

**Addressing the discrepancies between national and international data:
A strategy to improve the statistical credibility of the HDR**
[DRAFT]

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Summary

This paper addresses the issue of data discrepancies between national and international series and its implications for statistical credibility of the HDR. It considers key factors relating to both the data production and dissemination processes, and the HDRO's unique role/position in each. It argues that, building upon the political incentives of governments, the increasing demand for better data for policy making, and the role of UNDP Country Offices, the HDRO can contribute to the reduction of data discrepancies and improve its own statistical credibility. To achieve these objectives, the HDRO should focus on (1) developing systematic procedures to facilitate the coordination between national and international data agencies, and (2) enhancing the understanding of users of the Report through an educational campaign. The paper outlines a number of specific proposals for further discussion.

Data discrepancy, HDR credibility, and the need for a new strategy

Indicator tables in the *Human Development Report* (HDR), led by the human development index (HDI), are widely regarded as a useful source of human development statistics. They are systematic, comprehensive and easily accessible for public policy discussions and academic research. To facilitate cross-country comparisons, these indicators are drawn from the leading international data series – the best that are available when the Report is produced each year.

Discrepancies between national and international estimates for some of the indicators constantly pose questions, however, on the accuracy and reliability of data presented in the HDR, and cast doubt on the Report's overall statistical credibility. Such discrepancies are often brought to light through government complaints around the launch of the Report to the Human Development Report Office (HDRO) or UNDP Country Offices: sometimes the data gap in an international data series is contested and a national estimate is claimed to be available; but more frequently, the accuracy of the international estimate is questioned and a different national estimate is proposed.

While most of the data discrepancy issues have been raised, understandably, in the context of the HDI, increasing attention is given to other basic indicators. Two factors have contributed to this trend: (1) the HDR has been more frequently used as an alternative source of statistics for country level analyses and monitoring;¹ and (2) the new level of global and national commitment to monitoring development goals and targets (e.g., through the NHDRs and the MDG country reports) demands greater consistency between national and international data (such as those disseminated by the HDR).

¹ According to a recent report on the Interagency and Expert Meeting on the MDG indicators (UNSD and UNDP 2003), some countries found the data published in the HDR useful for compiling MDG indicators when data from the original sources are not readily accessible.

The HDRO has found itself, more frequently than before, in a difficult situation of having its credibility challenged, and having to explain the inconsistency between national data and the international data provided by other international agencies. It works increasingly between international data agencies and national governments, seeking clarifications, providing technical explanations and facilitating communications and coordination between the two.

Fortunately, many of these cases in fact have turned to be constructive for improving data quality and understanding. There are cases where weaknesses in international series were discovered and corrected (e.g., gross enrolment ratio for Jordan and Armenia, and adult literacy rate for Belize); and cases where governments (as users of the HDR) were linked directly to the international agencies and its own data producers, and helped improve the data availability/transfer to international agencies (e.g., education indicators for Russia).

However, the data discrepancy issue remains extensive, beyond the HDI and the HDR, and its increased implications for the HDR's statistical credibility demand a more systematic approach. How should the HDRO position itself to be more visibly seen "as part of the solution" not just "part of the problem," and enhance its own statistical credibility?

Strategic targets

Why do data discrepancies exist? And why do they affect the HDR's credibility more than others? Answers to these questions help us identify the HDRO's strategic targets.

1. Strategic target: Promoting coordination among producers

Some of the differences between national and international data are inevitable – they can be a result of the very process of international harmonization, in which national data, inconsistent with the international standards and definitions or of poor quality for other reasons, need to be adjusted. Where data for a country are missing, international agencies may also produce an estimate if other information can be used. In some cases, the international indicator (such as GDP per capita in PPP US\$) is produced mainly for international comparisons and is not directly comparable to other related national statistics.

Other data discrepancies exist because of the difficulties in the coordination between national statistical systems and international agencies: the most recent national data may not be made available in time for international agencies to incorporate in its updated data series. In some rare cases, international estimates may be affected by other factors (such as errors).

It is surprising how little is known about the international data production process by the public, including national governments, or even the national statistical experts. Key challenges facing data producers include: (1) international agencies need to clearly document estimation/standardization methodologies and procedures, and make them easily accessible to/understandable by the public; (2) national statistical systems need to increasingly and continually adopt internationally agreed standards and definitions; and (3) national and international statistical agencies need to coordinate more effectively.²

² Most international data agencies recognize the significant implications of data discrepancy and seek to reduce the problem through improved work programmes, such as regional workshops (e.g., UNESCO Institute for Statistics) to improve data collection from countries, and through country consultations (e.g., WHO and UNESCO Institute for Statistics) to ensure data consistency.

