

# STRATEGIC PLANNING IN A DECENTRALISED STATISTICAL SYSTEM – THE GERMAN EXAMPLE

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## Abstract

The National Statistical System in Germany is decentralised, following the federal structure of the country. The main producers of official statistics are the Federal Statistical Office of Germany and the 14 Statistical Offices of the Länder. For the further development of official statistics systematic planning is considered inevitable, especially given the different parties involved. The work-sharing organisation of statistics production, however, poses a challenge to strategic planning processes, particularly with regard to coordination. Due to the political requirements at the federal as well as at the Länder level, strategic planning additionally has to account for various demands. The joint strategy has to reconcile and translate these into a shared vision of the German system of statistical offices.

Since 2012, decision making processes and strategic planning procedures have been established among the German statistical offices and the Strategic Priority Plan is set up. Through comprehensive coordination at strategic/executive, management and operative levels, agreements are settled among the different bodies.

In the second round of peer reviews in 2014/2015 these achievements have been acknowledged. In order to further strengthen the compliance with the Code of Practice the peer review team recommended that periodic progress should also be published. As a result, the upcoming challenges of drafting a consolidated progress report need to be addressed.

This paper presents the established decision making processes and coordination methods in the form of “management by measures” and delegated accountability. It shows its strengths as well as its limits.

**Keywords:** coordination role of the NSI; peer review; decentralised statistical system; strategic planning; progress report.

## **1. Introduction: The Importance of Strategic Planning Procedures for Quality in Official Statistics**

Concerning the statistical processes, the Code of Practice underlines the importance of a reputation for good management and efficiency as they benefit official statistics' credibility. Consequently, strategic planning is of vital importance for assuring and further enhancing the quality of official statistics. It is generally acknowledged that only through systematic planning, i. e. clearly defined targets, measures and timelines, the envisaged future of being "the most important information provider" can be achieved and secured – gradually, measure by measure.

Besides these rather implicit requirements to strategic considerations, in the German system of statistical offices the commitment to quality is defined by an entire scope of strategic activities. This includes various targets and a whole set of measures to achieve these targets. For most of the statistical offices (outside Germany and in a centralised statistical system) this approach may go without saying, however, in a decentralised statistical system – as it is the case in Germany (see next section) – strategic planning procedures prove to be more difficult.

Despite its work-sharing organisation the German system of statistical offices has managed to agree on and implement common decision-making processes and coordination methods. These are presented in the first part of section 3. The second part of section 3 describes the development of strategic planning within the system of statistical offices and it shows how the previously described decision-making processes are currently employed to define a joint strategy. This paper presents the established decision making processes and coordination methods in the form of "management by measures" and delegated accountability. It shows its strengths as well as it recognises its limits. As an outlook, the paper closes with future developments: in order to further strengthen the compliance with the CoP the peer review team recommended in the second round of peer reviews in 2014/2015 that periodic progress should also be published. Section 4 outlines the upcoming challenges of drafting a consolidated progress report.

## 2. The Federal Structure of the German Statistical System

The National Statistical System in Germany is decentralised, following the federal structure of the country: Germany is a federal republic consisting of sixteen federal states (German singular: “*Land*”; plural: “*Länder*”). The main producers of official statistics are therefore the Federal Statistical Office of Germany (FSO) and the statistical offices of the *Länder*.

Following the German principle of legality, federal statistics are, as a rule, governed by federal laws. However, the *Länder* generally execute federal laws in their own right (according to Article 83 of the Basic Law). The statistical offices of the *Länder* are administratively and financially independent of the Federation and not subject to directions from the FSO or the federal ministries. Apart from that, some of the *Länder* have set up joint offices so that not every *Land* has its own statistical authority<sup>1</sup> – as a result the system of statistical offices of the Federation and the *Länder* comprises the FSO and 14 statistical *Länder* offices.

The Law on Statistics for Federal Purposes (FSL) specifies in Article 1 that „[...] it is the function of statistics of federal purposes (federal statistics) to continuously collect, compile, process, present and analyse data on mass phenomena.“ The FSL also clearly defines the competences of the statistical offices on the federal level in order to comply with the previously mentioned requirements<sup>2</sup>:

The FSO has a legal mandate that covers the methodological and technical preparation and further development of federal statistics in consultation with the statistical offices of the *Länder*. It is usually the statistical offices of the *Länder* that are responsible for collecting and processing data in due time. The FSO shall see to it that the collection and processing programmes of federal statistics are uniformly and duly carried out by the *Länder*. However, legislation may also provide for a central survey. In this case the Federal Statistical Office

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<sup>1</sup> At the beginning of 2004, the *Land* statistical offices of Hamburg and Schleswig-Holstein merged to form the Statistical Office for Hamburg and Schleswig-Holstein (Statistical Office North). The *Land* Office for Data Processing and Statistics of Brandenburg and the *Land* Statistical Office of Berlin merged on 1 January 2007 to form the Office for Statistics (AfS) Berlin-Brandenburg.

