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CHINA GOVERNANCE PROJECT

THE INSTITUTIONAL ARRANGEMENTS FOR THE PRODUCTION OF STATISTICS

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THE INSTITUTIONAL ARRANGEMENTS FOR THE PRODUCTION OF STATISTICS

Introduction

1. Statistical data in China are compiled by a number of government departments. At the national level these include the National Bureau of Statistics (NBS, guojia tongjiju), the People’s Bank of China (China’s central bank), the Finance Ministry, the State Administration of Foreign Exchange, the Customs General Administration, and dozens of other central government departments. While the People’s Bank of China is responsible for financial sector data including foreign exchange reserves, the Finance Ministry for fiscal sector data, and the State Administration of Foreign Exchange and the Customs General Administration for external sector data, the NBS carries the responsibility for organizing, directing and coordinating the statistical work throughout the country.

2. The NBS compiles real sector data, ranging from national accounts aggregates to price indices and labour market indicators, as well as various socio-demographic data covering such issues as population, health, education, and poverty. In its core publication, the annual Statistical Yearbook, it publishes data that it has collected itself as well as data obtained from other government departments; these include the financial, fiscal, and external sector data from the relevant departments, but also a wide variety of other data such as, for example, data on tourism obtained from the State Tourism Administration (supplemented with NBS survey data) or patent data obtained from the State Intellectual Property Office.

3. In recent years, the quality of Chinese economic statistics, in particular the growth rate of real GDP and other data has been repeatedly questioned by several Chinese and western authors. Alternative guessimates of China’s real GDP growth rates suggest around zero percent growth in 1998 and 1999 (compared to the original official, unrevised real growth rates of 7.8% and 7.2%), and approximately half the original, official unrevised real growth rates of 7.1% and 7.3% in 2000 and 2001. The official real growth rate of 2002 is accepted as correct if not an underestimate.

4. In the late 1990s, the Chinese press carried numerous articles criticising the quality of official statistics. On 23 August 1995, Zhang Sai, then NBS commissioner, in support of the 1996 revisions to the PRC Statistics Law argued that: “recently the phenomenon of false and deceptive reporting has spread in some localities and some units. The danger is large, the impact very negative.” Reports on data falsification
then became standard fare in the monthly NBS journal *Zhongguo tongji* [China Statistics] The Chinese slogan of *jiabao fukuafeng* (“wind of falsification and embellishment”) soon made the round.

5. Questions about data quality inevitably lead to questions about the institutional organisation of China’s statistical authority and the methods of statistical data compilation in China. For example, the quality of locally collected data has a direct impact on the quality of nationwide GDP data in that the NBS makes (typically downward) adjustments to local data in the calculation of nationwide GDP. Thus, the more unreliable locally compiled data, the more difficult to make correct adjustments at the national level. But, as the critics of Chinese official data point out, these adjustments, often lack transparency themselves and may cast doubt on the reliability of NBS data.

6. Holz (2004d) assesses the quality of GDP data at greater depth and concludes that however one may evaluate the allegations of data falsification in certain years, even the critics acknowledge that long-run growth trends are approximately correct. In many cases, the data problems reported are facts which are unlikely to be unique to China; other transition and developing countries experience similar difficulties.\(^6\) The margins of error are inevitably larger than in developed countries, perhaps even uncomfortably large. More information about actual (rather than supposed or desired) data compilation methods would be of much help in evaluating the quality of specific data. Absent such information, the organisational underpinnings of data compilation may provide more perspective on data quality in China.

7. The present document describes therefore the organisational aspects of Chinese statistics and evaluates them in light of the perceived shortcomings in Chinese data identified above. A more extensive version of this assessment can be found in Holz (2004d).

**Main Features of China’s Statistical System**

8. There are two organisational aspects to statistical data compilation. One is the institutional organization of data collection, and the other the methods of data collection. These two are described in the following.

**Institutional organisation of statistical data compilation**

9. The primary institution in charge of the compilation of statistics is the National Bureau of Statistics in cooperation with local statistical bureaus under its professional leadership (in total, the statistical bureaucracy, or statistical *xitong*). A second channel consists of statistical divisions within specific bureaucracies in charge of particular economic or social activities, for example, the Agriculture Ministry together with the local agricultural departments (the agricultural *xitong*).

**Overview of the statistical system**

10. Figure 1 summarises the two different channels by treating all localities, i.e., provinces, municipalities/ prefectures, and county-level entities, as one administrative level rather than three separate ones. The figure distinguishes between three different types of relationships between economic actors, namely administrative leadership (*xingzheng lingdao guanxi*), business (or professional) leadership (*yewu lingdao guanxi*), and business (or professional) guidance (*yewu zhidao guanxi*).  

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6 Price issues in the derivation of real growth series have not been discussed at all. The official GDP deflator is frequently suspected of being too low, leading to an over-estimate of real GDP growth rates. For additional data complications also see Carsten Holz (2004b) and Carsten Holz and Yi-min Lin (2001).
Figure 1 Organisational Chart of Statistical Work

Administrative leadership (xingzheng lingdao)
Business leadership (yewu lingdao)
Business guidance (yewu zhidao)
Data collection from reporting unit

Other central govt. dept.

Internal stat. division

Provincial statistical bureau

Municipal/pref. stat. bureau

County/district statistical bureau

Township statistical office

Village accountant

Statistical reporting units: enterprises and administrative institutions directly under the administration of this govt. dept.

NBS

Internal stat. division

Natl. income accounts

Central survey team HQs rural urban ent.

Natl. income accounts

Prov. survey team HQs rural urban ent.

Survey t. survey t.

Survey t. survey t.

Survey t. survey t.

Survey t. survey t.

Administrative leadership; BUSINESS LEADERSHIP; BUSINESS GUIDANCE; Data collection from reporting unit.

Statistical reporting units: enterprises, administrative units/facilities, individuals
11. The State Council, as the government of China, exerts administrative leadership over (i) central ministries, commissions, and other central government departments, which include the NBS as an organisation directly under the State Council, and (ii) all provincial and provincial-level entities. Administrative leadership means that the State Council issues binding orders, appoints major personnel, and plays a crucial role in budget decisions (in the case of central government departments, it provides all budgetary funding). At the next level of administration, the central ministries, commissions, and government departments (in the following, altogether denoted “other government departments”) exercise administrative leadership over their internal divisions, while the provincial government exercises administrative leadership over their government departments as well as the next lower-level government. As the NBS is directly subordinate to, or part of, the State Council, so local statistical bureaus are directly subordinate to, or part of, local governments.

