



## **Budgets for Statistical Activities in the PSS: Are They Enough? <sup>2</sup>**

### *Statistical activities*

Statistical activities undertaken in the Philippine Statistical System (PSS) are those carried out by the various agencies in the government. These statistical activities may be in the form of statistical policy-making and planning, implementation of statistical programs and mechanisms, estimation of national accounts, conduct of censuses, surveys, and generation of administrative-based data, and research and training on statistics, among others. In fact, a large number of government agencies and units carry out various statistical activities either as part of their mandate or as a result of their regulatory and/or monitoring functions.

There are several phases to undergo for a complete cycle of a statistical activity, particularly a survey or a census. These phases include the preparatory activities, such as the formulation of objectives of the survey or census and the development of questionnaire and sampling design; the actual conduct of the survey or census which also includes data validation; data processing and analysis; and dissemination of results. Preparations take at least one year before the actual conduct and another year to complete the cycle. In the case of a census, the duration of the cycle is longer considering that a census is a take-all enumeration.

### *How much budget does the government allocate for statistical activities?*

The Philippine government, through its annual budget appropriations, largely funds the regular statistical activities in the Philippine Statistical System (PSS). Some agencies, particularly major statistical agencies, tap the assistance of foreign funding institutions in order to finance the implementation of a number of necessary statistical development projects and activities. To a certain extent, and subject to the provisions of the DBM, some statistical agencies, such as the NSCB and NSO, may use part of the income generated from their operations to finance their activities. However, the amount is still not enough to augment the budget requirements of the agencies.

Table 1 shows the unhealthy trend in the allocation of budgets for major statistical agencies from 1991 to 2005. In that span of 15 years, less than one percent of the total NGA budget was allocated for statistics. More disturbingly, allocation has gone down to its lowest level of 0.32 percent since 1991. In fact, from 2001-2005, there was a steady decline in the total

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budget allocation for the PSS, except in 2003 when there was an additional budget granted for the conduct of the Census of Agriculture.

**Table 1. Government Budget Allocations in the PSS ('000 Pesos), 1991-2005**

AGENCY	NSCB	NSO	SRTC	BAS (DA)	BLES (DOLE)	Total PSS Budget (Major Stat Agencies only)	Annual Increment (%)	Percentage of Statistical Budget to Total NGA Budget
1991	34,195	286,339	3,551	59,509	5,506	389,100		0.43
1992	36,635	501,984	4,205	75,689	8,483	626,996	37.94	0.52
1993	27,067	296,919	3,999	78,038	8,009	414,032	(51.44)	0.33
1994	31,763	302,321	5,552	97,166	17,966	454,768	8.96	0.32
1995	35,994	637,826	6,387	105,604	18,378	804,189	43.45	0.58
1996	40,576	539,537	7,777	125,357	18,957	732,204	(9.83)	0.39
1997	45,224	514,163	6,648	144,873	19,400	730,308	(0.26)	0.32
1998	114,482	666,194	13,193	195,877	24,339	1,014,085	27.98	0.34
1999	114,899	744,479	8,766	209,543	20,546	1,098,233	7.66	0.39
2000	97,441	1,531,357	9,793	206,032	24,676	1,869,299	41.25	0.63
2001	83,596	1,043,240	11,283	227,036	20,045	1,385,200	(34.95)	0.42
2002	79,472	892,917	9,373	217,661	19,722	1,219,145	(13.62)	0.37
2003	73,681	1,202,572	9,204	219,846	20,742	1,526,045	20.11	0.49
2004	71,823	823,227	9,909	218,418	19,968	1,143,345	(33.47)	0.37
2005	71,540	653,318	19,936	221,807	20,463	987,064	(15.83)	0.32

Notes:

1. BAS budget is derived from the budget of the DA-Office of the Secretary.
2. BLES budget is derived from the budget of the DOLE-Office of the Secretary.
3. Total NGA budget pertains to the total budget for National Government Agencies only excluding appropriations for attached government corporations.
4. Appropriations for the years 2001 and 2004 (re-enacted budget) are based only on the NEP. The figures reflected may not necessarily be the actual budget appropriated by the government to the agencies concerned.