<sup>2</sup> Article 3 (1) No. 1 and Article 3a, Law on Statistics for Federal Purposes ([https://www.destatis.de/DE/Methoden/Rechtsgrundlagen/Statistikbereiche/Inhalte/010a\\_BStatG\\_Engl.pdf?\\_\\_blob=publicationFile](https://www.destatis.de/DE/Methoden/Rechtsgrundlagen/Statistikbereiche/Inhalte/010a_BStatG_Engl.pdf?__blob=publicationFile))

performs all the working steps, i.e. the data are collected and processed centrally, which is the case for example in price statistics and foreign trade statistics<sup>3</sup>.

The FSO is in charge of compiling and disseminating federal results. This also includes providing advice to users and performing special evaluations of the data. The results of the Federation and the 16 Länder are published through largely coordinated publication programmes and specific websites. In order to even better meet the interests and information needs of the customers and users the statistical offices implemented a common statistics portal<sup>4</sup>. It provides central access to statistical information and facilitates comparison between such information across the Länder. Currently, there are two different databases containing statistical results (1) for the Federation and the Länder – “GENESIS-Online”<sup>5</sup> – and (2) below the Land level – “Regional Database Germany”<sup>6</sup>. The subject-related maintenance and further development of the statistics portal is a matter of joint organisation and lies within the responsibility of all statistical offices. As a consequence, its development is of strategic relevance for official statistics in Germany.

Providing the scientific community with anonymised microdata has increasingly gained in importance. This is done by the “research data centres”<sup>7</sup>, which are attached both to the FSO and the statistical offices of the Länder.

With regard to European statistics, the FSL mandates the FSO to coordinate the statistical surveys conducted by the 14 statistical offices of the Länder, which collect the vast majority of data for European statistics. Pursuant to this law the FSO shall also develop statistical

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<sup>3</sup> Federal Statistical Office of Germany (2015), Strategy and Priority Plan 2015 to 2019, Wiesbaden. available at: [https://www.destatis.de/EN/AboutUs/OurGoals/StrategyProgrammePlan2019.pdf?\\_\\_blob=publicationFile](https://www.destatis.de/EN/AboutUs/OurGoals/StrategyProgrammePlan2019.pdf?__blob=publicationFile).

<sup>4</sup> Statistics portal of the statistical offices of the Federation and the Länder: <http://www.statistik-portal.de/Statistik-Portal/en/>

<sup>5</sup> GENESIS-Online Database: [https://www-genesis.destatis.de/genesis/online/data;jsessionid=A5DF9AA2293EC4633F48E16984AD5C9F.tomcat\\_GO\\_1\\_1?operation=sprachwechsel&option=en](https://www-genesis.destatis.de/genesis/online/data;jsessionid=A5DF9AA2293EC4633F48E16984AD5C9F.tomcat_GO_1_1?operation=sprachwechsel&option=en)

<sup>6</sup> Regional Database Germany: <https://www.regionalstatistik.de/genesis/online/logon?operation=sprachwechsel&option=en>

<sup>7</sup> Website of the Research Data Centres of the Federal Statistical Office and the statistical offices of the Länder: <http://www.forschungsdatenzentrum.de/en/index.asp>

standards, methods and procedures in cooperation with the statistical offices of the Länder in order to ensure timely, coordinated and consistent statistics<sup>8</sup>. In fact, the FSL does not contain explicit provisions on the co-ordination role of the FSO.

As a result, federal statistics are basically produced conjointly by the Federal Statistical Office and the statistical offices of the Länder. This working association is referred to as “the system of statistical offices” of the Federation and the Länder.

### **3. Strategic Planning in the System of Statistical Offices of the Federation and the Länder**

Since there are several parties involved at different stages of statistics production – from the beginning of the work process to its end – planning procedures have to account for the different perspectives and the manifold political requirements at the federal as well as at the Länder level. For the statistical offices to agree on common objectives and a joint vision of their future statistical system decision-making processes need to be implemented, transparent and well-organised, particularly to balance the expectations of what is achievable as a priority of the further development. This requires coordination at various levels.