12. The NBS is linked to local statistical bureaus through its business (or professional) leadership. In all matters related to statistical work, such as the definition of statistical variables, the classification of enterprises, or the standardization of report forms for statistical reporting units, the provincial statistical departments follow NBS rules. The NBS also has some influence on local appointment decisions and provides some funding to local statistical bureaus (further explored below). A similar relationship exists between other central government departments and their provincial counterparts. “Business leadership” typically characterizes the relationship among different tiers within one xitong.7

13. The NBS is far removed from the statistical divisions within other central government departments in that it has virtually no influence on their appointment decisions and funding, but does cooperate on, for example, the design of their report forms. For a variety of data the NBS relies on these statistical divisions within other central government departments, without being able to dictate the types of data to be collected or the precise collection method. Its authority is limited to “guidance.” The same type of relationship is repeated at the lower-level tiers, between the local governments’ statistical departments and the statistical divisions in other local government departments. The relationship between internal statistical divisions at different administrative levels is also limited to business guidance.8

14. The NBS and local statistical departments collect data from statistical reporting units, which comprise enterprises, individuals, and administrative units (xingzheng danwei) or administrative facilities (shiye danwei), with the latter two ranging from government administrative departments to universities and sectoral business associations. Data collection is regulated in the Statistics Law as a compulsory task for statistical reporting units.9 The statistical divisions of other central government departments collect data from the statistical reporting units (for example, enterprises, or banks) under their direct administration.

15. The various xitong typically extend down to the county level. In the case of the statistical xitong, statistical work is further supported at the township level by a township statistics office, often

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7 The implementation instructions to the statistics law (NBS, 2 June 2000, Art. 23) use the term “double leadership” (shuangzhong lingdao) for local statistical bureaus: in all professional matters, the next higher-level statistical bureau exerts the main leadership. (Implicitly, otherwise, the local government exerts the main leadership.)

8 The relationship is “twice” removed from the core administrative leadership relationship between, say, central and provincial government. In a first step, the central, for example, Agriculture Ministry exerts business leadership over the provincial agricultural bureau (of the provincial government). In the second step, the statistical division of the central Agriculture Ministry exerts business guidance over the statistical division of the provincial agricultural bureau.

9 Wang Qi (2000), confusingly, also labels this relationship as “business guidance” relationship. But, contrary to a guidance relationship, in the interaction between statistical xitong and data reporting units all authority rests with the statistical xitong. The statistical reporting units have no choice but must report according to the requirements of the statistical xitong.
consisting of no more than one person (who may only work part-time on statistical issues), and at the village level by the village accountant.

The statistical system in detail

16. Figure 2 omits the State Council/local governments and the non-statistical xitong to focus in more detail on only the institutions involved in data collection. In this figure, all administrative levels are included, as is one representative of the various divisions within a statistical bureau (the national income accounts division). The central as well as local (provincial) survey teams are also included. The business leadership between statistical bureaus at different administrative levels is reproduced from Figure 1. Two special instances are the provincial and the county statistical bureaus in that their business leadership may not only extend to the next-lower tier but also to two tiers below. Thus, for example, a circular on some business matters issued by the provincial statistical bureau could go directly to the county statistical bureau, rather than only to the municipal/prefectural tier.

17. The statistical bureau at each level is fully in charge of its various divisions, such as, for example, the national income accounts division; the relationship consequently is an administrative leadership relationship. A division within the statistical bureau then exerts business guidance over the corresponding division at the next lower-level government tier.

18. Divisions of the statistical bureaus at all levels may collect data from the statistical reporting units, although, in practice, most data collection occurs at the municipal and at the county level (or equivalent district level within municipalities). Traditionally, individual divisions within the statistical bureau at a specific government level would only collect data from statistical reporting units under the jurisdiction of this, or lower-level governments. For example, a provincial-level statistical bureau would not collect data from enterprises located in this particular province but belonging to (being under the administrative leadership of) a central government department, unless the centre had agreed to such an arrangement. This has become more variable in the most recent years with a gradual transition to statistical data compilation based on geographic locality (zaidi) rather than administrative subordination.

19. The two types of survey teams, central and local, are subject to a direct subordination relationship (chuizhi). Central survey teams located at the county or municipal level report directly to the centre’s provincial-level survey team headquarters, which in turn report directly to the centre’s nationwide survey team headquarters (administrative leadership across all tiers). Local governments and local statistical departments supposedly have no influence over central survey teams at any level. A similar arrangement holds for the local (provincial) survey teams with regard to the municipal and county level governments and statistical bureaus. All members of the central survey team xitong are paid directly by the centre, and all appointment authority rests within the central survey team xitong.

20. Central and provincial survey teams tend to coordinate at the provincial level to avoid duplication, and they share information. Thus, for example, the centre’s rural survey teams may collect a certain set of data in the counties they cover, while the province’s rural survey teams do the same or fulfil a similar task in those counties they cover. The centre’s provincial survey team headquarters relies primarily on its own data but usually has access to the local provincial survey team headquarters’ data, and may report both to the NBS. The centre’s provincial survey team headquarters, in turn, may share its findings with the local provincial survey team headquarters and the provincial statistical bureau.

Appointment authority and funding

21. The NBS as a national-level bureau is ranked half a rank below ministries and commissions, which implies that the NBS commissioner is appointed by the State Council (the Prime Minister).
22. At the provincial level, all leading appointments to the statistical bureau are a matter of the provincial Party Committee and government. When appointing the head and deputy-heads of the provincial statistical bureau, suggestions by the NBS need to be taken into consideration. This amounts to a de facto veto right for the NBS. The same pattern is repeated at the municipal and county level; the suggestions of the next higher-level statistical bureau have to be sought before appointing the head and deputy-heads. More recently, the implementation instructions to the Statistics Law (NBS, 2 June 2000, Art. 29) even go a step further in that they stipulate higher-level statistical bureau approval for appointments of all “mid-ranking” and higher statistical “special” and “technical” regular staff, although this may in practice not amount to much more than an advisory role.

23. All appointment authority to central survey team organizations at any administrative level rests with the NBS. But with survey team staff at county and municipal level usually hired locally, the local statistical bureau is officially given an assisting role. In the case of internal statistical divisions of other government departments, all appointment authority rests within that xitong; the statistical xitong may make suggestions but has no veto power.

24. Official funding for statistical work at central to county level comes from three sources: central government budget, local government budgets, and various types of income received for services provided (such as surveys implemented on behalf of paying customers). The third type of income accounts for approximately 4% of total funding; the main sources of funding are central and local government budgets, each providing approximately one half of total funding. These official funds are in all likelihood supplemented by a significant (but unknown) amount of informal funds collected through fees or various money-making undertakings.

