funding for major surveys like the Vietnam Living Standard Survey (VLSS) that initially were donor funded.

In addition to this there is a growing demand for good statistics from society at large, especially from the business sector, including from foreign investors.

Statistics produced by the GSO are in relevance to the needs not only for the Government (monthly Key Indicators report of the GSO accepted as official document of the Cabinet Meeting) but also for other users.

The Cabinet now makes use of various kinds of statistics from GSO: statistical time series as well as fast reports on price changes, or statistics which can shed lights on a serious event like the outbreak of bird flue. The Ministry for Planning and Investment (MPI) stated it is the major user of statistical data from GSO and that its plans are based on these data. All other informants confirmed this general picture. By this the statistics of GSO are being widely used by policy makers and planners.

2. Effectiveness

Effectiveness of the GSO activity could be seen through the fact of 'Timely provision of statistical information of appropriate quality and in cost efficient forms'

2.1 Timeliness

Stakeholders, including users, informed that time lags in the early 1990s were considerable and that GSO is now supplying statistics timely. The key economic statistics are rapidly



available from GSO. By the end of January 2006 key economic indicators for 2005 were already available, though with preliminary data or estimates for December 2005. The following examples can be mentioned: Detailed export and import statistics, foreign direct investment (up to 15/12 2005), foreign visitors, output of main industrial products (definitive statistics). The CPI for December 2005 and a number of other indicators for 2005 compared to 2004 (population growth, cereals production, fishery production, export and import, retail sales of goods and services, investments etc.) was published already 23rd of January 2006.

The use of IT or ICT is an important factor for timeliness of the statistics. The statistics are published on the GSO web-page, which was established in October 2004, which make them readily available to users all over the world as soon as they are published. The establishment of an IT infrastructure down to provincial level has enabled GSO to process survey data rapidly. Where survey questionnaires earlier had to be sent to GSO headquarters for entry, the availability of computers at provincial offices has enabled staff here to enter and clean survey data (and make call backs when needed) soon after it has been collected and forward it electronically to the headquarters.

2.2 Quality and Improved Methodologies

The quality of the statistics has also been considerably improved. This was the unanimous conclusion of the users. Earlier some of the users had used statistics not produced by GSO, notably alternative GDP growth rates calculated by IMF. This situation has changed; now users have much more confidence in the GSO statistics and IMF does no longer calculate an alternative GDP growth rate.

The price indexes have been updated and established. The Consumer price index (CPI) has been redesigned; earlier weights from retail sales were applied; now weights from proper expenditure surveys are used. In addition to this a producer price index has been established (PPI). Indexes for prices on construction and for services are also being developed.

GSO now uses international classification based on common used UN nomenclature as for example ISIC and COICOP, which make comparison with other countries possible.

A Business Register has been developed, and the register today contains more than 100.000 units/enterprises and 1.500.000 households businesses. Although improvement are needed for effective updating procedures this is indeed an important achievement and a prerequisite for creating a valid frame for the economic surveys that include the multitude of new small enterprises. This is an important step for monitoring the economic development in Vietnam.

GSO has developed its capacity to conduct sample surveys. Not only at headquarter as well as at provincial level, GSO is skilled in survey design, sampling techniques, collection of survey data and analysis.

2.3 Dissemination



A new way of disseminating statistics is to make raw data from various surveys available to advanced users like researchers. Presentation of a table with aggregated numbers was earlier seen as the end result. Now it has been realized that raw data are much more useful to professional users. However, GSO still needs to formulate a systematic policy for providing access to raw data.

2.4 IT Infrastructure

GSO has like many other Central Bureaus of Statistics been through the development from punch card – mainframe – to a network of PC's connected with servers.

Today the GSO is well equipped with IT hard- and software and a staff that is fully prepared for the challenges that the future will bring.

2.5 GSO as a Modern Statistical Institution

With the new Statistical Law these problems have been solved and GSO can be described as a 'modern statistical institution' in line with the UN Statistical Commission's Fundamental Principles of Official Statistics :

1. serving the Government, the economy and the public
2. decide according to strictly professional considerations
3. scientific standards
4. comments on misuse of statistics
5. data from surveys and administrative records
6. individual data to be strictly confidential
7. statistics law are to be made public
8. coordination among statistical agencies
9. international concepts, classification and methods
10. bilateral and multilateral cooperation

GSO in juridical as well as in practical terms is in line with these principles.

According to the Statistics Law article 11 and article 18 it is the Prime Minister that decides on long-term and annual national statistical survey schemes and issues regulations on basic statistical reports . In many countries there is no such close relation between Government and the Central Bureau of Statistics. The Central Bureau of Statistics is a (semi)autonomous body led by an independent Board appointed by a responsible minister. Typically the Board will have members from important stakeholders – producers as well as users of statistics. It is the Government or Parliament that makes the appropriation, but it is up to the Board alone to adopt a work plan for activities/surveys. If for example a Ministry wants the Central Bureau of Statistics to carry out other activities it must provide the necessary funds.

A construction with a Board for the Central Bureau of Statistics has the advantages that the resources might be used more effectively. This construction might be considered when a new statistical law is to be made sometime in the future.



