# **Analysis of the Needs of Local Governments for Introduction of Statistical Support to Decision-making at the Local Level**

# **Introductory information**

During the pandemic of coronavirus, beside the Government of Republic of Serbia, local governments took certain measures in order to improve functioning of the economy.

Statistical Office of the Republic of Serbia conducts hundreds of statistical surveys annually. The obtained data have multiple use value and can be used as support in making decisions at different levels. This project was directed to determine the needs for statistical data on measures taken during the epidemic and their effects, which would be additional help to local governments in order to mitigate the consequences of COVID19 pandemic.

Therefore, it was necessary to conduct a survey which would contribute to define future cooperation between local governments and Statistical Office of Republic of Serbia through the adopted approach of decision-making based on statistical data in order to facilitate functioning of the economy and development of local governments in the future, especially during the pandemic.

The result of the survey is aimed at obtaining fact-finding reports with statistical annex and recommendations for further development of a decision support system based on data at the local level.

# **Survey frame**

The sample includes all local governments in the Republic of Serbia (except local governments from Kosovo and Metohija) more precisely, 168 of them.

The questionnaire was filled by persons with authority to provide adequate data. The data were most often provided by the city top management and municipal administrations, heads of departments for local development, economy and communal affairs, heads of departments for urban planning, members of the city council, as well as investment advisers. Data for this survey were entered by 168 local governments, which is a response of 100%.

# **Type of survey**

In March 2020, the Statistical Office of the Republic of Serbia introduced a new type of so-called rapid surveys, which have been ongoing since the beginning of the epidemic. The entire system of rapid surveys is fully automated, from the moment the questionnaire is sent to the reporting units, through the control of filling out the questionnaire and analyzing the answers, to producing the results and visualizing the data. The new system was used during the implementation of this survey as well.

Reporting units fill out an online questionnaire that is very simple, with the goal of getting a quick answer to a set of just a few essential questions. The questionnaire was posted on the web and a link to it was sent to all local governments. Local governments from the territory of Kosovo and Metohija are excluded from the survey.

# **Have you independently taken certain measures to combat the pandemic?**

This refers to measures that are exclusive of the adopted measures at the republic level.

Analysis of the answers to this question shows that half, (or 50%) of local governments took their own measures, such as bans on gatherings, wearing protective masks, shortened operation of catering facilities, purchase of disinfection equipment/utensils, exemption from payment, or reduction of more than 70% of the total amount of lease of public areas, providing funds for disinfection of soles, transport of workers and transport of goods in domestic and international traffic.   
 *Chart 1*

The second half of local governments, judging by the results, did not implement their own, additional measures to reduce the impact of the COVID19 epidemic on functioning of economic activities, but directly relied on measures defined by the Republic Crisis Staff.

The most common reasons for not implementing additional measures are:

• Lack of financial resources

• Positive effect of implemented measures adopted by the Government of the Republic of Serbia, which did not require the introduction of additional measures by municipalities

• There were no requests from economic entities and population for additional relief, where the Government's incentive measures for economic development were sufficient

• State assistance in the form of free masks and face visors for employees has reduced the need for additional measures in most municipalities.

# **Have you taken additional measures and are you planning them?**

A significant part, 30% of local governments did not take their own measures, but plan to introduce new, additional measures in case of worsening of the epidemiological situation, which of course depends on available budget funds, while 20% of surveyed local governments did not take their own measures and do not plan to introduce them. Namely, it is considered that the already implemented measures, defined by the Republic Crisis Staff, are sufficiently efficient, as well as the financial assistance provided to economic entities by theGovernment.

Observing local governments that have taken additional measures, 85% of them plan to introduce additional measures to help the economy and population depending on the needs and possibilities, all in accordance with the situation and competencies of local government.

chart 3

chart 4

# **How effective were the additional measures?**

Chart 5

A significant part of local governments, more precisely 99% of them, believe that these measures had a visible effect on calming the epidemiological situation, which is reflected in:

• Reducing the risk of spreading infectious diseases

• Preserving jobs and encouraging new employment

• Mitigating the consequences of the pandemic, especially in those areas most affected, such as catering, services, old arts and crafts, tenants of business premises owned by the city, users of public spaces and the like

• Ensuring regular supply and introduction of appropriate passes for employees during the state of emergency

• Improving liquidity.

# **Do you plan to introduce new measures in case of worsening of the epidemiological situation?**

# When asked about taking new measures in case of deterioration due to the COVID19 pandemic, it is noted that as many as 72% of local governments are in favor of introducing new measures, while 28% of them are not. Many local governments have stated that they will monitor and act in accordance with the decisions and measures of the Republic Crisis Staff, while some of them mentioned as additional measures the reorganization of work, communication with parties by e-mail and telephone, if necessary, work from home, new measures for catering sector, as well as providing assistance to businesses and vulnerable categories.

chart 5

The parameters that were crucial in the introduction of new measures are the number of infected and the number of employees. The data that was also important is the number of catering facilities, as well as the number of students and pensioners, in order to deliver the first aid package, while other parameters to a lesser extent influenced the introduction of additional measures.

A small number of local governments, more precisely 28%, state the worsened financial situation as the reason for the absence of additional measures, as well as the insufficient need to apply them, because the measures defined by the Republic Crisis Staff gave a significant effect to suppressing the epidemic.

This shows that the experiences of local governments, whose measures had a positive impact on the functioning of local governments during the state of emergency, could be applied. Statistical Office of the Republic of Serbia sees its place in connecting and creating a statistical decision-making support network, all with the aim of furthering the fight against the pandemic. At the same time, almost all local governments that implemented the measures stated that the implemented measures were successful, and more than two thirds stated that they planned to introduce new measures.

