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SEMINAR ON INCREASING THE EFFICIENCY AND PRODUCTIVITY  
OF STATISTICAL OFFICES  
SESSION I

Statistical programme planning in the European statistical system<sup>1</sup>

Submitted by Eurostat

1. The European Statistical System is currently understood to be the partnership comprising Eurostat, national statistical institutes and other national statistical bodies responsible in each Member State for producing and disseminating statistics<sup>2</sup>. It is a *functional partnership* that is, to this day, not expressly regulated in European law. It could be argued that the absence of a more formal recognition of this partnership in European law may impact on the effectiveness and efficiency of the whole system, as the exact roles and obligations of the different actors are not clearly defined. It is not the purpose of this paper to enter into the discussion about a revised legal framework for the ESS. It is however necessary and useful to keep in mind that improving the effectiveness of the planning process in the ESS may be limited as long as the institutional set-up underpinning this process is not more clearly defined and formalised in the first place. For information, it should be said the ESS is reacting to that issue. The 92<sup>nd</sup> DGINS conference in Cracow (21 and 22 September 2006) discussed a series of proposals concerning the ESS and its

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<sup>1</sup> This paper has been prepared at the invitation of the secretariat.

<sup>2</sup> See definition given in the European Statistics Code of Practice. <http://europa.eu.int/comm/eurostat/quality>

way of working. As a follow-up to this conference an action plan was defined, including the setting up of a task force dealing with the legal and institutional framework.

2. The European Statistical System has come under increasing institutional "stress" with respect to the definition of its programmes. This has to do with the enlargement of the European Union, the pressure on resources through the need for more statistical information supporting increasingly complex and interdependent policies and the current political climate.

3. First of all, moving from 15 to 27 members in a system originally designed for 6 is a significant challenge. Eurostat operates with some 140 committees, working groups and task forces and has meetings on its premises on about 200 days of every year.

4. Secondly, we should remember the many fundamental changes brought about through the progress of European integration, especially since the 1990's: the completion of the Single Market, the creation of the single currency (albeit not yet for all members of the Union) and the Stability and Growth Pact – all of which generate huge requirements for statistics. Furthermore, in the economic sphere with the need for good governance of the Economic and Monetary Union by the ECOFIN Council (Finance Ministers) and the European Central Bank (ECB) being entrusted with guiding monetary policy, there was a massive increase in the demand for short-term indicators for the EU and for the Euro zone, leading to the adoption of the "EMU Action Plan". This increasing demand for official statistics from the ESS was not matched with a corresponding increase in human and budgetary resources.

5. Thirdly, the success of European statistics was linked to the general social and economic climate, even if we have seen in recent years some degradation of the previously favourable political climate. Public support for the EU has declined. Fundamental discussions are ongoing about the ultimate aim of the European Union and the distribution of responsibilities between the Community and its Member States. So, in the absence of a more commonly shared vision for the further development of the European Union and very fundamental discussions about the legitimacy of further integration, we should not be surprised that the partners in the ESS feel the need for more guidance and discussion about the effectiveness of statistical programmes. In the background paper prepared for this conference, effectiveness was defined as the "attainment of a predetermined goal". But how should the statistical community improve its effectiveness if the ultimate political "goal" of European integration is under discussion?

6. To summarise, this paper would then suggest that the difficulties and challenges of the European Statistical System are intrinsically linked to the difficulties experienced by the "European project" itself. I will outline some of the initiatives proposed by the Commission within the framework of the Better Regulation initiative which will have an impact on the effectiveness of the statistical programming process and programmes. None of them will provide a miracle solution. They should be understood as pieces in a puzzle, all of which need to be taken together to improve the effectiveness.

7. Indeed, the March 2005 Communication on *Better Regulation for Growth and Jobs*<sup>3</sup> identified simplification as a priority for the EU. This is the response to the request by the European Parliament and Council to simplify and enhance the quality of EU legislation. It is fully embedded in the refocusing of the Lisbon strategy on growth and jobs. The EU's better regulation policy aims to design regulations better in order to increase the benefits for citizens, to minimise costs in line with the proportionality and subsidiarity principles and to reduce the administrative burden on businesses, in particular on small and medium-sized enterprises (SMEs).

