

International conference on International Outreach and Coordination in National Accounts for Sustainable Growth and Development

Session 9 – Common tools

Title: The Need of Common Tools for the Implementation of SNA (Advantages and Challenges)

Institution: ERETES user group

Context

This paper is an outcome of the contributions of the ERETES user group on “Common Tool” for national accounts statistics constituted in January 2008. The group’s sole aim was to reflect on the advantages and challenges of using common software for the compilation of national accounts. The group therefore made continuous references to the ERETES software used by several countries in Africa, Asia and Latin America as an example.

1. Introduction

1.1 Accordingly, the paper dwelt on the need for a common tool for the computation of national accounts either at the national, regional or international levels. The purpose of the National Accounts statistics is to present, in a coherent and consistent manner macroeconomic data about the working and performance of an economy within a given period. The measurements of all these variables require a specific methodology as stipulated by the 1993 System of National Accounts (SNA 93). It is in this regard the need of common tool for the compilation of national accounts became necessary.

1.2 ERETES system is one example of such software; it is both a database and a tool for the compilation of national accounts statistics and related indicators used by many several. The module help with the organization of statistical data using the recommendation of SNA 93 to transform the inputs (available statistics entered) into output (results, particularly GDP)

1.3 This paper covered; challenges of national accounts estimates in developing countries and ii functions and characteristics of a common tool for national account. The advantages of common software like ERETES, challenges with the implementation of common tool and v recommendations and conclusions are also included in the report.

2. Challenges of national accounts estimates in developing countries

2.1 The major challenges confronting the compilation of national accounts statistics in the developing countries are inadequate human resource, lack of reliable data and poor statistical management. Consequently, the accounts characterized by delays in publication and dissemination, obsolete base year and few tables. The integrity of the accounts is often questionable because of lack of proper documentation of sources and methods.

3. Functions and Characteristics of a common tool for national account

3.1 Control and Audit: two levels of control may be highlighted depending on the moment it is effected (during or after data capture). During the data capture, the control is applied to data coherence. After the capture, the control is on the exhaustiveness of the capture.

3.2 Data management: common tool software should have the capability of data management, this function will make possible to perform the task of data capture, analysis, updating and publishing.

3.3 International software like ERETES should be flexible: The great diversity in parameters and approaches of different countries should be reflected in the great need for software flexibility. Any country at any level of statistical development can customize it to suit her present circumstance; it permits the use of a complimentary tool and allows for the decentralization of work.

3.4 Diversity: The software must be seen as a platform for calculating statistical indicators related a particular national accounts estimate. Diversity must also involve the type of accounts to compute. The Supply and Use table and Integrated Economic Accounts should be able to be computed from the software.

3.5 Data editing: This function allows the management of a data library, simple or crossed tables' parameters. The outputs may be visualized, printed or exported to other software.

3.6 In-built international languages and other related functions: The system should have in-built comprehensive languages to allow its use by different countries. Related functions like recording, Copy / paste, Data import / export, Online help, help must come especially circumstantial (depending on ongoing task); and Glossary and index are also paramount.

3.7 Based on the group experience, ERETES software is ideal software to fast track the implementation of SNA as it has met all the functional characteristics and more.

4. Advantages of a Common Software (ERETES Experience)

4.1 Advantages at Regional and International Levels

4.1.1 Facilitate the production of comparable national accounts figures: The use of a common tool for the computation of national accounts is certain to overcome problems related to coverage and methodology. Therefore, the use of common software guarantees the regional and international institutions comparable national accounts estimates.

4.1.2 Facilitate reliable estimates and a teaching document: experts in national accounts statistics and computer experts using the current definitions and concepts as well as respecting all the economic identities, for example, developed Common tools like ERETES.

4.1,3 Facilitate mass data analysis and timely accounts: Reliable computer software capable of summarizing millions of records and producing a reliable statistics to meet the current national, regional and the international demand for timely and reliable national accounts.

4.1.4 Judicious use of scarce resource and time: Common software use by all countries in a particular region becomes the regional software; the regional institution may therefore take up the responsibility for the acquisition, training, maintenance and implementation of the software.

4.2 Advantages at the Country Level

4.2.1 Promote regional cooperation and exchange: the use of common software facilitates the sharing of best practice and program exchange among participating countries, thus promoting regional and international cooperation.

4.2.2 Free Software at no costs to the member countries: countries do not need to bother about the cost of the software and training as far as it is a common tool, the regional institutions or the international institutions will foot the bill.

4.2.3 Participatory approach to the development of national accounts and software: one of the major advantages of using common software especially for a participating country is that it provides a forum for democratic exchange of ideas.

4.2.4 Any country can participate: The software is flexible and could be customized, thus no matter the stage of national statistical development the country could still participate

4.2.5 Transparency of the work and division of labor; Users of the ERETES result can follow systematically the work of each national accountant and what he did with data from what source to produce a final table

5. Challenges with the implementation of a common tool

5.1 Prerequisite knowledge of national accounting: In practice, it is important to make a clear distinction between a helping tool, such as ERETES and the methods for national accounting. Common tool is not a substitute for trained national accountant and source data availability. An effective use of the tool requires some pre-requisite knowledge, relevant detailed data and good management.

6. Recommendations and Conclusions

6.1 Common tool for the compilation of national accounts has numerous advantages at country, regional and international levels, it will fast track the implementation of the SNA 93 at the country level and guarantees the international community a comparable GDP.

6.2 However, for the impact of the common software to be felt, the international and regional organization should institutionalized the prerequisite training in national accounts and other economic statistics.

6.3 At the country level, the basic data and human resource requirement should be anticipated in advance and not to wait until ERETES is in place.

6.4 Participatory and pragmatic approach to the implementation of the software and SNA 93, participatory to enable the users and managers of the program dialogue and fine common solution to problems and pragmatic by considering country specificities.