

## Putting BBS on the dock : Is it fair?

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Of late, Bangladesh Bureau of Statistics (BBS) has become the favourite whipping child of all and sundry.

If memory serves me right, this is the nature of things when key economic or social indicators begin to take a wrong turn. As inflation numbers trend upwards, the poor get hurt, while some politicians and policymakers are irked by the statistical agency's alleged inability to get it right. With development partners — in light of recent domestic and external developments — making their own assessment of the economy's growth rate for the current fiscal year, their projections are at odds with the government's as the Finance Minister sticks to the earlier projections of 7.0% gross domestic product (GDP) growth made in the budget of fiscal year (FY)12. Our presumption would be that his confidence stems from the latest figures on economic activity provided by BBS. Meanwhile, the Minister for Agriculture has made no bones about her displeasure with BBS estimates of agriculture sector output and growth numbers, not to speak of the latest four pas with the country's population numbers compiled by BBS, which even Bangladesh Institute of Development Studies (BIDS), the government's venerable think tank, found fault with.

But this is not how it should be. I am reminded of the biblical saying, "as you sow so shall you reap". Have we done enough to strengthen this institution which is the fountain of so much information that the nation, and its policymakers, analysts, and all manner of experts, depend on? The short answer is, NO. Yet, BBS is the sole source of official statistics on many critical socioeconomic indicators such as economic growth, poverty, income distribution, wage and price inflation, population and its growth rate, and so on. Indeed, for any research on Bangladesh, not to speak of policy formulation, we all must rely on BBS statistics. During any given year, with all the resource constraints it is known to suffer from, BBS collects and

publishes copious amounts of statistics on more subjects than I can recall in this brief write-up. Indeed, there is tremendous demand for all statistics that comes out of this agency, though one can question the timeliness and, sometimes, even the veracity and quality of those statistics. Suffice it to say that the quality of output is directly correlated with the quality of input that goes into this institution. What I am implying is that BBS is an all important government agency which deserves to be adequately funded and staffed with personnel having the right expertise and backed by adequate opportunities for career advancement. Moreover, BBS has to transition into the digital world of electronic information which calls for huge investments in technology, equipment and trained manpower, all of which is found wanting at the moment. Let me raise the all important question and leave it open for informed readers to judge: is BBS getting the investment it needs and the importance it deserves?

If past history is any guide, it would be fair to say that BBS appears to lack the authority to stand by its figures, particularly when challenged or contradicted by those in leadership positions. Partly, this is the result of BBS being relegated to a position in the bureaucratic hierarchy, being ranked – so it would appear in practice – lower down in the government’s known pecking order. No matter how important this post was, there was a time when government secretaries were not thrilled at being posted as Secretary, Statistics Division. National statistics, its collection, publication, and management, is a technical subject in which a generalist bureaucrat, bereft of any exposure to the statistical experience, could easily find himself a fish out of water. Yet, strong leadership at the helm of this institution is a must. It was fortuitous for BBS to have benefited from long periods of dedicated expert advice from Dr. Ghulam Rabbani, a former statistics division secretary, who turned out to be the only civil servant this country has known, with a Ph.D in statistics. That situation no longer holds, nor is it likely to occur anytime soon. All other efforts to post civil servants with a university degree in statistics proved futile, until the present secretary, who rose from the ranks of officers in the statistics division, and so is more at home and committed to the challenge at hand. It is time to establish the tradition of BBS being headed by a strong professional who can withstand outside pressure and have the independence to stand by its product – statistics.

That brings me to a burning issue of statistics that seems to pop up every now and then. Is BBS doing a fine job in compiling national income statistics in order to be able to state with a level of confidence the provisional and final estimates of GDP and its growth rate, and then

stand by it, undeterred by any pressure – political or bureaucratic? GDP growth is one indicator that becomes the subject of controversy more often than not – probably all due to the lack of confidence in BBS estimates. Business leaders, who are not economists, have often questioned the veracity of the economy’s growth rate as compiled and published by BBS, particularly when their own experience and anecdotal evidence point in an opposite direction.

For one thing, anecdotal evidence should never be the basis of aggregate national statistics. For another, it is a fact that BBS, like other statistical agencies in developing countries, compiles GDP estimates, using production and expenditure methods, through a combination of direct and indirect approaches, in the absence of proper income and expenditure accounting by enterprises in the formal and informal sectors of the economy. Although GDP measures the value of goods and services produced, in order to avoid double counting of outputs and inputs (used in outputs), the strategy is to compute value addition in all activities (production of goods and services). This is the other problem that BBS has to address with the challenging task of computing value added coefficients for activities in agriculture, industry, and services. Indeed, BBS has to use a host of coefficients and parameters to compile the estimates of output as well as value addition. These coefficients and parameters have to be updated at regular intervals through surveys; if not, GDP estimates can diverge from current reality and raise doubts about their accuracy. The matrix of coefficients used to compute output and value added is a statistical black box that is seldom made public.

The fact is, these surveys have not been done at regular intervals to stay current. To my mind, this ought to be the main reason why analysts and policymakers alike may have less confidence in the GDP estimates produced by BBS quite apart from the proverbial inadequate coverage of activities that BBS is often accused of. To add transparency to the entire process of GDP computing, it would be worthwhile to publish the matrix of parameters and coefficients, and include it in the BBS publication, National Accounts Statistics, which is published every May, prior to the budget announcement.

To conclude, it is high time to demystify the computation of national income statistics. The onus lies squarely on BBS to take the first step forward if it is to remain above board.

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