8. It could be said that better regulation will lead to greater effectiveness, and thus the application of better regulation principles applied to the statistical field will lead to increased effectiveness of statistical programmes. Also, in the production of national and Community official statistics, political bodies at all levels (local, national and European) have for some time been calling for simplification of requirements. Business associations have also repeatedly stressed that they want to see the burden of statistics lightened.

9. On 25 May 2005 the Commission adopted a Communication to the European Parliament and to the Council on the independence, integrity and accountability of the national and Community statistical authorities<sup>4</sup>, which was welcomed by the ECOFIN Council on 7 June 2005. It included a Recommendation by the Commission to the Member States to ensure compliance with the 15 principles in the European Statistics Code of Practice adopted unanimously by the Statistical Programme Committee on 24 February 2005. The response burden issue is addressed by several of the principles in the Code.

10. Furthermore, the Commission again referred to the need for simplification in the field of statistics in its Communication to the European Parliament and the Council on "Implementing the Community Lisbon Programme: A strategy for the simplification of the regulatory environment" of 25 October 2005<sup>5</sup>. More specifically, structural business statistics and Intrastat statistics were clearly included in the simplification rolling programme annexed to this Communication covering the years 2005-2008.

11. The Council conclusions of 8 November 2005 also acknowledged that the reduction of statistics and data collection deserves attention, taking particular account of the special needs and limited resources of SMEs. At Community level, the objective of reduction of the response burden and simplification is being pursued in an effort to continue to provide high quality statistics. In particular, within the framework of the Better Regulation initiative, attention is paid to the need for information to quantify the effects and impacts of political measures. Action is currently focusing on four pillars: screening Community legislation on statistics, whether already adopted or in preparation, case by case; harnessing trends in IT technology; seizing the opportunities opened up by the increasing importance of European aggregates as opposed to national indicators; and exploiting all potential offered by administrative sources to replace statistical surveys.

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<sup>3</sup> [COM/2005/97/Final](#)

<sup>4</sup> [COM/2005/ 217/Final](#)

<sup>5</sup> [COM/2005/535/Final](#)

12. The Commission has set out a strategic plan on how these actions should be implemented in the field of Community Statistics in a recent Communication on *Reduction of the response burden, simplification and priority setting in the field of Community statistics*.<sup>6</sup>

13. It is based on two main lines of action: **simplification** and **priority-setting**, both of which will be supported by an **improved planning process** involving closer collaboration with the Member States. This Communication was presented simultaneously with the overall Communication "A strategic review of Better Regulation in the EU" as a concrete example of how the Commission intends to bring its commitments to reality.

14. I will in the following concentrate on two of the issues of the Communication, namely priority setting and an improved planning process. It would go beyond the scope of this paper to describe in detail the more technical issues of the proposed simplification process.

15. Assessing the relevance and usefulness of statistics for EU policies is a critical step in selecting priority areas for simplification. It is also critical for increasing the effectiveness of statistical programmes. In line with the relevant principles of the Code of Practice, the Communication of 25 May 2005 defined three high-level guiding principles for setting statistical priorities:

- (a) the first relates to **users' needs and the benefits of European statistics** – mainly from their relevance for policy-making at European level;
- (b) the second relates to **assessment of costs** incurred by Member States, respondents and the European Commission for production of Community statistics;
- (c) the third category covers "**specific issues**" of importance for the cost-effectiveness of official statistics, including the trade-off between different components of statistical quality (for instance, "accuracy" or "detail" versus "timeliness"), and possibilities for flexible reporting obligations focusing on core European needs.

16. On the basis of these principles, a combined qualitative and quantitative method for assessing cost-effectiveness has been developed, in cooperation with the statistical authorities of the Member States, and tested for selected areas (transport and foreign affiliates statistics), in cooperation with the competent national authorities and statistics users at Community level. The method, developed using the same principles and methodology employed in other such schemes (EU net cost model or standard cost model in some Member States), and the results of the tests have been evaluated positively with the national statistical authorities. The Commission (Eurostat) and the national statistical authorities of the Member States have agreed to improve it continuously to strike the best balance between the needs for, on the one hand, simplicity and manageability of analyses and, on the other, detail and accuracy in fine-tuning cost-efficient requirements.