Sources of Data

1. General Appropriations Act, 1991-2000; 2002-2003; 2005
2. National Expenditure Program, 2001 and 2004 (re-enacted budgets)

In recent years, the PSS has experienced a number of budgetary cuts resulting in the delay in the conduct of the Census of Agriculture in 2002, which forced the NSO to reschedule it in 2003. This year, the conduct of the Mid-Decade Census of Population suffered the same fate, with its budget totally scrapped. The BAS and BLES likewise experience the same setbacks in the conduct of its surveys forcing both agencies to scale down survey operations. These setbacks however pose more problems for the PSS in the long-run. The scaling down of

operations, including the frequency of conduct, will result in the disruption in the generation of important statistics crucial in development planning.

There is also a very limited amount set-aside for the development of the statistical human resource. Funding for the Statistical Human Resource Development Plan is still minimal thus limiting the conduct of training programs in the PSS.

Government allocations for statistical agencies often do not provide funds for the development of statistics. Developmental activities are most often funded by international organizations through study projects. While this may benefit the country in the short-term, the more important concern of the government should be the long-term benefit and sustainability of such undertakings. All improvements and developments made in the short-term are rendered useless and futile if it cannot be sustained in the future.

### ***The Budget Review Role of the NSCB***

Every year, the Department of Budget and Management (DBM) issues a National Budget Call enjoining all government agencies, units and instrumentalities to submit their respective agency budget proposals for the succeeding year. At the same time, the NSCB, by virtue of its mandate under Executive Order Nos. 121 (1987) and 352 (1996) and through the DBM-NSCB-NEDA Joint Circular No. 01 (1997), issues its annual Planning and Budgeting Thrusts for Statistical Activities as guide to agencies in their statistical budget planning and programming.

The issuance of the annual NSCB Budget Thrusts signals the start of the budget review process for statistical activities, the purpose of which is to rationalize the prioritization and programming of statistical programs, projects and activities related to the development of designated statistics. The system of designated statistics, established through Executive Order 352, issued in 1996, is a mechanism that identifies and generates the *most critical and essential statistics* necessary for social and economic planning, decision-making and analysis of government and private sectors. It is a framework for determining priorities and standards in data production, and a means to balance the allocation of government financial resource among statistical activities.

The NSCB carefully reviews and evaluates all statistical budget proposals submitted by different agencies of the government especially those that concern the generation of designated statistics. Thorough evaluation of budget proposals of major statistical agencies is undertaken so that the critical and most important statistical activities of the PSS may be allocated with the necessary budget. The budget review of the NSCB is a means by which to prioritize funding of statistical activities that would generate critical data and indicators that are included in the system of designated statistics. As may be expected, due to the resource constraints of the government, the recommendations of the NSCB will not necessarily be followed.

### ***Implications of the unavailability/inadequacy of financial resources in the PSS***

The less than 1 percent budget allocation of the government for statistical agencies has various implications on the PSS:

The small budget allocated to statistical agencies is not sufficient to effect long-term development and improvement of the System more specifically in improving methodologies and processes in data generation, processing and dissemination.

The inadequacy of financial resources in the PSS likewise affects the delivery of quality statistical outputs and services. This may mean delays in the release of critical data, non-compliance with the designated frequency of release and disaggregation of data. A larger sample size generally generates more accurate results; however, this will require more resources for the government.

The financial resources available are not enough to support the generation of statistics on emerging concerns of the country as well as in the upgrading of information and communication technology. Moreover, the current budgetary allocations do not give enough room for the PSS to promote statistics as an integral component of national development. This scenario poses a grave threat for the country especially as it vies for global competitiveness.

It is important to understand and appreciate the necessity of investing in statistics because in this “age of information” economic and socio-political decisions are shaped largely by the very information we generate. If we do not have the political will to invest in statistics now how can we compete amidst the inevitable emergence of knowledge-based economies?

Reactions and views are welcome thru email to the author at [mgb.buenaseda@nscb.gov.ph](mailto:mgb.buenaseda@nscb.gov.ph) or to Dr. Virola at [ra.virola@nscb.gov.ph](mailto:ra.virola@nscb.gov.ph).

Reference URL: [http://www.nscb.gov.ph/headlines/StatsSpeak/080805\\_mggb\\_statbudget.asp](http://www.nscb.gov.ph/headlines/StatsSpeak/080805_mggb_statbudget.asp)

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