

Challenges facing the official statistics in the GCC countries

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Abstract

Central Statistical Offices (CSOs) at the Gulf Cooperation Council countries (GCC) are facing multiple challenges that hamper their development. The classical constraints of human resources, financial independence, quality, coverage, weak national coordination are all examples of these challenges. The Political will to transfer the cooperation among GCC members into unification, without addressing these issues, will not facilitate the proper measurement of the benefits that member countries are expected to gain from the union. The paper will bring to light a SWOT analysis of statistics in the GCC today to enable the (CSOs) be strong facilitators to the political contemplate. The proper function of the expected GCC statistical office (GCC-Stat) will be outlined in order to lead the future statistical activities in more coordinated and focused manner.

Key words: Unification, Political will, SWOT analysis, GCC-Stat.

Introduction:

The Gulf Cooperation Council (GCC) consist s of 6 countries; Oman, KSA, UAE, Qatar, Kuwait, and Bahrain. These countries GDP are estimated in 2012 as US\$ 1.6 trillion, and have a population of 46 million in 2011. They also embraces e one of the highest GDP per capita of a total US\$ 29869.

The GCC countries have gone through a long way of cooperation since the establishment of their cartel in 1981. The cooperation included all domains that are political, military, security, justice, cultural, social, environment, economic and so forth. Examples of successful cooperation stories among members are the custom union that took place in 2003, in addition to the monetary union (only 4 countries out of 6 are part of this initiative). The GCC leaders are determined to transfer the current cooperation into a real unification on the coming years.

Despite of these achievements, the GCC countries are facing several challenges that need to be addressed. These challenges can be summarized as follows:

1- Economic challenges:

- i) Highly dependence on a depleted source of energy which is oil. It is estimated that oil contributes with 43% of the GCC GDP. Governments' budgets are highly affected by oil prices that make them vulnerable to oil price shocks.
- ii) Reliance on imports, particularly food stuff, rather than developing the domestic production.

2- Demographic & social challenges:

The deep imbalances in the demographics of the GCC indicate serious social, political, and cultural problems, threatening the Gulf in the short term, as masses of nationals of the GCC will be competing on limited resources, pushing many of the nationals to obnoxious unemployment despite the rich GCC countries. Based on a report from the Economist Intelligence Unit the GCC countries will witness by 2020, the highest rate of population growth in the world reaching 53 million people most of them are under 25 years. This in turn will lead high demand for goods and services in this region, and will also put pressure on the services provided by governments such as health, education and

other facilities. Noting that, foreign labour reached 67% in 2008 from the total labour force.

Confronting these obstacles with strong economic and social policies necessitates reliable, relevant, timely and adequate statistics. The question is then; do GCC countries have reliable and sufficient statistical system to address these challenges? What measures need to be taken to rebuild a reliable and relevant statistical system for the GCC countries?

Statistical challenges facing GCC countries¹:

There are several statistical challenges facing GCC countries that hamper their speedy development. The most renowned tool and analytical framework to use in this respect to assess these challenges is the SWOT analysis (Strength, Weakness, Opportunity, and Threat).

First: the Strengths:

The authorities in GCC countries have made, on the past 20 years or so, good progress in developing the statistical systems. Examples of these developments include:

1- Availability of legislation governing the statistical work:

The legal environment is a necessary condition in terms of quality and is one of the key fundamentals to produce credible statistics. The authorities have introduced statistical laws that govern the Central Statistical Offices (CSOs) and enable the collection, analysis, and dissemination of data.

2- Statistical strategies in many countries of the Council are in place:

Nearly all CSOs of the GCC countries have prepared statistical strategies at the national level which provided an opportunity to assess their official statistics and accordingly developed action programs for improvements. Furthermore, at GCC level the 6 countries have produced a region strategy to unify their methodology and close the gaps among their standards. This strategy was approved by the heads of states on their 2010 summit in Abu-Dhabi.

3- The existence information technology (IT) infrastructure:

CSOs in GCC have adopted IT technologies in the field of statistics. This adoption helped the centers not only to speed the production process of statistical work, but also raising the quality of statistical products. Currently, GCC CSOs are seen as leading examples in using latest technologies in statistical work, especially the use of handheld devices, or what is known as (PDAs), for data collection.

4 - Unification of methodologies, classifications, terminology, statistical surveys, and censuses:

GCC countries focused on the past few years on producing their own classifications, manuals, and standards that are driven from the international best practice adapted to the local environment. Furthermore, they have worked on unifying the conduction of surveys and census in order to harmonize the base years and have similar benchmarks.

Second: Weaknesses

Undoubtedly GCC statistical offices suffer from several constrains that affect both; the functions and; the pace in dealing with the crucial economic and social issues facing the GCC countries that mentioned in the introduction above. These constrains can be summarized as the following:

1- weakness in the legal environment for statistical offices and weakness in the application of the law:

There are shortcomings in the legal competence of the statistical offices. These offices are seen at the national level as responsible for coordination but not for managing the statistical system. This has resulted in creation of multi data producers empowered with semi-independence allowing them to have their own statistical programs and statistical standards away from the guidance of the CSOs. The implication of that is many official data conflicts, non-harmonization of standards, and unutilized administrative data. Furthermore, this constrain has created many gaps in the official statistics.