25. Central government budgetary funds are intended to finance the operations of the NBS but also to support statistical work at lower-level tiers. In principle, local statistical bureaus receive central funding to cover work-related costs (shiyebianzhi de jingfei), while local funding covers basic administrative costs (xingzheng jingfei), presumably costs such as offices, staff housing, and perhaps some salaries, or a basic salary for all employees. All local purchases of tangible assets are locally funded. Central survey teams are fully centrally funded. Internal statistical divisions of other government departments are funded by those government departments. Special tasks, such as censuses, are jointly funded by centre and province.

26. When the NBS in its current form emerged from the Cultural Revolution in 1976 it had just 7000 staff nationwide; by 1986, that number had risen to 67,360 staff at the county level and above. Today, the total regular staff of the statistical xitong is, depending on the source, approximately

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10 For the provincial level and below, in this and the following two paragraphs, see He Keng and Zheng Jingping (2001), pp. 40, 50.

11 The NBS does not have the authority to regulate on lower-level government matters (such as appointment authority). The fact that the implementation instructions received the formal approval of the State Council provides the necessary authority, but the implementation instructions are unlikely to be taken as seriously by local governments as would have been a State Council circular or a National People’s Congress law.

12 For example, all legal-person production units in China need to register with the statistical bureau—against a fee (NBS, 24 May 2000). This fee may well not appear in the formal budget of the statistical bureaus.

13 See He Keng and Zheng Jingping (2001), p. 50. In Shaanxi Province, 52% of central funding (shiyefei) received was passed on to statistical departments at the “basis” (jiceng), which probably implies county level and below. (Shaanxi Yearbook 2002, p. 337)

14 On a history of Chinese statistics going back two thousand years see Li Huicun and Mo Yueda (1993), with data on the NBS staff size on pp. 377, 399.
Regular staff refers to formal positions determined in government regulations with salaries guaranteed through government budget appropriations. The NBS has 280 regular staff in its administrative divisions. This number includes the commissioner, four deputy-commissioners, 36 division heads and deputy-heads, the chief statistician, chief economist, and chief accountant; it does not include the employees of the central survey teams (who are also regular staff). This number also does not include the staff of the NBS’ administrative facilities, which are not “regular” staff.

**NBS-internal organisation**

27. Apart from the commissioner, the four deputy commissioners, the chief statistician, chief economist, and chief engineer, the NBS officially consists of 15 administrative divisions, 12 administrative facilities, and 3 survey team systems.

28. The 15 administrative divisions comprise five functional departments, such as the national income accounts division, and otherwise general departments, such as a division for policies and legislation. The particular arrangements of divisions and the particular functions of individual divisions undergo minor changes over time. For example, in 1998 the task of collecting data on furloughed labour of state-owned enterprises was transferred from the NBS (presumably from the NBS division in charge of population, social, science and technology statistics) to the Labour and Social Security Ministry.

29. Administrative facilities reflect a fractional outsourcing of formerly NBS tasks. These tasks are not fully outsourced in that there is no competitive bidding by outsiders to fulfil these tasks. But these tasks are also not completely internal to the NBS since the staff are not regarded as regular staff. However, the administrative facilities remain part of the NBS *xitong*, and funding by the NBS for some of them continues, possibly supplemented by cross-funding from administrative facilities.

30. The official organisational chart of the NBS is incomplete. For example, it does not include the “China Market Information Survey Association” (*Zhongguo shichang xinxi diaochaye xiehui*) founded in early 2004 (although a news item on this association is listed on the NBS website). This association is a social organization (*shehui tuanti*) approved by the State Council and registered with the Civil Affairs Ministry. A deputy-commissioner of the NBS is association head and a deputy-head of the NBS statistical information service centre is the association secretary; the NBS commissioner is honorary chairman. Its tasks are to develop survey policies, to set standards for survey work, to supervise survey work, to provide education, and to serve as a bridge to similar institutions and associations in the West. Presumably, membership will be de facto compulsory for all organizations conducting survey work in China, and will come with regular fees. Similar associations will probably appear at the provincial level.

31. The association could fall into a typical pattern in China whereby government departments with excessive staff and short of funding create new organizations outside the official government realm to absorb excessive staff and to serve as (fee-charging) intermediaries between the government department and the public. In the best of circumstances, these intermediaries serve as facilitators,
while in the worst of circumstances, they create a new level of fee-charging non-government institutions with quasi-government powers.

32. Another example of an NBS institution not included in the official organizational chart is the “China State of the Nation Research Society” (Zhongguo guoqing yanjiuhui), another social organization under the NBS. On 30 March 2004 the NBS ordered a temporary halt to all activities of this society and its subordinate institutions due to, as the NBS claimed, poor internal administration and illegal activities by some outside elements under the name of this society or its subordinate institutions.\(^{19}\)

33. At least in 1997, the NBS also ran two companies, the China Huaxin Information Technology Development Company (Zhongguo huaxin xinxi jishu kaifa gongsi) and the China Statistical Consulting Company, Ltd. (Zhongguo tongji zixun youxian gongsi).\(^{20}\) The statistical xitong also runs a statistics college in Xi’an Municipality (in Shaanxi Province) and a statistics school in Sichuan Province.

**Interaction between the statistical xitong and other government departments**

34. For the compilation of many statistics the NBS relies on other central government departments, such as the line ministries or their successors. This is largely a historical legacy. As long as state-owned enterprises and urban collective-owned enterprises are organized under line ministries extending from central to local tiers, the respective line ministry or its successor is likely to collect data on its enterprises.\(^{21}\) The internal statistical division of a line ministry directly corresponds with the relevant division of the NBS. In the case of industry, for example, statistical departments in industry-related line ministries and state companies (conglomerates) communicate with the NBS Division for Industrial and Transport Statistics. Dozens of other government departments contribute to, especially, national accounts data (including GDP).\(^{22}\) At the central level, the NBS probably receives data from approximately one hundred different government departments, central companies and conglomerates (former line ministries), or associations.