# **Assistance to local governments by the Statistical Office of Republic of Serbia**

The most common data used by local governments when making decisions on the implementation of adequate measures are the number of infected and the number of deaths, data on the number of employees, the number of elderly citizens and the number of free beds in hospitals, as well as the number of economic entities, especially restaurants. These data were most often obtained from the Statistical Office of Republic of Serbia, as well as from the competent city secretariats and other relevant state institutions.

Statistical Office of Republic of Serbia will consider proposals for the introduction of new surveys to collect data that would help local governments to better understand the situation related to the pandemic and provide the best possible assistance to their citizens and businesses.

The most common proposals of local governments, obtained by this survey, relate to the introduction of statistical surveys that would allow obtaining the following data:

• The impact of the epidemic on agricultural production, the supply chain of agricultural products

• The impact of the epidemic on the functioning of the economy - through a set of economic indicators (impact on production, exports, imports, trends in the number of employees, business results, liquidity and income)

• The impact of the epidemic on the volume of industrial production, as well as on other activities, such as construction, tourism and catering and passenger traffic

• Number of entrepreneurial activities that registered "temporary cessation of activities"

• Expectations of business entities on business conditions in 2021

• Survey on how to help other entrepreneurs in order to overcome the consequences for the economy - public transport (urban and interurban), tourism (especially international)

• Survey on business difficulties during emergencies and epidemics

• Consequences of implemented measures on the economy

• Researching the efficiency of work from home

• Statistics on the number of infected by populated places

• Analysis of the number of citizens by regions of the Republic of Serbia who came to the Republic of Serbia from abroad during the epidemic

• Survey on the number of employed persons by Municipalities

• Survey on the sectors and activities in which the largest decline in economic activity and job losses occurred

• Number of persons over 65 living alone in the household

• Survey on the effectiveness of measures taken by the state during the epidemic as well as the impact on the business of all economic entities

• Number of workers laid off during the epidemic

• Percentage of reduction of income of economic entities in relation to the same period of previous years, as well as activities that suffer the greatest consequences due to the epidemic;

• Movement of unemployment and employment by sectors

• Impact of the epidemic on imports and exports

• The impact of the epidemic on GDP

• Percentage of patients who delayed treatment

• Losses in tourism by Municipalities

• Prevalence of coronavirus by age structure of working age population.

In addition to the mentioned survey, the local governments pointed out the need for additional data from the Statistical Office of Republic of Serbia. Depending on the adopted decisions and development strategies, local governments consider that they need information on:

• Structure and number of employed, unemployed by sectors on a monthly, quarterly and annual level

• Number of employees disaggregated by gender

• Structure of active economic entities at the municipal level

• Gross domestic product at the level of local government units

• Foreign trade and export

• Age structure of the population and working age population

• Survey on the number of persons who have employment contracts (fixed and indefinite) with a place of residence in the municipality

• Demographic statistics and migration trends

• Survey of sewage collectors and water supply on the territory of the municipality

• Prices of newly built apartments by municipalities

• Data on economic entities and potential investors

• Total consumption, registered trade in goods through the fiscal system for the level of municipalities, districts and regions

• Detailed data on the movement of agricultural production

• Data on public expenditures of public enterprises by branches, branches of ministries and state institutions for the level of municipalities, districts and regions

• Semi-annual and quarterly data on the unemployment rate at the level of local government as well as average salaries by sectors of activity at the level of local government;

• Number of newly opened companies as well as the number of closed companies;

• Number and qualification structure of the unemployed

• Databases of entrepreneurs and business entities

• Investments in the private and public sectors.

# **Conclusions, reccomedations and further steps**

The mentioned survey and expressed needs for data will be an initial step in defining the way of new cooperation with local governments. In doing so, the Statistical Office of Republic of Serbia will define a new role in connecting administrative sources and local governments, which will accelerate and increase the efficiency of decisions made at the local level. The Office has established cooperation with private companies and makes extensive use of their experience in data collection and analysis, which is conducive to the quality of cooperation and benefits that will be reflected in adequate support to local governments in decision making.

It should be borne in mind that the survey showed that the representatives of cities and local governments are not aware that some of the mentioned data that they stated as necessary are already published (they are part of regular Statistical Office surveys). In this regard, it is clear that additional efforts are needed to further promote statistics in terms of the availability of statistics at the local level.

From all this, as part of strengthening the cooperation of local governments and Official Statistics, there should be a set of basic activities such as:

• Holding meetings, workshops to define new ways of cooperation between local governments and the Statistical Office

• Defining a set of data that are not part of regular statistical surveys, and can be part of decision-making support to local governments

• Defining a set of new surveys that would be conducted at the level of individual, "similar" local governments

• Establishment of various web services between the SBS and local governments, in order to facilitate the exchange of data and more.

• Raising awareness of local governments about the usability and existence of statistical data that are not part of open data

• Involvement of local governments in the process of statistical production, as very important factors (providers and users of statistical data)

• Identifying a narrower number of interested local governments with which, in the future, closer cooperation could be achieved in statistical decision-making support, which would later serve as a model for other local governments to create permanent cooperation with the Statistical Office.

The ultimate goal is to create a network of local governments that would introduce a practice that has proven to be good in adopting measures in the fight against the COVID19 pandemic, as well as the exchange of experiences and analysis of new ideas. On the one hand, the statistical profession would improve by introducing new surveys to meet local needs, and on the other hand, local governments would have additional information that would significantly help them in the decision-making process, not only regarding the pandemic, but in all areas of life in local communities.