2 - Shortages of national human resources and imbalances in wages within government units:

Undoubtedly human resources are the main engine of national statistical work. The lack of resources to recruit additional statistical cadres or/and low wages paid by the statistical offices in comparison to other government units within the same country have prevented the statistical centers to attract talented staff.

3- Limited of financial resources allocated to statistical offices:

Although GCC counties are considered wealthy nations, financial resources allocated to statistical works are largely considered meager and insufficient to implement the annual working plans.

4- Lack of structured mechanism for coordination among data producers:

lack of existence of units within CSOs management structure responsible for coordinating among data producers hampers affective harmonization of standards and coordinated working plans.

5- Data gap on certain statistical domains disallow proper GCC policy making:

As we have seen, the GCC union covers the cooperation in many economic and social domains. But statistics lacks on several areas. As a matter of fact this is not the sole responsibility of CSOs alone but also other data producers at a national level.

Third Opportunities:

Certainly there are several opportunities that CSOs of the GCC countries can benefit from. These opportunities are as follows:

1 - Increase of statistical awareness to the importance of statistics & information:

The GCC society is increasingly becoming aware of the benefits of good statistics. As a matter of fact dialogues in GCC countries are increasing to legislate laws that permit the right of citizens to access information (Alwatan Omani Newspaper, No: 10840, 13/4/2013).

2 - Increase of Demand for statistics:

Government officials, member of parliaments, academia, media, and citizens in general are demanding more and more statistics and information. The governments' authorities are adopting "Evidence-based policies" especially after what is called the "Arab Spring". This can be benefited from as a platform for statistics development.

3 - Reliance on Total Quality Management (TQM):

The authorities are increasingly relying in TQM that can support planned improvements of data and information production.

*4 - Increase the need to integrate data within GCC and build data warehouses for policy use at GCC level:**5 - Establishment of the "GCC-Stat":*

The heads of states have approved the establishment of "GCC-Stat" an approach which is similar to what is known as "Euro-Stat". This new institution can play vital role in coordination, harmonization of the region statistics. Furthermore, it can be used as a vehicle to transfer the statistical systems of the GCC from its current status to an international standard.

Fourth threats:*1- Inability to Amend the Laws:*

The inability of the concerned authorities in amending/issuing the proper laws and regulations that support the management of the statistical systems in a more professional way will obstruct statistical offices in the GCC countries.

2- Lack of Financial and Political Support:

Failure to provide the necessary financial support for statistical programs and the lack of political support will weaken the official statistics. Additionally, lack of the adequate human resources and the inability to implement capacity building programs will not enable the statistical system in the GCC countries to support the decision making process

Role of GCC-Stat:

As part of the continued cooperation among the GCC members, the heads of the states during their 2012 annual summit have approved the establishment of a new statistical center in the Gulf Cooperation Council. The centre is named "GCC-Stat" and will be located in Muscat, the capital of Oman and due to commence its service in June 2013. The heads of the GCC states have powered the centre with an independent framework affiliated to the Ministerial Council. The center will be overseen by board of directors. The centre is empowered to be the only official source of data for the Gulf Cooperation Council countries.

The GCC-Stat will be responsible for data collection, analysis, and dissemination of economic and social, demographic, agricultural, environmental, energy, and other data through the national statistical centers and work on their classification, storage and analysis. It is also responsible for creating data hubs, and implementing joint statistical projects through national statistical centers. The centre will be in charge to develop strategic plans of the statistical work for member countries in coordination with the CSOs. To meet its mandate, the centre will coordinate all statistical work programs at the level of Member States, and will look at applying international standards, unifying methodologies and standards and most importantly implement and coordinate quality assurance frameworks. The centre is expected to deliver technical assistance program and training to its member countries.

In short, this new institutional arrangement at the GCC level is expected to boost the level and the quality of data production on the coming few years. Noting that, funds have been already allocated for the year 1 operation.

Recommendations:

- 1- It appears, on the short term, that a new mandate needs to be empowered to the CSOs in the GCC countries. A clear role on “managing” the statistical system is needed to be stated. The CSOs are required to exercise this function once is given.
- 2- The organization structures need to be re-designed as to accommodate other data producers in the country. This platform is essential to “manage” and “supervise” the statistical production at the country level. Furthermore, similar treatment can be used for representation of data users.
- 3- Investment on human resource is an important step towards sustainable development and production of quality statistical work, especially few member countries are relying on expatriate on statistics production.
- 4- “GCC-Stat” should be fully utilized by member states for harmonization, quality guidance, standards & methodology source, training, and technical assistance provider in order to build strong national statistical centers
- 5- GCC countries are invited to consider the establishment of independent “Statistical regulatory Offices” to seize the responsibility of supervision and make CSOs more focused on data production in one hand and to avoid conflicts of interest on the other hand.

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¹ Part of the SWOT is obtained from the GCC statistical strategy.