35. The reliability of data obtained from other government departments in the collection of statistics varies from sector to sector. One of the most problematic is rural industry, where the Township Enterprise Bureau of the Agriculture Ministry collects detailed data on township-run and village-run collective enterprises, and basic statistics on co-operative enterprises, private enterprises and individual-owned enterprises. The NBS assists the Township Enterprise Bureau in the design of the statistical reporting forms, the Township Enterprise Bureau collects the data and makes some of them regularly available to the NBS. The NBS relies on the Township Enterprise Bureau’s data and

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\(^{19}\) No further details are provided. It would have been of interest to know which further institutions were operating under the umbrella of this society. The NBS note ordering the temporary halt to all activities of the society and its subordinate institutions was posted on the NBS homepage (at http://www.stats.gov.cn, accessed on 16 April 2004).

\(^{20}\) See *Statistical Work Yearbook 1998*, p. 338. A reviewer pointed out that the consultancy “was privatized in 2000 or 2001.”

\(^{21}\) In recent years, many central line ministries were turned into companies (conglomerates) directly subordinate to the State Council. The principle of administrative leadership over central enterprises and possibly business leadership over lower-level tier enterprises, however, still applies. Another possible successor to a line ministry is an association.

\(^{22}\) According to He Keng and Zheng Jingping (2001), p. 49, some of these departments providing rather comprehensive statistics related to the national accounts are the Finance Ministry, the People’s Bank of China, the Customs Office, the Ministry of Foreign Trade and Economic Cooperation, the Education Ministry, the Health Ministry, the State General Administration of Sports, the State Environmental Protection Administration, the State Tourism Administration, the Justice Ministry, and the Land and Natural Resources Ministry. OECD (2000) on national accounts in China includes references to individual other government departments throughout the text.
has no independent regular reporting system for rural enterprises. The industrial census of 1995 revealed large over-reporting by township and village enterprises, but the NBS in the subsequent years continued to have no means to make meaningful adjustments to the Township Enterprise Bureau data.\textsuperscript{23}

36. Another extreme example for the reliance of the NBS on other government departments is the sector transport and communication. Gross output value data in the production approach to the calculation of value-added are collected by the Railway Ministry (Bureau), the Communication (Transportation) Ministry (Bureau), the Aviation Bureau, the Post and Telecommunications Ministry (Bureau), the Township Enterprise Bureau of the Agriculture Ministry, and the Industry and Transport Department within the Finance Ministry. These departments do not cover the relevant sub-sectors in their completeness.\textsuperscript{24} In the calculation of GDP, gross output value data on road and water transportation by transport and communication enterprises which are not part of these departments are guesstimated in the GDP calculations.

37. Although the NBS relies on other central government departments for much of the data it reports, its authority vis-à-vis other government departments is weak. The NBS as a bureau directly under the State Council (government) is half a rank below that of central government ministries and provincial governments, with no authority to issue binding orders to either of the two. Consequently, the NBS according to the Statistics Law is only responsible for “directing and coordinating” the nationwide statistical work rather than for conducting it.

38. What the NBS has available are indirect channels through which to influence data compilation in other central government departments. Through its business guidance it can try to influence the work done in the internal statistical divisions of other central government departments. The NBS is in a stronger position when it comes to survey work conducted by other government departments. All statistical surveys conducted by central government departments or units under their jurisdiction must be reported to the NBS, and any survey that extends beyond the particular department requires NBS approval. As part of the approval/reporting requirement, a copy of the survey report form must be submitted to the NBS. If the government department publishes any of its findings later, a copy of the published findings must be submitted to the NBS no later than 10 days after publication. (The same pattern of authority is repeated at the local level; for example, the provincial statistical bureau enjoys the same authority vis-à-vis other provincial government departments.) A separate set of regulations applies for surveys conducted by non-government units or foreign entities.\textsuperscript{25}

39. At the central level, the NBS maintains a webpage where it lists approved surveys and (department-internal) surveys reported to the NBS by approximately 100 other government departments. Surveys in this context include regular reporting within the government department. The webpage gives the appearance of complete coverage of all surveys, but either the coverage is incomplete, or some government departments do not report (or seek approval) for all their statistical work. For example, the State Asset Supervision and Administration Commission requires that all

\textsuperscript{23} For further details see Carsten Holz (2002).

\textsuperscript{24} See NBS (1997), pp. 59-63. The Division for Industrial and Transport (or Communication) Statistics of the statistical xitong has an annual report form on transportation and freight as well as on post and telecommunications. It is unclear whether the statistical xitong collects data independently of the various other government departments, or whether this report is compiled by making use of the other government departments’ data; this report appears to be used only in as far as it covers local (non-central) post and telecommunication services.

\textsuperscript{25} The relationship between the NBS and other central government departments is regulated in the Statistics Law, in a follow-up regulation specifically focusing on statistical work within these institutions located outside the immediate NBS xitong, and in the implementation instructions to the Statistics Law. (NPC, 15 May 1996, Art. 18; NBS, 27 Oct. 1999, Art. 16; NBS, 2 June 2000, Art. 20, 29)
state-owned and state-controlled enterprises file regular, detailed financial reports; yet a record of NBS approval for these reports does not appear on the NBS webpage.  

40. One further sign of the relative weakness of the NBS vis-à-vis other government departments is that what could be considered part of the NBS’ core work has been appropriated by China’s central bank. Thus, the People’s Bank of China in its quarterly statistical bulletin reports aggregate quarterly data on 5000 main industrial enterprises; these data include detailed financial indicators as well as the results of a survey on business conditions. They are collected by the People’s Bank of China, with approval of the NBS, even though the NBS itself has an administrative facility in charge of economic monitoring and economic analysis (with its Chinese name referring to “business conditions”).  

41. Finally, even though the NBS is an organization directly under the State Council, de facto, it may well be subject to some form of guidance by the National Development and Reform Commission (the former State Planning Commission, or National Development and Planning Commission), which is the major administrative organ in charge of economic matters. For example, the NBS reports in the International Monetary Fund’s General Data Dissemination Standard (GDDS) metadata homepages that access to the data produced and disseminated by the NBS before release is provided to senior officials of the State Development and Planning Commission, as well as to the (by now defunct and partly integrated into the National Development and Reform Commission) State Economic and Trade Commission; for official work, staff of the State Development and Planning Commission also have access to the tabulated data.  

Changes in data collection methods  

42. Traditionally, line ministries collected data on their enterprises in the four non-agricultural production sectors, and the Agriculture Ministry collected agricultural data through the communes. All data collection occurred through reporting forms. The NBS served as little more than a repository of the data collected by different line ministries. In 1996, the revised Statistics Law (NPC, 15 May 1996) officially laid the foundation for major revisions to data compilation methods in that it stipulates that censuses and surveys are to provide the core statistical data, while regular reporting only plays a supplementary role: “Statistical investigation should collect and compile statistical material through regular censuses as the basis [jichu], routine sample surveys as mainstay [zhuti], and unavoidable [biyao de] statistical reporting, key [zhongdian] investigations, and comprehensive analysis as supplement [buchong]” (Art. 10).  


