

# Evaluation in Public Finance Statistics – Results of a Survey among Expert Users

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## **Abstract**

Public finance statistics of the Federal Statistical Office of Germany (Destatis) have been facing great changes in methodology in the past few years. Since 2006, public finance statistics have gradually been converted according to a newly introduced methodological concept - the so called shell concept. In 2013, the Finance and Taxes Division of Destatis decided to conduct a survey among expert users of public finance statistics. The aims were to determine the frequency of use of, and satisfaction with current publications of public finance statistics in order to customise the publication programme. Another aspect was to measure the level of familiarity with the shell concept.

With the help of a questionnaire the expert users had the chance to state their preferences. In the context of this survey valuable suggestions have been obtained, which will be considered when rearranging the publications of public finance statistics. Finally, the users had the chance to attend a workshop where they could discuss the results and specify their suggestions. As a consequence of the results of the evaluation and the workshop, conclusions for the publication programme have been drawn and some of them have already successfully been implemented.

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## **1. Framework**

### *1.1 National and international requirements for public finance statistics*

Public finance statistics of the Federal Statistical Office of Germany (Destatis) are designed to provide comprehensive and detailed information about public finance in Germany. Public finance statistics are compiled on the basis of national classifications and concepts. The data of these statistics form the basis for decisions in the area of financial and economic policies and for analyses and comparisons at the national level. At the same time, they constitute the main statistical source to calculate, in the context of national accounting, internationally comparable data for the general government sector relating to the EU Stability Pact and the government account. To provide relevant and reliable data despite changing framework conditions, the concepts and methods are reviewed at certain intervals. Due to the outsourcing of tasks to public funds, institutions and enterprises outside the core budgets, the overall picture of public finance statistics became incomplete in the past few years. Therefore a broader definition of the overall public budget became necessary.

Public finance statistics have gradually been converted according to a newly introduced methodological concept - the so called shell concept. In 2013 all but the highly detailed annual finance statistics of expenditure and revenue of the overall public budget had been converted. As a consequence, in the reporting year 2011 the results of quarterly cash statistics of expenditure and revenue of the overall public budget were published for the overall public budget as a whole, without a breakdown for core budgets. Until reporting year 2010, data for core budgets had also been published separately. However, after publication of the adjusted statistics expert users asked for information on the core budgets they could not find anymore.

In respect of the demands of users of public finance statistics it was decided by the Finance and Taxes Division of Destatis to give expert users the chance to communicate their needs before the next statistics – the annual statistics of expenditure and revenue of the overall public budget – would be converted into the shell concept model. The concept of a survey among expert users of public finance statistics was formed. The survey focuses upon expert users because of their deep methodological knowledge and deep insights of public finance statistics.

## *1.2 The shell concept model*

The shell concept model provides the framework for the integration of public budgets and public funds, institutions and enterprises. At the same time, it serves as a link to the general government sector as defined by the European System of Accounts (ESA). The model consists of a core, comprising the core budgets of the Federation, the Länder, the municipalities/ associations of municipalities and social security funds. The middle shell comprises the so-called extra budgets. Those are all public funds, institutions and enterprises which, according to the ESA rules, belong to the general government sector. The core and extra budgets together form the overall public budget. The latter also includes (Germany's) share of the European Union budgetary operations that can be allocated only to the aggregate of the above two areas. The outer shell contains all other public funds, institutions and enterprises. The public sector comprises the core, the middle and the outer shell. However, from a statistical perspective, it has to be noted that separate data for core budgets are limited in terms of comparability across the Länder and over time, due to the different scope and timing of outsourcing processes of public tasks.

## *1.3 Introduction of the shell concept in public finance statistics*

Due to differences in data availability the shell concept model was gradually introduced in several sets of statistics of public finance. In quarterly cash statistics as well as in quarterly debt statistics integration to form the overall public budget has been completed from reporting year 2011, while the relevant reporting year is 2010 for the annual debt and public financial assets statistics. The annual debt statistics provide additional results for the public sector. The shell concept will be introduced in annual statistics of expenditure and revenue of the overall public budget from reporting year 2011.

## *1.4 Quality*

Destatis has committed itself to assure and further enhance the level of quality achieved. Quality guidelines are established in order to fulfill this task. The quality guidelines underlying the activities of the German Federal Statistical Office are the "European Statistics Code of Practice" and the "Quality Standards in German Official Statistics". The survey among expert users of public finance statistics was conducted in view of Principle 4 "Commitment to Quality" and Principle 11 "European Statistics meet the needs of users" of the European Statistics Code of Practice.

Since 2005, Destatis has offered Quality Reports on all federal statistics. The structure of the Quality Reports is based on the principles regarding the quality of statistical products according to the European Statistics Code of Practice. For instance, from reporting year 2005, separate quality reports on quarterly cash statistics and, from 2009, separate quality reports on annual statistics of expenditure and revenue have been published. Before, quality reports and methodological explanations of those statistics had been part of the subject-matter series.

### *1.5 Publications of public finance statistics*

The results of individual statistics are published in subject-matter series. Subject-matter series are the main information source for expert users of public finance statistics. Typically, they comprise detailed tables with methodological explanations. Subject-matter series of public finance statistics have been published for decades. Therefore, expert users are very familiar with them. Among others, the publication programme also comprises tables and charts on the Destatis website, press releases and articles as well as data in the database GENESIS-Online.