#### *3.1. Coordination of Statistical Activities*

The system of statistical offices organises the individual tasks of statistical production and the related division of labour among its various institutions by coordination at strategic/executive, management and operative levels; agreements are settled among the different bodies:<sup>9</sup>

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<sup>8</sup> Seventeen Other National Authorities (ONAs) in Germany, which are, to a large extent, independent bodies, also produce European statistics. Some ONAs have a relatively high significance in the national statistical system: for example, the Federal Employment Agency produces labour market statistics and the Federal Agency for Agriculture and Food produces agricultural statistics, economic accounts for agriculture and fisheries statistics. There are also six Federal ministries on the list of the ONAs (e.g. the Federal Ministry of the Interior produces migration statistics, the Federal Ministry of Employment and Social Affairs produces health and safety and social protection statistics). The ONAs send data directly to Eurostat without including the FSO in the process of data transmission. The ONAs are not described in detail in this paper.

<sup>9</sup> The bodies described as follows only include those that cover the cooperation between the statistical offices of the Federation and the Länder and that are relevant for and connected with the Strategic Priority Plan (see below).

The **Conference of Directors-General (CDG)** acts on strategic level and decides on fundamental matters regarding co-operation between the statistical offices of the Länder and the FSO. The heads of the statistical offices meet three times a year; twice at the main office of the FSO with the president of the FSO chairing the conference and once per year in one of the Länder offices with the respective director of the organising office as chair.

A total of 32 **meetings of experts** and working groups are set up on the operative level. They consist of specialists from the statistical offices of the Länder and the Federation and discuss specific questions referring to the individual statistics and the actual doing. Traditionally they deal with questions on specialised statistics. They have the competence and authority to decide on the technical matters in the respective statistical area. Meetings of each expert group take place once to twice per year.

The **Board of Directors** serves as a link between the expert meetings and the CDG. It has a coordinating function, the task to resolve conflicts and the mandate to take decisions. The Board of Directors particularly structures the strategic topics (cross-cutting issues) in preparation of the eventual decision-taking of the directors-general of the statistical offices and gives recommendations (proposed resolutions) to the CDG. The exchange of well-informed ideas in advance and as part of this decision-making procedure has proved to be the most effective approach: it facilitates the final decision-taking and at the same time accounts for operative aspects. The Board of Directors also meets triannually, it is chaired by the FSO's Vice-president.

In addition to regular face-to-face meetings preparatory and follow-up procedures influence the communication and cooperation between the statistical offices. Both the CDG and the Board of Directors have a committee's office, staffed with employees of the FSO. The offices attend to the administrative tasks related to the committees and its members, the preparations and follow-up procedures and assignments in an unprejudiced way. They ensure a thorough information flow among the statistical offices and provide for reliable documentation of the decisions made. The results of the meetings and the relevant documents are available to the entire staff of the statistical offices so that the respective measures may be implemented.

The described committees provide the opportunity to discuss aspects that are not determined by legal provision in detail and in person, and – as far as possible – to decide by consensus. A set of rules “governs” the cooperation between the statistical offices. In a closed session in 2010 the heads of the statistical offices agreed upon the way in which they wanted to shape their cooperation. As a result, they conjointly defined their “common identity and commitment” (“*Rollenverständnis*”). “Internal rules of procedure” (“*Geschäftsordnung*”) determine their cooperative approach and, as part of it, manage the above mentioned meetings, meant to constitute their cooperation. In this context, they implemented a new structure of bodies (as described above) which was evaluated in 2013. The Board of Directors was assessed a helpful link between strategic and operative level and the directors-general of the statistical offices decided to keep it as a regular committee. Changes of international, European and national legislation demand regular revision and adaptation of these agreements. Moreover, the work process itself and the reflection upon it ask for constant adaptation.

Despite – or due to – this permanent demand for change the statistical offices agreed on constant values. These are reflected in their so called “self-image and mission of the statistical offices of the Federation and the Länder”. On the one hand, it illustrates the overall concept of official statistics as perceived by the statistical offices. On the other hand, the potential for development of official statistics in Germany is inherent; these visionary aspects are targeted by their strategic approach.

### *3.2. Strategic Planning Procedures and the Strategic Priority Plan*

With the above described committees in place and thorough coordination of work and decision-making processes, the German statistical system of the Federation and the Länder was able to (more or less) reconcile and translate the different requirements into a shared vision and a common self-image and consequently the Strategic Priority Plan could be set up.

Previous strategic initiatives did not allow for comprehensive and systematic controlling and short-term reporting. With regard to its orientation, the previous strategic approach predominantly focused on IT-related matters and aimed at extending the co-operation among the statistical offices to additionally include the processing of statistics. As a result, they

decided on a cross-office fulfilment of tasks, i. e. one of the Land offices processes the statistical data for other Land offices. This led to a subject-matter specialisation of many statistical Land offices, which now act as “patrons” for sets of statistical surveys and the related subjects on behalf of other Statistical Land offices.