27 One possible explanation is that the People’s Bank of China survey started in 1992, at a time when the stature of the NBS was perhaps lower than today, and the survey continues to be conducted by the People’s Bank of China simply for historical reasons. The NBS now publishes its own business climate index (at http://www.stats.gov.cn/english/statisticaldata/monthlydata/20040120_137788.htm, accessed on 15 April 2004). (The full name of the People’s Bank of China publication is The People’s Bank of China Quarterly Statistical Bulletin. NBS approval for the survey of industrial enterprises can be found at the NBS webpage http://www.stats.gov.cn/tjgl/bmtjdxsmml/t20020401_16076.htm, accessed on 15 April 2004.)  

28 See the General Data Dissemination Standard webpages (for this particular information, see http://dsbb.imf.org/Applications/web/gdds/gddscountrycategorydiapreport/?strcode=CHN&strcat=175, accessed on 16 April 2004).  

29 No such statement was included in the original 1983 PRC Statistics Law (NPC, 8 Dec. 1983).
43. The new “basis” of data collection since 1996 is censuses. China currently conducts five censuses, of which four every ten years, and one every five years: population census, tertiary sector census, industrial census, agricultural census, census of basic statistical units. Also, a one-time “economic census” of industry and the tertiary sector is conducted in 2004.

44. In addition to censuses, the Chinese statistical system is increasingly relying on surveys. Surveys are not necessarily based on random samples. Most surveys involve some form of stratification, but the choice of samples within strata is usually not specified. Detailed information on surveys are scarce, especially on those introduced only recently, such as in industry and in commerce and catering. By mid-2001, an employee of the NBS claimed that steady progress had been made in the use of sample surveys of small industrial enterprises (those not reporting directly to the statistical departments) for the compilation of GDP statistics, while sample surveys of the wholesale and retail trade as well as the catering sector after four years of hard work are finally in place across all 31 provinces. One complication may well be that tertiary sector surveys tend to involve a number of other government departments, i.e., cannot simply be implemented by the NBS on its own.

Evaluation of Institutional Organisation and Data Compilation Methods

Historical legacies

45. China’s institutional organisation of statistical data compilation has been transformed dramatically in the reform period, especially since the early 1990s. Nevertheless, some features of the pre-reform institutional arrangements persist. These include the involvement of a large number of other government departments in the collection of statistical data, the predominance of report forms, the poor coverage of tertiary sector activities, the duplication of data reporting tasks and reporting channels, and the choice of GDP calculation method.

Continued role of government departments other than NBS in data compilation

46. As a legacy of the planning system, a large number of government departments other than the NBS are collecting a vast amount of data, with a range probably exceeding data collection in developed economies. These data are of mixed quality. Most are likely to be of good quality since they form the basis for planning in these other government departments. But coverage is often limited to the specific tasks of the government department. For example, the Communications (Transport) Ministry may only collect data on freight transportation within its xitong, leaving the NBS to make guesstimates on total freight transportation in the country without necessarily having a (NBS) system in place to properly do so.

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30 Surveys are also subject to limitations encountered in other countries; for example, most price data are limited to urban areas, comparable to the case of the U.S. where the Bureau of Labor Statistics only publishes an urban Consumer Price Index.

31 At the local level, the switch to sample surveys of industrial enterprises is more gradual. For example, Xi’an Municipality in Shaanxi Province in 2002 switched to sample surveys of industrial enterprises with independent accounting system and with annual sales revenue below 5m yuan RMB, but the other municipalities in Shaanxi are unlikely to already have made the switch (Xi’an Yearbook 2002, p. 216).

32 Shaanxi Province, for example, conducted an “emerging sector” survey of renovation and decoration, real estate administration and rental housing, news and consulting services, computer-related services, and urban district (shequ) services in 2002. This survey involved a large number of other provincial government departments (planning commission, economic and trade commission, finance bureau, information sector bureau, construction bureau, education bureau, civil affairs bureau, judicial bureau, and industrial and commercial administration). It was to be repeated in the future every five years. (See Shaanxi Government, 11 July 2002.)
47. In other words, the choice, quality and coverage of specific statistics are dictated by the relevant government departments’ data needs and departmental reach. The low rank of the NBS at deputy-ministry level in comparison to other central government departments combined with the limitation to business guidance of the NBS over internal statistical divisions in other central government departments imply that the NBS does not have the authority to impose a unified framework within which data are to be collected across all government departments. In many instances, the NBS is likely to know little about how exactly the data were collected.

48. The low rank of the NBS may also prevent it from launching innovations in data collection and to co-operate with other government bodies on an equal footing. For example, the NBS appears to make no use of tax bureau data; the tax bureau belongs to the tax xitong, which in turn is associated with the fiscal xitong. Tax bureau data could be particularly helpful in the case of small enterprises on which the NBS has little reliable data.

Report forms and tertiary sector data

49. It is only since the passing of the 1996 revised Statistics Law that the focus is gradually shifting from regular reporting through report forms to surveys. Report forms still play a major role in many economic sectors, and are likely to continue to do so in the future. For example, in industry, the above-norm enterprises regularly report to the statistical authority, and these data are likely to be of high quality. The intention is to capture the below-norm enterprises primarily through surveys, and in industry these NBS sample surveys are in the process of becoming well established.

50. In the tertiary sector, sample surveys are still at an early development stage. The difficulties to collect accurate data in some tertiary sectors are exacerbated by the fact that the NBS cannot rely on data collected by other government departments (there are often none, or none modelled on line ministries), and that the rank of the NBS may be too low for it to effectively collect high-quality data. One example is the real estate sector; there exists no direct central government department with an interest in collecting detailed data on these units. The large differences between the sum of locally reported tertiary-sector value-added and the nationwide aggregate figures compiled by the NBS attest to the continued difficulty of measuring tertiary sector value-added. The 2004 economic census may yet provide a benchmark for the design of future tertiary sector value-added measurement.

Duplication of data reporting and reporting channels

51. A side-effect of China’s pre-reform statistical system as well as of the development of a new statistical system is the frequent duplication of statistical work. For example, some basic statistical reporting units (such as enterprises) report their data to their superordinate government department which passes them on to the next higher level within their particular xitong; the central government department of the xitong then may report some of the data to the NBS. Other basic statistical reporting units report to the local statistical authority. Yet others report to both, the superordinate government department and the local statistical authority. The outcome is a multitude of reporting tasks and reporting channels. The NBS may receive statistics on the same set of enterprises from a central government department as well as from all provincial statistical offices; after the many layers of transmission, the two sets of data are probably no longer identical.