3. Impact

The development objective is implicitly defined as better management of the economy and better economic policy making. The improved statistical information produced by GSO is in other words expected to contribute to more informed (or better) decisions from policy makers (as well as from other stakeholders).

The second question is more difficult to answer. The relationship between information and political decisions is not simple. Political decisions are made on the basis of basic values, ideologies and balances of power. Therefore better statistics may not change policies - even statistical information indicating that a policy has failed may not lead to a change. However, there are many strong indications of more informed decisions based on statistical data by policy makers and planners.

The economic management decisions of the Government are based on a close monitoring of key economic indicators produced by GSO like the rate of inflation, growth of GDP, and the trade balance etc. Adjustments are continuously made (by changing the national banks interest rate, by adjusting government spending etc.).

MPI also stated that plans are monitored through monthly data from GSO and that corrective action is taken on this basis.

The VLSS has according to UNDP been used to design a huge programme aimed at reducing poverty levels. The VLSS has shown clearly that poverty is severe among ethnic minorities, and the Government has therefore prepared a targeted programme for ethnic minorities of USD 3.7 billion over the next five years. Based on the poverty profiles a number of provinces have also made programmes aimed at reducing poverty.

There are in other words strong indications that improved statistics reach policy makers and planners, and that they base policies, plans and programmes on these statistics.

2.4 Efficiency

Based on a detailed analysis of costs it is more difficult to establish how far the same results could have been achieved at a lower cost. But the procedure for decision making on the use of limited budget has also been an important mechanism for improving efficiency

4.5 Sustainability

The GSO has achieved sustainable results within the field of capacity building. GSO has in other words learned methodologies for improved production of statistics and GSO is now able to use these methods for producing better statistics.

GSO now fulfils the role that the Government wants it to play to a larger degree than ten years ago; and this has increased government's willingness to provide resources to GSO.

The IT infrastructure might appear less sustainable as the equipment and the systems will quickly be outdated. The useful life of a computer is only 5-6 years, but the most important



point is that even when the computer that was given to us does not function any more, we are left with knowledge’.

FUTURE REFORMS

1. Develop a service-oriented organisation

GSO has the ambition to adapt an overall more service-oriented role. If an organisation is challenged with new tasks and new responsibilities, some times new leaders who have more experience regarding the new situation, are recruited. A more common way to handle such situations is to reorganise, to introduce a new management style and to acquire new management skills or rather a mix of all these three alternatives. The latter approach is to be preferred, and necessary, if the changes, as in this case, will affect almost the whole organisation. Needed management skills differ over time and depend on the maturity and ambitions of an organisation. Appropriate management skills are needed in areas such as: strategy management, change management, human resources management, quality management, modernization management process, motivation, etc. It should also be kept in mind that management styles differ considerably from country to country – as being part of the culture.

The GSO has through the new Statistical Law been given more power and responsibilities, among other things, to have a supervisory role in respect to other public statistics producers in Vietnam. The way to handle this task is usually to set up a so-called clearing house.

The process of changing into a service-oriented role is manifold:

- Reaching an understanding on the meaning of a service oriented role
- Considering a reorganisation
- Raising an awareness what a new role means to you as an employee at GSO
- Assessing the attitude to new demands within the organisation
- Identifying the order in which the changes will take place (make priorities)
- Identifying training needs and training schemes
- Identifying the most suitable management style for GSO
- Establishing of a clearing house

2. Staff development and training

GSO has already established in-house training activities, which have been used in different undertakings during the last years. However, there is still a need to further develop the schemes and the areas of training in order i.e. to fill gaps of knowledge, e.g. more advanced sampling skills, survey and questionnaire design, etc.

But there are also needs to launch more general training programmes for different staff categories. To achieve this there might be a need to more precisely classify the staff into different categories and also to look into some principles regarding the manning of the units



within GSO. The training of managers described in 6.2.1 could be seen as an example on category driven training.

Another useful approach regarding staff development is to introduce job rotation, i.e. a staff member should not be allowed to stay longer than a specific number of years on a post after which she/he will take up a new post in another department. If possible this rotation should also encourage rotation in/out from development and operations, respectively. – It should be noted that if staff is “linked too hard” to a specific category or class this might create obstacles for a successful job rotation.

All the above described actions should of course encompass the province and district offices to a suitable extent

- Identification and classification of different staff categories
- Identification of necessary skills for each category
- Identification of special areas for expert training
- Development of training program for categories
- Develop a prioritising plan for the training activities

3. Implementation of User Groups

Modern statistical agencies are more and more inclined to have frequent contacts with their main users regarding the contents, frequency, possible data sources, dissemination etc for the statistics produced. There are different approaches to establish and maintain these contacts. Some groups convey meetings on a regular basis, whereas others meet when it is deemed necessary. The roles of the user groups can also differ; some might have rather far reaching mandates, while most of them have more limited roles. However, it is to be preferred not have too large groups but rather small, but definitely representative groups. The GSO itself must be responsible for the general public's needs of statistics.

It could also be discussed in this context whether GSO should offer some basic training in the understanding and interpretation of statistics to the users, “user education”. If this will take place, it will probably be provided through different workshops with an element of training.