## **2. Survey among expert users of public finance statistics**

### *2.1 Aims of the user survey*

The reason why a user survey was conducted is the customisation of the publication programme of public finance statistics. Therefore the importance of public finance data for expert users, the frequency of use and the satisfaction with the current publications of public finance statistics was of interest. Besides, the level of familiarity with the newly introduced shell concept was inquired. In order to prepare the upcoming implementation of the shell concept in the annual statistics of expenditure and revenue of the overall public budget the answers from the expert users are considered.

### *2.2 Questionnaire*

The electronic questionnaire was divided into two parts. The first part comprised questions about the current publications of public finance statistics and the second dealt with the shell concept. The expert users were asked how often they use the current publications of public finance statistics, how satisfied they are with these publications and finally how familiar and satisfied they are with the data presentation according to the shell concept.

### *2.3 Surveyed user groups*

The group of 239 surveyed expert users mainly consists of ministries of finance, statistical offices of the Länder and associations including the Association of German Chambers of Industry and Commerce and the German Association of Cities and Towns. Participation in the survey was voluntary. 79 questionnaires were evaluated. This is a response rate of 33%.

### *2.4 Results of the survey*

This paragraph focuses on the most important results of the survey.

#### *2.4.1 Importance of public finance data*

A significant result of the survey is that the data of public finance statistics are of high importance for the expert users. For 91% of them, public finance data are important or even crucial. Only a few of the expert users use public finance data solely as background knowledge.

#### *2.4.2 Frequency of use*

Expert users work intensively with public finance data. The majority use the data several times per year. Almost two out of three do so even weekly or monthly.

Subject-matter series are the most common form of publication in the field of public finance statistics. The subject-matter series of quarterly cash statistics of the overall public budget is used most frequently. 78% of the expert users use it at least once or twice per quarter. The annual statistics of expenditure and revenue of the overall public budget are used once or twice per quarter by 55% of the expert users.

Tables and charts of public finance statistics on the Destatis website are another important source from where expert users get their information. Almost 60% of them use the tables and charts of the quarterly cash statistics and the annual statistics of expenditure and revenue of the overall public budget on the Destatis website at least once or twice per quarter. Moreover, the results of the survey show that 60% of the expert users do not use the database GENESIS-Online as a source of information for public finance data.

Other important media are press releases and articles in the monthly journal 'Wirtschaft und Statistik'. However, these media are offered for the quarterly cash statistics only. The results

show that 60% of the users use the press releases and 40% the articles at least once or twice per quarter.

#### *2.4.3 Satisfaction with the current publication programme*

The satisfaction with subject-matter series of the quarterly cash statistics is a little bit higher than the satisfaction with the annual statistics of expenditure and revenue of the overall public budget. More than 60% of the expert users are satisfied or even very satisfied with the data dissemination of the quarterly cash statistics. As regards annual statistics of expenditure and revenue of the overall public budget, the percentage is 44%. The good news is that the tables meet most users' needs. However, the timeliness of the publication of annual data should be improved.

At the same time expert users are slightly more satisfied with the tables and charts on the Destatis website regarding the annual statistics of expenditure and revenue of the overall public budget than with those of quarterly cash statistics. A reason is that quarterly cash statistics should be available with more detailed information.

The comparison of the press releases with the articles in the journal 'Wirtschaft und Statistik' show that expert users are slightly more satisfied with the press releases than with the articles. To put it in percentage terms, press releases achieve 49%, the articles 43%.

#### *2.4.4 Level of familiarity with the shell concept*

Thanks to intensive communication in the expert committees of public finance statistics, which meet in regular intervals, the shell concept is already very well known by expert users of public finance statistics. A majority of 80% are at least partly familiar with this model.

#### *2.4.5 Dissemination of quarterly cash statistics according to the shell concept*

Two in three expert users are satisfied or mostly satisfied with the presentation of the overall public budget according to the shell concept in quarterly cash statistics. But slightly more than 20% are not satisfied. The reason was the missing publication of the core budgets. Keeping in mind the different shells of the shell concept model, the overall public budget equals the consolidated sum of the core budgets and the extra budgets. The users explicitly asked for a

separate publication of the core budgets. For 72% of them it is obligatory, which means they strongly demand the core budgets.

### *2.5 Workshop*

In order to get into conversation with the expert users, they were invited to a workshop. In this workshop discussions about the results of the survey were held. In addition, presentations informed the participants about the new applications provided at the Destatis website and the database GENESIS-Online. Another topic was the shell concept model and the sector classification within the shell concept from which the expert users gained valuable information.

## **3. Conclusions**

The conclusions from the survey can be divided into two parts. On the one hand the conclusions for the quarterly cash statistics of the overall public budget and on the other hand those for the annual statistics of expenditure and revenue of the overall public budget.

In the quarterly cash statistics of the overall public budget, core budgets are additionally published again and the articles in the journal 'Wirtschaft und Statistik' will continue to be published semiannually.

Core budgets of the annual statistics of expenditure and revenue of the overall public budget will be published analogously to quarterly cash statistics. The publication programme will be adjusted on the basis of the results of the survey. This implies that subject-matter series will be maintained and the database GENESIS-Online as well as the tables and charts on the Destatis website will be expanded.

The bottom line is that valuable suggestions from expert users have been gained which will be used to gradually improve the publications of public finance statistics of Destatis.