52. Many statistics, furthermore, are collected independently by the statistical authority and by other government departments, i.e., the reporting unit does not send one report form to two or more institutions, but the reporting unit is approached independently by the statistical bureau (or even statistical bureaus at different government levels) as well as various government departments (only one of which may be the superordinate government department of the xitong to which the reporting

33 According to He Keng and Zheng Jingping (2001), p. 61, double-reporting is the case particularly in industry and in wholesale and retail trade.
unit belongs) with separate requests for data.\textsuperscript{34} As a consequence, reporting units are overstretched and have little interest in conscientiously fulfilling reporting tasks. The remnants of the pre-reform planning system and the continued strong bureaucratic involvement in the economy lead to what appears a higher data volume in China than in other economies. In contrast, the Statistics Law (Art. 10) stresses the need to severely limit regular reporting tasks for basic reporting units and to rely as much as possible on sample surveys, focused (\textit{zhongdian}) surveys, and administrative records.

\textit{Central-local complications}

53. The over time increasing discrepancy between the sum of provincial GDP and nationwide aggregate GDP reveals the margin of error inherent in official data. But it also attests to the willingness of the NBS to innovate, in that the lack of discrepancy in the years before 1997 is likely to reflect the inability of the NBS at that time to calculate GDP independently of provincial data, rather than a higher degree of accuracy in the earlier years. The willingness of the NBS as well as of local statistical bureaus to publish their own data, even if in contradiction to the other party’s estimates, is a welcome change from the uniformity usually imposed in a centralized socialist system.

54. On the one hand, the discrepancy reflects the fact that local statistical bureaus even in business matters are more likely to listen to the local government than to the NBS. On the other hand, it also reveals the extent to which China today has, de facto, two statistical systems, a central one and a provincial one. The NBS in the calculation of nationwide GDP primarily relies on report forms from directly reporting (above-norm) enterprises in all economic sectors and on central sample surveys otherwise. The report forms are mostly collected locally, but the data on each enterprise individually are passed on to the NBS, i.e., aggregation can occur at the NBS itself. Unless local statistical bureaus flagrantly falsify individual enterprises’ reports, which is unlikely, and unless enterprises mis-report data, these data are as good as the accounting system within the enterprise. Surveys implemented by central survey teams then fill the gaps on the below-norm enterprises. Economy-wide, approximately one half of GDP is produced in directly reporting (above-norm) enterprises, and the other half in agriculture, below-norm enterprises, and administrative units/ facilities.

55. The central-local dichotomy is also apparent in the establishment of two separate survey team systems, one under the authority of the centre, and the other under the authority of the province. While central and local survey teams may share information, and while central survey teams will probably never be able to operate perfectly independently of local statistical bureaus or other local government departments, in terms of formal appointment authority and funding the two systems are separate. This again raises questions about duplication: is there a need to have both a central and a local survey team in one county, or even a need to have just about every county in China covered by some survey team?

\textit{International Standards}

56. By international standards of statistical work, China scores well on some principles, but poorly on others. One standard are the ten fundamental principles of official statistics identified by the United Nations. Similar principles are incorporated in the General Data Dissemination Standard (GDDS) of the International Monetary Fund to which China subscribed on 1 March 2002.

57. Going through the ten fundamental principles of official statistics identified by the United Nations (see Holz 2004d), there is clearly room for improvement with respect to items (3) information on methods, (7) public availability of laws and regulations, and (8) coordination among statistical agencies. The issue of coordination among the NBS and other central government departments as well as provincial statistical bureaus (principle 8) has already been discussed above. Regarding the public

\textsuperscript{34} According to He Keng and Zheng Jingping (2001), p. 26, this is particularly common in the case of agricultural output statistics, township and village enterprise statistics, unemployment statistics, import-export statistics, and FDI statistics.
availability of laws, regulations, and measures under which the statistical system operates (principle 7), the Statistics Law and a very few NBS regulations have been published, but most rules and regulations regarding the statistical system are still considered internal. Information on how the internal statistical divisions of other central government departments operate is not published. In the most recent years, some provinces have begun to publish the primary regulation covering statistical work at the provincial or municipal level, but all others of the presumably many hundred detailed regulations on the compilation of individual statistics are not available to the public.

58. Regarding information on methods (principle 3), the NBS, let alone local statistical bureaus, rarely presents comprehensive information on the sources, methods and procedures of the statistics. The NBS in the *Statistical Yearbook* offers approximately one page of general explanations for each section (such as the industry section) on how the data in the particular section were compiled; each section also comes with a list of variable definitions. Yet the general explanations are often sparse, changes in compilation method over time are rarely made explicit, and the list of definitions tends to be highly incomplete; all too often, explanations and definitions appear to have simply been copied from the previous issue of the *Statistical Yearbook* and can occasionally be shown to not match the data or variables they claim to explain or define. Some of the richest information on the sources, methods and procedures of Chinese statistics can today be found on the webpages of the International Monetary Fund’s GDDS. Methodological information has also become available via documentation of a series of workshops on national accounts carried out with the OECD. The information provided on the NBS homepage is much scarcer, and there is no link on either the English or Chinese NBS homepage to the GDDS website.

59. A similar picture emerges if China’s statistical system is evaluated using the GDDS’ four evaluation criteria. (1) The coverage, periodicity, and timeliness of Chinese data is excellent, but questions about the reliability of these data loom large. (2) Data quality is the weakest element, with dissemination of documentation on methodology, sources, component details, and reconciliations being incomplete and possibly reflecting a desired rather than actual state. (3) In terms of integrity, while confidentiality of households and enterprises in household and enterprise surveys appears highly trustworthy, little is known about the terms and conditions under which official statistics are produced. Internal government access to statistics is documented only in the GDDS, and even there probably not in full. Information about revisions is not provided reliably; information on revisions may disappear in later statistical publications even when the data which need explanation are reproduced. (4) The public has relatively ready and equal access to some data, but a large volume of data is collected only for government-internal use.

*Political imperatives*

60. The fact that Chinese statistics fare poorly when evaluated in light of information on methods, of public availability of laws and regulations, or of data quality can to a large extent be attributed to governance issues.

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35 While the NBS every few years publishes a compendium of selected statistical regulations of previous years, complete with ISBN number, these compendia are not available to the public. Some of these volumes also carry a stamp “for internal use only” (*neibu*). A few regulations have appeared on the NBS website.