At GSO such user contacts have already started to be taken but they need to be further developed. GSO must take decisions regarding which types of user groups they will use and also identify which statistical areas they need to cover. There is also a need to launch different types of user surveys, but also to provide user education. The user groups should also be involved in taking a decision on the introduction of commissioned statistics.

4. Introduce a streamlined production process

The main components in a statistics production process are basically the same for all statistical surveys from the establishing of a sampling frame or identification of a suitable administrative register, to the dissemination of results. But the steps in the process,



especially in the in house part, can be more or less integrated. At GSO the processes are rather well established with databases for different purposes and the steps clearly identified etc. But there are still needs to establish a more generally accepted way of producing statistics which will be utilised of all the different subject matter areas.

Of course the usual statistics quality declarations such as accuracy, relevance and timeliness are taken care of. But the data should also meet the needs of accessibility, comparability and coherence in order to make it possible and facilitate comparison over time and between different surveys.

Another dimension is to build “quality stations” in the production system giving indications on whether the process is running smoothly or not.

Of course these new approaches will be embedded in over all production plans in order to ensure a timely production of results. A price policy regarding special statistics and access to certain databases should be introduced.

In the second part of the in-house process, after an input database with edited data has been created, the processes for different areas are very similar. From the input database onwards a general production process should be adopted by all producers. General rules for the intermediate and output databases should be adopted. Regulations must be set up on how the final data should be organised and accessed. All statistical products should deliver their results into a common dissemination database. This database should then be used as a means for production of publications as well as for production of CD or being made available on the website, depending on the ambition. Rules must be set up regarding the order in which the results should be made available through different media. A pricing policy should be introduced for production of special statistics and for access to special databases.

5. Develop the use and analysis of integrated statistics

A modern society has many advanced and complicated processes going on which need monitoring and evaluation by the statistical agency. The monitoring of the CPRGS programme as well of the development regarding democracy and related areas in Vietnam are examples on needs for advanced analysis. There are also other areas, which need more advanced analysis tools and the number of such areas will surely increase over time. Hence, the ability to analyse data across subject matter borderlines is essential for a modern statistical agency. - This ability can also be said to be a precondition for the introduction of statistics on commission.

- Identifying, together with major stakeholders, maybe in the user groups, areas where advanced analysis is in demand
- Identifying necessary indicators
- Finding out if separate data collection – if possible - is necessary or if existing data could be reused
- Developing databases and principles which facilitates access to data for advanced analysis; making use of data warehouse technique



6. Extending the use of administrative registers

Data from administrative registers are widely used as input to the statistical process as a cheaper alternative to special data collection. Depending on the preconditions in the society the possibilities to make use of a register approach differs very much. In very few countries there is a unique identifier for individuals, except for the Scandinavian countries, where this identifier is used in all public administration registers. More often identifiers for e.g. enterprises are to be found. If there are many registers, which make use of these identifiers the better are the possibilities for a statistical agency to diminish the direct data collection. If the society itself does not make use of administrative registers, then the statistical agency might form coalitions with other authorities to establish necessary registers to the benefit of the parties involved and also for the general public through a diminished response burden.

CONCLUSION

GSO has experienced an impressively positive development during the past decade. However, problems or challenges remain:

The first, Methodological and Structural Challenges.

Establishment of administrative registers that also serve statistical purposes is a major challenge. The main problem is structural: namely to institute cooperation between line ministries and GSO. In the field of business statistics the challenge is to establish a well functioning single business register that serves the tax authorities as well as GSO. In the field of trade statistics the challenge is to establish a register that serves the customs authorities as well as GSO.

The development of the Vietnamese society makes it necessary to develop statistics on new subject matter areas like services, energy and environment.

Sample survey methodology is a relatively new to GSO and skills in this area could still be improved.

In most countries statistical data are collected from administrative sources as well as from surveys. In the Scandinavian countries the major source of statistical data are administrative records or registers, only few surveys are conducted. Vietnam might develop in the same direction if administrative registers are systematically developed.

For many years Vietnam has developed a reporting system. The quality of the data has been questioned – among other things because the statistics have been influenced by what should have been achieved and does not reflect what really was achieved. However, the reporting system is extremely useful because it (unlike sample surveys) provides detailed information on local areas.



The main cost of the reporting system is the *response burden* to communes and the enterprises. This response burden could be reduced considerably by less frequent reporting. Monthly reporting made sense in a centrally planned economy, when authorities could intervene in enterprises. In a market economy, frequent reporting makes less sense. In many cases biannual or annual reporting would be sufficient. In addition to diminishing the response burden less frequent reporting would also allow DSB, PSO and GSO to improve the data quality.

And the last, Management challenge

GSO faces the challenge of a more general reform of the organization as part of the Public Administrative Reform process driven by the Ministry of Home Affairs. As an outcome of this process GSO could become a service organization more detached from government. This might be combined with introduction of newer management tools within the organization.

Within the past decade new management tools have been developed to make organizations focus on their core functions. The key areas would be improved management skills (strategy management, change management, human resources management, quality management, modernization management process, motivation).