Role for HDRO? As primarily a data user (rather than producer), the HDRO's direct role in these three areas is limited. But given the Report's political influence (and the impact of the HDI), HDRO could and should actively advocate for the transparency and accessibility of international agencies' methodology and procedures, and the development and adoption of international standards and methodologies by countries. The HDRO can also help promote the coordination between national and international data producers, not only through advocacy but also by expanding its direct engagement, or make it more systematic, in the communication process between the two.

2. Strategic target: Promoting understanding of users

Discrepancies between national and international data may affect any global assessments of human development across countries, and weaken the policy dialogues with national governments. But due to its high profile and the political sensitivity and impact of the HDI, the HDR has been subject to serious scrutiny by governments and other users. This is normally a fair and healthy process that helps ensure that the HDR is based on the best information available and improved continually.

However, feedback from users of the HDR often indicates that many people have long-held misconceptions about the statistical principles and content of the Report.³ For example,

- Many users do not recognize that the HDR is a user, not a producer (except in the case of HDI and other composite indices), of the secondary statistics presented in the Report, hence place the direct blame for data problems on the HDRO;
- They do not realize that, to ensure minimum comparability across countries and for practical reasons, the HDR must rely on international data series produced by international agencies/organizations. Too often, when a discrepancy is uncovered, governments or UNDP Country Offices immediately request that the HDRO collect and compile data directly from national sources;
- Others fail to acknowledge that some differences are inevitable - national data may not conform to international standards and definitions or may be of poor quality and need to be adjusted; or that there is usually a time-lag (uneven across indicators) between national and international data availability; and
- Some governments do not seem to be fully informed of the regular procedures for incorporating national data into international series – a clear indication of the lack of coordination between national and international statistical agencies, as well as lack of coordination within a country's statistical system.⁴

Challenges to HDRO. How to more effectively inform and educate its users about the HDR's statistical principles, the international data systems/processes and the usefulness/limitations of data presented in the Report, remains a big challenge to the HDRO, and should be central in the

³ See the recent HDR Measurement Network discussions on dissemination of the HDI (HDRO/UNDP 2003).

⁴ For example, the Government of Qatar reviewed the statistical indicator tables in HDR2001, and subsequently published a booklet, which includes all the HDR indicators and national data wherever available. They then transmitted the publication to HDRO through the UNDP Country Office and requested that the national data be included in the Report.

strategic targets. Better informed users, especially the governments, can, in turn, directly influence data production and help improve the data.

Action plan

To achieve the identified strategic targets, we propose an action plan that combines an organized educational campaign and the establishment of formal, practical procedures. Key elements of the plan include:

Principle:

To maintain its statistical rigour and standards, the HDR must continue to rely on international data series for global comparison. Except in rare cases concerning data for the HDI, the Office will not directly collect data from countries. The Office can, however, facilitate the communication between national and international data producers, and in turn, help improve the international data series used in the HDR.

Partners:

The data producers and data users that the HDRO should aim to work with and/or influence are easy to recognize – the main data producers include relevant international data agencies and national statistical agencies, including national statistical offices and line ministries. The key data users are country governments, media, and researchers.

UNDP Country Offices, on the other hand, are unique institutional instruments/ mechanisms available to HDRO: they are not only users of the HDR, but partners in outreach/ dissemination of the Report; they are also the institutional link between the HDRO and country governments – through direct policy dialogues with governments and various work programmes, including statistical capacity building initiatives, the Country Offices are in a better position to communicate to/from the governments and encourage them to collaborate more effectively with international data agencies. The HDRO has worked successfully with some Country Offices in the past. It should now recognize formally the direct role of Countries Offices and establish a stronger working relationship with them.

Work plans/programmes:

1. For strategic target one – facilitating communication and coordination between national and international data producers, the HDRO could consider the following:

- Continue to raise the issue at international/regional meetings and informally through discussions with partners, and advocate for greater transparency and accessibility of international agencies' estimation methodology and procedures. We need to seek more visible and effective ways to do so.
- Through UNDP Country Offices, identify the problematic data areas that governments have concerns with, communicate the issues to the respective international data agencies, and help follow through the process to ensure the data problems are clarified or resolved.