36 While each separate topic on which China provides information to the GDDS comes with a complete contact address (and name of a contact person) in the NBS, the NBS website, in contrast, carries no such information. The International Monetary Fund’s GDDS can be found at http://dsbb.imf.org/Applications/web/gdds/gddshome/, and the NBS homepage is at http://www.stats.gov.cn.
Professionalism and Party primacy

61. The Statistics Law states that “statistical personnel must seek truth from the facts, strictly abide by professional standards [daode], and have the necessary professional knowledge that qualifies them to do statistical work;” and “the leaders of localities, government departments, or other units may not order or ask statistical departments and statistical personnel to change or falsify statistical data.” (NPC, 15 May 1996, Art. 24 and 7) Yet the rule of law may have to defer to Party primacy. A NBS “work regulation” of 16 November 1995 explicitly states that the NBS is to implement “important decisions and instructions of the Chinese Communist Party Central Committee and the State Council.”

62. Zhang Sai (2001), NBS commissioner from 1984 through 1997, in the context of discussing the tasks of the statistical bureau vs. that of the statistical divisions of other government departments stated that: “the government statistical organisation primarily serves the needs of macroeconomic decision-making of Party and government leaders at each administrative level, and is responsible to the Party and government leaders at each administrative level” (p. 319). Not only is the statistical xitong at the service of Party and government leaders, but this statement also implied that the NBS does not primarily serve the public.

63. Indeed, the Statistics Law lists as “fundamental task of statistical work” to conduct statistical examination of the implementation of the national economic and social development plan, to analyse the statistics, to provide statistical material and statistical advice and suggestions, and to supervise through the use of statistics (NPC, 15 May 1996, Art. 2). Providing the public with statistics is not a fundamental task, nor does the Statistics Law make it an explicit duty. The NBS and provincial statistical bureaus are to regularly publish statistical material “according to state regulations” (Art. 14); these state regulations appear to not be in the public realm. The implementation instructions expand slightly in that one of the NBS duties is to inspect, examine, administer, make public, and publish basic statistical material, and to regularly release the statistical report on national economic and social development (NBS, 15 June 2000, Art. 22); this compares to the duty of the NBS and all statistical bureau at county level and above to regularly and cost-free provide relevant and comprehensive statistical material to same-level government departments (Art. 9).

64. There are new developments, however. In May 2004, NBS Commissioner Li (2004) put the consolidation of statistical legislation forward as an important objective for Chinese statistics. This includes raising public awareness of statistical laws and the improvement of law enforcement. For example, the NBS announced the launching of a publicity campaign, and training on statistical laws and regulation for statisticians.

Limitations to statistical reporting and accountability

65. Some data invariably remain of limited quality and the NBS does not have the authority to admit this is the case. For example, data on official government revenues often do not include the extra-budgetary funds of government departments, and never include the “little gold storage” (xiao jiinku) of these departments. These funds are obtained through a wide variety of channels, ranging from various fees, often illegal, to dubious land transactions. Compared to the official government revenues, the undocumented funds could be of considerable size, perhaps even a similar size. Data on government revenues are collected by the fiscal departments. The NBS has no authority to collect these data, or to explain them.

66. Even when it comes to sensitive data compiled by the NBS itself, such as unemployment data, the NBS is constrained by institutional imperatives. This does not imply that the data it reports are false, but it implies that it is crucial to understand the fine print on, for example, coverage, except that this fine print often is not on offer. (An economically meaningful measure of unemployment is not provided to the public.) Other issues are the size of the black economy, or the extent of smuggling. The latter, for example, can wreak havoc on the meaning of the official import-export figures and
create big inconsistencies between production-income approach GDP and expenditure approach GDP. But the NBS has no authority to publish data on these sensitive topics. As a consequence, it does not have the authority to explain why its data do not add up. In all likelihood, the NBS has even compiled data on these issues in internal survey reports for the Party and government leadership, and it may even use this information to (properly) adjust its GDP data, but then it cannot (is not allowed to) explain to the public how its GDP data are derived (and adjusted).

67. In other words, given these constraints, the NBS is rarely able to fully explain particular statistics to the public. Individuals within the NBS have made repeated and highly laudable efforts to explain their statistics to the public, including to international organisations, and may be interested in sharing their experiences and in learning from other countries’ experiences, but they always remain constrained by domestic political considerations. This also implies that nobody, except those individuals within the NBS who actually manipulate the data, has a chance to fully understand Chinese statistics (and the understanding of each of the specific individuals in the NBS is likely to be limited to their narrow specialisation).

Institutional constraints

68. Some institutional constraints are directly built into the statistical system. At the local level, key data compiled by the local statistical bureau, such as GDP data, need approval by a local government leader before they can be reported up to the next higher-level statistical bureau. This need for government leader approval of statistical data, casually revealed in an article on the discrepancy between local and central GDP data carried by the NBS magazine Zhongguo Tongji, calls into question the relevance of the published formal rules and regulations that include such statements as Article 7 of the Statistics Law, which requires that “the leaders of localities, government departments, or other units may not order or ask statistical departments and statistical personnel to change or falsify statistical data.” While there is no written evidence of a similar approval pattern at the central level, the fact that the State Development and Reform Commission has access to NBS data before publication (and presumably the same holds for the State Council) suggests that regular channels for political interference are plentiful.

69. The local government leader’s approval authority of key data may create incentive mechanisms for local statistics officials that potentially conflict with professional statistical reporting. If a local government leader were to, in violation of the Statistics Law, “request” higher economic growth rates (perhaps to advance his or her promotion), the Statistics Law requires the local statistical bureau to refuse to cooperate with its immediate superior (the local government leader), and there the matter ends (Art. 7). Such a refusal may, however, be unrealistic. The local statistical bureau could possibly report the local government leader to the next higher-level statistical bureau. But the next higher-level statistical bureau has no authority over the local government. It could inform the Party disciplinary commission, which, in worst-case scenarios, may act. (It is probably detrimental to the career of an official of a lower-level statistical bureau to contact the local Party discipline commission, since the local government leader is likely to be the deputy head of the local Party committee, which in turn also has some authority over the local Party discipline commission.) In the end, statistics officials are unlikely to report on their government superiors since the chances of success are minimal and the likelihood of reprisals from these superiors is high.