In 2012, the FSO and the statistical offices of the Länder agreed to pursue their joint strategy rather by way of a coordinated set of measures: the “Strategic Priority Plan“. It covers eight strategic key areas in which the German statistical offices consider potential for development of their common work processes. These refer to five cross-cutting areas – external perception, quality, organisation, statistics infrastructure and small area data – and complementary statistic-specific areas – accounting systems, statistical cluster and census. Each of these areas covers various targets the statistical offices try to realise by a set of approx. 40 measures, classified by two different priorities.

These measures serve to achieve the objectives as expressed in the visionary part of the self-image; in the Strategic Priority Plan they are set up to meet both long- and short-term targets. The main part of the Strategic Priority Plan integrates with the European initiatives such as the ESS Vision 2020 with its five key areas. As part of the strategic key area “statistics infrastructure” of the Strategic Priority Plan the development of standard tools, for instance, is a response to demands inherent to the system: in the work sharing statistics production standardisation leads to enhanced quality and allows for increased efficiency. At the same time, the respective measures contribute to creating efficient and robust statistical processes as required by the ESS Vision 2020 and the Quality Assurance Framework.

The Strategic Priority Plan facilitates consequent supervision. Based on this “management by measures” and delegated accountability it is possible to observe what has been accomplished over the course of time, whether it is necessary to adjust the determined measures, (slightly) shift the focus and/or the respective priority and/or adapt the timeline. This “stock-taking” provides a clear view on the important strategic aspects and next steps. Accordingly, controlling is done on a regular basis and the status quo is reported to both the Board of Directors and the CDG. The main focus here is on the need for action or support for the



operative level by the management/executive level in order to achieve the next milestones. The revision of the targets as well as the measures and their priorities are organised in a regular planning cycle: it starts with the Board of Directors' appraisal which puts the focus on operative aspects. The Board's recommendations are subsequently discussed and reconsidered by a steering group that is especially set up for this purpose. It consists of seven directors-general of the Länder offices plus the president of the FSO. The steering group rather considers the Strategic Priority Plan as a whole and reviews the key areas, the targets and measures in the context of the system of the statistical offices. The steering group thus contributes its strategic perspective and prepares a proposed resolution for the CDG. The CDG finally decides on the Strategic Priority Plan for the following year and thus determines the work programme of the statistical offices for the upcoming years.

#### **4. Outlook on Future Developments: Publication of a Progress Report**

Despite the described accomplishments the strategic planning process of the German system of statistical offices still has some way to go. In the second round of peer reviews in 2014/2015 the achievements have been acknowledged<sup>10</sup>. In order to further strengthen the compliance with the Code of Practice the peer review team recommended that periodic progress should also be published.

Drafting a consolidated progress report means new methodological challenges and demands adjustments of the current process of strategic planning. First of all, progress itself needs to be defined. What does progress mean with regard to official statistics and their objectives as included in the Strategic Priority Plan in particular? As soon as this rather abstract question has been answered, the progress of each goal has to be determined – and jointly decided upon. For example, it is widely supported or even pushed to collect data electronically. Still, it may not be efficient for all statistics to (exclusively) gather data electronically. In this case, it may

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<sup>10</sup> The report on Germany presenting the outcomes of the second round of peer reviews (2013-2015) as well as the improvement actions in response to the recommendations is available at:  
<http://ec.europa.eu/eurostat/documents/64157/4372828/2015-DE-Report/e9a771b3-7890-4996-a5c4-f818502e97c1>

be reasonable to only focus on a certain number of statistics. And can success and/or progress (always) be measured? What does it mean if a certain target needs to be adjusted? Has it failed? What does failure mean? What is the consequence and what steps does it ask to take? Do the statistical offices fail if they do not progress? Do all statistical offices interpret progress the same way? These and other aspects need to be addressed.

Still, despite these “obstacles” the recommendation of the peer review team is considered a chance for further development. In order to measure progress, it is essential to constantly identify the status quo, determine the long- and middle-term development, accordingly adjust the measures and observe the way still to go. Agreeing on indicators that might indicate progress will prove that all statistical offices share the same understanding of the targets and measures as described in the Strategic Priority Plan. This may already effect development.

This development can only be considered the first step. The peer review team additionally recommended that the periodic progress report should also include – on the long run – the seventeen Other National Authorities (ONAs) in Germany producing European statistics (see also footnote no. 11 on page 5). However, the experience of (1) coordinating different views and interests, (2) reconciling and (3) translating these into a common strategic planning process of which (4) the progress can be measured may certainly benefit the expansion of the progress report.