In the past, HDRO was largely on the “receiving” end, passively “waiting” for complaints to arrive and then dealing with them on an ad hoc basis. Perhaps some of the potential problems can be actively pursued and preempted.

Recognizing that the launch of the Report is when attention to the Report (and its data) is at its peak, the HDRO could, around the time, actively seek

feedback on data for selected indicators from the governments through Country Offices. Any issues raised can then be dealt with over the year before the next Report is produced. In this process, the Country Office could encourage the governments to coordinate with the respective national and international agencies if necessary.

The Office should also seek more close collaboration with UNDP-BDP over the MDG country reports – identify countries or data areas where data discrepancy poses the greatest problem.

- Establish formal procedures with key international data agencies so as to effectively deal with specific data problems raised.

HDRO is currently working with the UNESCO Institute for Statistics to formalize a set of procedures. These procedures, if followed, will ensure that agencies are informed of any relevant data issues in time, responsible to follow up with proper technical advice/clarifications to HDRO, seek further assistance from HDRO/UNDP Country Offices in dealing with country governments/national data producers. (This process is aimed to complement, not interfere with, the existing data collection procedures/processes within each agency.) We hope to replicate these collaboration procedures with other international data agencies.

HDRO and UNESCO are also considering producing a joint paper for submission to the CCSA and UNSC to document best practices in collaborations in this area and to seek advice and direction from the Commission.

2. For strategic target two – promoting better understanding of the users, HDRO could consider the following:

- Improve its data dissemination/information outreach strategy – initiate educational campaign around launch of the Report by producing more targeted pre-launch briefing materials, both for use by the Country Offices and in the media. These materials should include clear and concise information on the statistical principles and international data processes; and encourage users to provide feedback on data problems and stress their role in helping improve the quality of data.
- Conduct workshops with Country Offices to ensure that the staff members, who are in the front line dealing with the media and governments on HDR-related issues, are well informed and ready to respond to data complaints constructively and consistently.

The need for country office training was recently emphasized/requested again by some offices during the HDR measurement sub-network discussion on HDI dissemination (HDRO-UNDP, 2003). Such trainings, well designed, can especially help prepare the Country Offices to turn government pressures and demands into political incentives for better coordination with international data agencies.⁵

The Office should also consider collaborating with UNDP-BDP on the MDGR regional workshops and take the opportunity to address the data discrepancy issues.

⁵ Please refer, for example, to the Zambia case described in the Annex.

- Keep the country governments informed by more effectively working through the Executive Board and UN Mission representatives in New York.

Thematic consultation with the EB on statistical issues of the Report has been well received. The Office should seek feedback from the EB and consider ways to increase the impact of such consultations. Past experiences suggest that representatives at the Missions are another existing channel through which the HDRO can inform/reach the governments on data issues. The Office may consider a targeted approach (beyond briefing the EB) to make better use of this option.

- Develop more structured and user-friendly HDRO statistics website, and link it with key data agencies and UNDP Country offices.

Too often we realize that the information on statistical principles and other production processes of the HDR is lost in the Report or on the HDRO website. To better reach the users, we need to drastically improve the HDRO statistics website. In addition to a user-friendly database and basic information on the statistical principles and processes, the Office should also consider developing visible web-links that contain the contact information for key international data agencies and their technical documentations about the indicators presented in the HDR. The website could also feature on-going debates on measurement issues, and provide focused discussions on specific data issues related to the current Report.

- Participate actively in network discussions and contribute journal/web-based articles to increase awareness and understanding.

Top priorities for next year

The office may focus on the following priority tasks over the next year:

- Improve HDRO statistics website;
- Provide pre-launch materials;
- Advise country offices of any significant changes in data and explain why;
- Propose that the discrepancy issue to be included in relevant statistical meetings such as the UN Inter-Agency meetings, the UN Statistical Commission meeting, and the regional statistical meetings;
- Conduct one or two regional workshops for country offices – target region: Africa and Arab states;
- Develop collaboration procedures with agencies and pursue the joint UNSC paper with UNESCO Institute for Statistics.

Finally, the resource requirement for the key activities should be assessed, and the need/possible channel for fund-raising considered.

References

UNSD (United Nations Statistics Division) and UNDP (United Nations Development Programme). 2003. *Inter-agency and Expert Meeting on MDG Indicators, Geneva, 10-13 November 2003*, Report of the meeting. November.

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