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38 A very few exemplary cases of punishment of a statistics official or local government leader were made public in the late 1990s.
39 The NBS provides a telephone number and an e-mail address on its homepage (http://www.stats.gov.cn) to which violations of statistical laws and regulations can be reported; nothing is known about the effects of such reporting.
70. According to the Statistics Law, the public is also supposed to supervise statistical work. “Statistical work should receive supervision by society and the public” (Art. 6). This is unrealistic as long as the public is not given an opportunity to find out about the rules for statistical work.

71. At the same time, there is supervision. National inspections were conducted in cooperation of the NBS with the Ministry of Supervision and the Bureau of Legislative Affairs of the State Council in 1987, 1989, 1994, 1997, and 2001. The latest inspection revealed 60,000 violations of the Statistics Law and led to punishment in 20,000 cases. Misreporting, predominantly by enterprises, accounted for almost 60% of the violations, with other violations consisting of enterprise refusal to report data, or late reporting—not of misbehaviour by statistics officials. What may be under proper supervision, thus, is data reporting from basic reporting units to the statistical authority. No information about internal violations, i.e., violations within the statistical xitong, are available, even though statistical work of government departments was also supposed to be investigated. Perhaps the operation of the statistical system in China is as much scrutinised as are the reporting units, but, then, neither the investigations nor their results are made public. The little evidence that can be gleaned from reports in various sources suggests that regular supervision of statistical work in government departments may not happen at all, while the periodic inspection efforts, usually limited to exemplary inspections of selected work units, could be toothless.

Chinese reform proposals for the statistical system

Past proposals

72. Reform of China’s statistical system has been under discussion for some time, usually with a focus on how to strengthen the NBS’ authority. Proposals include the switch to direct central leadership over local statistical departments (chuizhi), the permanent dispatch of supervisors by the NBS to local statistical departments, and the establishment of a double system where provincial statistical bureaus as well as the NBS each have their own lower-level tier statistical departments. These proposals all appear inferior to the current arrangements. Due to the focus of governments at all levels on economic development and due to the evaluation of cadres according to their economic achievements, local governments have their own statistical needs and thus need some control over local statistical departments. Direct central leadership would also imply that all costs of maintaining the statistical system have to be born by the centre. Dispatched central supervisors are likely to be co-opted by the locality over time. A double system appears wasteful of resources.

40 For information on inspections see the China webpages in the International Monetary Fund’s GDDS (http://dsbb.imf.org/Applications/web/gdds/gddshome/) under the heading “Table C. Data Integrity and Access by the Public.”

41 For details on the 2001 inspection also see http://www.stats.gov.cn/xwkj/tjdt/20010523002.htm, accessed on 8 Feb. 2002. The inspection explicitly included statistical departments at all administrative levels and internal statistical divisions of other government departments, but inspections may have been a priori limited to 5% of all relevant work units.

The NBS and at least provincial statistical bureaus also have an auditing office (shi), with the label indicating that it is part of one of the divisions (possibly the internal finance and construction division) rather than an independent division of its own (NBS, 1 March 1995). It focuses on internal financial issues.

42 See, for example, Zhongguo tongji no. 11/1999, 25, and no. 2/2001, 8f. Much earlier, the journal Jingji yanjiu cankao ziliao in its issue of 28 August 1988, devoted solely to China’s statistical system, already raised such institutional questions. Zhang Sai (2001), former NBS commissioner, devotes one full chapter to possible reforms, without, however, promoting one particular overall reform program.
Recent proposals

73. More recently, and following a call by Premier Wen Jiabao in November 2003 to improve the statistical system and methodology, Commissioner Li (2004) stated several important development goals: reforming the management system, improving the operation mechanism and enhancing the legal framework and more generally to “establish a modern official statistical system [...] to provide efficient and quality statistical services to the governments, the public and the international community”. This orientation towards end-users is new and should inform the choice of data on which the NBS should focus in its own work, which may have implications for the choice of administrative divisions within the NBS and the type of survey work to be done.

74. Li (2004) also announced a reform of the management system of surveys to make NBS more independent in conducting surveys. There would also be more direct administration of higher-level statistical offices over those at local level. It is also planned that NBS will provide guidance and coordination of statistical work that is carried out in ministries: for example, surveys conducted by ministries will have to be reviewed by NBS. Finally, measures are announced to promote the role of non-governmental survey institutions.

75. The other cornerstones of the 2004 Strategy are the reform of statistical methodology and standards, the improvement of national accounts statistics, the development of the IT system for statistics, the consolidation of statistical legislation and the improvement of statistical services, including the promotion of wider public access to statistical information.

Conclusions and recommendations

76. Chinese statistics have come a long way from a pure reporting system in a centrally-planned economy to a system that increasingly relies on surveys and modern statistical techniques to service users, be they government or the public at large. Nonetheless, many challenges remain. The present work has reviewed some of the central aspects of the institutional arrangements in Chinese statistics and the following key points have emerged.

77. First, there is still a legacy of reporting via ministries that limits the scope of the data collected and that limits the influence that NBS should have on the conception and quality of data collections. The role of NBS in co-ordinating and reviewing statistics produced by ministries needs strengthening.

78. Second, complications persist between the central and the sub-national level of the statistical system. Often, local statistical offices are closer to local governments than to the NBS and this may create incentives that are not conducive to the compilation of high-quality statistical information. Stronger line structures between NBS and statistical offices at the local level and better enforcement of the statistical laws at all levels of the administration should help to advance on this matter. Alternatively, if the role of NBS vis-à-vis local statistical administrations cannot be strengthened, NBS may consider minimising its reliance on local statistical bureaus or limit it to low-priority data.

79. Third, there is a need to establish functioning channels to address complaints against violations of the Statistics Law.

80. Fourth, there is a welcome but still sluggish move from enterprise reporting to survey techniques. Reporting requirements still appear very large both in the number of institutions that can order a reporting unit to report, and in the volume of data collected. The views of the reporting units on this matter and their compliance costs are not known. A systematic study would be helpful, and if reporting requirements were indeed excessive, mechanisms to reduce them should be explored.

81. Fifth, recognition of the desirability of a user-orientation of statistics is only at its beginnings. Further steps need to be taken to focus not only on data that reflect government priorities.
Consultation with the public (for example domestic and foreign business associations, academia and non-government organisations) would be desirable.

82. Sixth, further efforts should be made to enhance transparency about data collection methods, and statistical methodology in general. Not only information about methods and source, data itself should also become more accessible to a broad range of users, for example through user-friendly websites with readily available, up-to-date statistics.

83. Seventh, clear rules should be established on which data are available for the public for free and which data can be purchased through individual contact with the NBS. Transparent, or at least standardised pricing for the latter would be desirable.
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