17. As recommended by the Council on 8 November 2005, the method is incorporated into the proposal from the Commission on the multi-annual statistical programme for 2008-2012. It will serve as a common tool for structured, systematic and transparent analyses to support policy choices. The method ensures the active involvement of the competent national authorities in assessment of the total costs for Member States and respondents in line with the principles of the

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<sup>6</sup> [COM/2006/693/Final](#)

EU net administrative cost model and for the Commission. It also ensures active involvement of users of statistics in assessment of the benefits of the statistics, especially the relevance and usefulness for EU policies. In this respect, particular attention should be paid to areas where the Community has exclusive competence compared to those areas where this competence is shared.

18. Implementation of this method will imply that all new statistical projects likely to impose a significant additional burden on the data providers, in particular enterprises, will be subject to a cost-benefit analysis before they are implemented. Furthermore, all the fields covered by the Commission's proposal for the next multi-annual statistical programme (2008-2012) will be subject to a cost-benefit analysis before the end of the programme

19. The process leading to definition of the Commission's statistical programmes is being adjusted to foster more objectives which will reduce costs for Member States and respondents. The programme will now include planning reviews of existing areas, and greater emphasis will be put on the issue of prioritisation in the annual discussions with users. In addition to the permanent dialogue with Commission users, special attention will be paid to involving the reformed European Advisory Committee on Statistical Information in the Economic and Social Spheres (CEIES)<sup>7</sup>, which should assist the Council, the European Parliament and the Commission by ensuring that users' requirements and the costs borne by the information providers and producers are taken into account in coordinating the strategic objectives and priorities of the Community's statistical information policy. The reform of the CEIES, which has been made necessary by the constraints of enlargement, should make it possible to take a better look at the value of existing statistical programmes in satisfying the non-governmental European demand and to welcome new proposals (see also below). The Commission's proposal is now under consideration by the European legislators, the Council and the European Parliament.

20. Improvements to the planning process leading to improved involvement of stakeholders are now being further discussed in the follow-up to the Cracow action plan mentioned above. Proposals considered include strengthening the role of sectoral Working groups and the organisation of exchanges at a more strategic level. It is worth looking at the example of the meeting organised by Eurostat for the members of the SDG ("Strategic Development Group" made up of five national directors of social statistics and the head of the CEIES social sub-committee) to exchange views on the social component of the next 5-year statistical programme for 2008-2012 with their counterparts (at director or head of unit level) in the DGs employment, health, education, justice, information society, etc..

21. It is often claimed that we need to be able to assess the impact of our actions if we want to know that our effort in terms of better regulation has been successful. Better impact assessment is an issue for the Commission in general as it is for the Eurostat and its partners in the European Statistical System. However, I would like to issue a word of caution here: to formulate, pilot and assess Community policies, extensive use has been made of statistical data and more specifically of "scoreboards" made up a number of statistical indicators. In addition to the traditional macroeconomic indicators (GDP, inflation, unemployment, external trade, etc.) we have seen the emergence of PEEIs (Principle European Economic Indicators) in the macroeconomic domain and structural indicators for monitoring the Lisbon strategy, as well as

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<sup>7</sup> [COM/2006/653/Final](#)

sets of indicators for each field (employment, environment, social inclusion (Laeken indicators), education, research, information society, health, innovation, etc.). However, can we go so far as to claim that the availability of statistical data in itself can help shape the definition of public policies by making quantifiable objectives readily available? Some more conceptual clarification is perhaps required on this issue. We still need to ask the right questions when we start to develop impact indicators for our statistical products.

22. The effort to balance requirements and resources is not a one-off exercise. And the same applies to increasing the effectiveness of statistical programmes. Continuous efforts are needed together with a set of instruments which will be employed to increase efficiency and effectiveness of the European statistical system as a whole in improved statistics to serve European Union policies. Actions and tools presented in this paper are already embedded in the Commission's proposal for the next multi-annual Community statistical programme. I would conclude that with a good dose of creative realism and good-will of all stakeholders concerned we should be able to achieve a global lead in the ESS with respect to the effectiveness of statistical programming and programmes.

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