

Business & Finance VIII



DCS to be replaced by Census Bureau - DG

by Gamini Warushamana

D.C.A. Gunawardena was appointed Director General of the Department of Census and Statistics (DCS) recently. Gunawardena was the Director of the Prices and Wages division of the department prior to his new appointment.

Q. How do you see the importance of accurate statistics in the management of the complex economy?

A. The demand for socio-economic data is increasing and there is a demand especially for more micro level data. The DCS conducts census and regular sample surveys at national level and provides data at national, provincial and district levels.

We have taken steps to give data at Divisional Secretariat level and GN division level in recent years. Accurate statistics is essential for policy-making in an economy. I think the role of DCS has changed from providing a set of regular statistics based on specific surveys and census. In addition to basic information, we have to provide statistics that are in demand.

We should focus on what is happening in the economy, what changes are taking place in society and the statistics that are in demand. For instance micro level poverty statistics are needed to address real issues such as poverty, inequality in income distribution and distribution of subsidies.

There is an increasing demand for qualitative data as well.

Q. Are you satisfied with what the DCS is doing today in this regard?

A. At present, the DCS provides all the socio economic statistics needed by

the country and we are satisfied with the accuracy and timeliness of the data we supply.

We have qualified and experienced staff and a network of data collection which goes up to GN division level.

However, as I said earlier, I think we have a greater role in today's socio-economic environment and the demand for statistics has significantly changed and we need to adjust to cater to the changing demand.

We have realised this and have made our own initiatives. For instance, identifying the structural change in the Sri Lankan economy, we have planned to replace the annual Industrial Census with an Economic Census from this year, widening the scope of economic data collected. Under the Economic Census, we collect the most important statistics of Small and Medium Enterprises (SMEs) as well.

Today in Sri Lanka there is no definition of SMEs.

We provide inflation figures on the last working day of each month efficiently compared to many countries, provide poverty statistics at divisional secretariat level on a monthly basis, unemployment and national accounts data on a quarterly basis.

We can provide census data at macro level and we have already published data on housing conditions. Earlier the Household Income and Expenditure Survey was conducted once in every five years and now we conduct it every three years.

This survey gives important information about the socio-economic changes taking place in the country such as changes in the consumption pattern, lifestyle and changes in goods and services people consume. These surveys are not designed in isolation and we discuss with stakeholders and keenly watch the socio-economic changes. We are satisfied with what we do under the conditions we work in.

No international agency has challenged the accuracy and credibility of our statistics so far, as we follow UN and ILO standards, comply with international criteria and maintain professionalism and transparency in our work. For instance, recently, the IMF has raised concerns over the quality of the official data of the Consumer Price Index for Greater Buenos Aires (CPI-GBA) and the National Accounts data released by the Argentinian government. We have never faced such a situation.

But considering the country's demands today we have much more to do.

Q. In what areas do you think improvement is needed with the changing socio-economic environment?

A. The quality of the data depends on the quality of the staff employed in the collection, processing and analysing the data. Although we have qualified and experienced staff we need further training and development of our human resources.



D C A Gunawardena

Obtaining data is becoming a difficult task, due to lack of cooperation from the public and as a result the cost of data collection is increasing.

Under these circumstances, the present traditional department structure of the DCS has become a stumbling block. Already there is a dialogue to create Census and Statistical Bureau and the Treasury Secretary Dr. P.B. Jayasundera on several occasions stressed the need for restructuring. My opinion too is for a Census and Statistical Bureau with more freedom and flexibility rather than a government department which is ideal to overcome these issues.

In many countries there are Census Bureaus.

The new structure should facilitate the enrolment of highly qualified people at reasonably high salaries, increase the salaries of the staff based on qualifications and efficiently. Today in data collection we can pay a maximum of Rs.400 per day to an enumerator. Payments approved for supervisors of the main national surveys are low. Even salaries of statisticians and other tech-

nical staff are low compared to countries such as India.

Q. There are allegations that you provide 'cooked-up' data, especially economic data on inflation and unemployment. Are these statistics accurate?

A. None of the international agencies has challenged the accuracy and credibility of our statistics so far, as we follow UN and ILO standards, comply with international criteria and maintain professionalism and transparency in all our work.

For instance, recently, the IMF raised concerns over the quality of the official data of the Consumer Price Index for Greater Buenos Aires (CPI-GBA) and the National Accounts data released by the Argentinian government.

We have never faced such a situation in our history. On the other hand, there are other agencies such as the IMF, the World Bank, ADB, UN agencies and several other rating agencies and many stakeholders are keen on these figures. Therefore, the DCS or the Central Bank cannot manipulate statistics and we do not have such pressure.

My opinion is that these criticisms are politically motivated and there is no basis for it.

They invariably challenge our inflation figures and if you carefully read their arguments you can understand that they do not have an understanding about inflation.

We compute the official price index, the Colombo Consumer Price Index (CCPI) and it measures the movements of prices of goods and services.

Prices have different weights in the CCPI calculation and therefore impacts of a price increase of an item on the index differs according to weight. There are highly technical aspects in these statistics and,

therefore, one should be careful in interpretation. Some of the criticisms are on changing the base year. According to international standards the base year of a consumer price index should be changed every five years. Because consumption patterns change, new items come in and weights of the items change over time.

However, in Sri Lanka we failed to change the CCPI introduced in 1952 until 2011 due to political reasons. During this period the DCS attempted six times to introduce a more realistic CPI that reflected new consumption patterns, but all indices introduced were not accepted and the official price index CCPI remained unchanged from 1952.

In 2011, the CCPI computed figures based on the 2008 household income and expenditure survey data was accepted as the new official price index and this is also criticised as a manipulation of inflation figures. This is an introduction of a realistic official price index.

Q. The 2011 census was held behind schedule, how long will it take to release the complete report?

A. We planned the census in 2010 and all technical aspects other than printing and scanning were ready in time. Printing and scanning had to be outsourced because we did not have the capacity.

These arrangements were made to computerise the data entry process and if it was manually done it would take long time.

The problem arose at the printing stage and the questionnaires were not received in time and we had to delay the census. Again there is a delay in the scanning process.

We have already issued two summary reports on demographic data and it will take about another nine months to release the full report of the census.