



**Economic and Social
Council**

Distr.
GENERAL

ECE/CES/2009/19
30 March 2009

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

STATISTICAL COMMISSION

CONFERENCE OF EUROPEAN STATISTICIANS

Fifty-seventh plenary session
Geneva, 8-10 June 2009
Item 3 of the provisional agenda

**SEMINAR ON BALANCING PRINCIPLES OF PROFESSIONAL AUTONOMY AND
ACCOUNTABILITY WITH THE MANDATE TO PRODUCE POLICY RELEVANT DATA**

**SESSION II: BEYOND THE PRODUCTION OF OFFICIAL STATISTICS: CREATING
SYNERGIES, AVOIDING CONFLICT**

**LIMITS FOR NATIONAL STATISTICAL OFFICES TO ENGAGE IN ACTIVITIES
BEYOND THE PRODUCTION OF OFFICIAL STATISTICS: WHAT IS COMPATIBLE
WITH THE FUNDAMENTAL PRINCIPLES OF OFFICIAL STATISTICS?**

Note by the secretariat

Summary

The Conference of European Statisticians selected in June 2008 (ECE/CES/74) the topic “Balancing principles of professional autonomy and accountability with the mandate to produce policy relevant data” for a seminar to be held at its 2009 plenary session. The Bureau, acting on behalf of the Conference, approved the outline for the seminar at its February 2009 meeting (ECE/CES/2009/2) and requested the United Nations Economic Commission for Europe to prepare a note to provide basis for the discussion.

The present note highlights potential synergies and conflicts between the core activity of a National Statistical Office, that is the production and dissemination of official statistics, and certain types of non-statistical activities in which a National Statistical Office may be engaged.

I. INTRODUCTION

1. The present contribution is concentrated on highlighting potential synergies and conflicts between the core activity of a National Statistical Office (NSO), i.e. the production and dissemination of official statistics, and certain types of non-statistical activities in which a NSO may be engaged. There is no attempt to provide a complete review of possible statistical activities outside official statistics, since other papers for this seminar will focus on the synergies and possible conflicts that may be created by statistical activities that are not fully part of official statistics such as analysis, forecasts etc.

2. In assessing the compatibility of possible non-statistical activities with the core function of a NSO, the criteria to be used will be the United Nations Fundamental Principles of Official Statistics, adopted by the United Nations Economic Commission for Europe (UNECE) in 1992¹, and the various codes that elaborated on these principles in more detail such as the European Union (EU) Code of Practice² or the International Monetary Fund Special Data Dissemination Standard³ (IMF SDDS). In addressing the issue of compatibility with the fundamental principles, the notion of conflict of interest with one of these principles is the predominant consideration. Any non-statistical activity in which a NSO might be engaged has to be checked for possible conflicts of interest with the core activity of official statistics, and the perception of compliance with these principles by users and respondents.

3. Some national institutions legally enjoy a certain degree of independence from government; in the case of a NSO it is professional independence in methodological issues and in all aspects of dissemination. Such institutions have to be kept free of government interference into this sphere of independence. This is not the full story, however; they also have to be kept free of any responsibility different from their core function that may create an “in-house” conflict of interest; in the case of a NSO this would be a conflict between one of the Fundamental Principles and any external consideration inherent in a non-statistical task. Such in-house conflicts of interest may be as damaging to trust in the NSO as interference into the sphere of independence.

4. Not all Fundamental Principles are equally relevant for assessing compatibility of non-statistical activities with the core function. The present analysis focuses on the two principles the perception of which is likely to be in the forefront of any consideration in analyzing possible conflicts, and these are:

- (a) Impartiality; and
- (b) Confidentiality.

¹ Resolution C(47) of the Economic Commission for Europe; <http://www.unece.org/stats/archive/docs.fp.e.htm>.

² European Statistics Code of Practice for the National and Community Statistical Authorities, adopted by the Statistical Programme Committee on 24 February 2005 and promulgated in the Commission Recommendation of 25 May 2005 in the Independence, Integrity and Accountability of the National and Community Statistical Authorities; http://epp.eurostat.ec.europa.eu/pls/portal/docs/PAGE/PGP_DS_QUALITY/TAB471413/VERSIONE_INGLESE_WEB.PDF.

³ Adopted in 1996, <http://www.imf.org/external/pubs/ft/sd/index.asp?decision=EBM/96/36>.

II. THE PRINCIPLE OF IMPARTIALITY

A. Incompatibility of policy advocacy or policy advice responsibilities

5. When releasing results of official statistics, impartiality requires from the producer the strict separation between impartial comments in his responsibility, and policy-prescriptive comments, for which somebody else has to take responsibility. One of the indicators of principle 1 in the EU Code of Practice explicitly addresses this issue, and the IMF SDDS mentions, as one item under the heading “integrity”, the identification of ministerial commentary on the occasion of statistical release.

6. However, the notion of impartiality in the Fundamental Principles has a wider bearing than just the release of results of official statistics. Any task assigned to NSOs that implies taking responsibility for, or authoring or co-authoring policy advocacy, whatever the cause, is creating a severe conflict of interest from this point of view and should therefore be avoided. It does not matter whether such tasks are conceived as regular, or ad hoc; any involvement of a NSO in policy statements is not in compliance with the principle of impartiality.

7. This strict separation is not in conflict with the frequent use of official statistics for purposes of advocacy, preparation, implementation and evaluation of policies in various areas; this is an essential component of the relevance aspect of official statistics, enshrined in another fundamental principle. However, the responsibility for this step is clearly with the policy user. The notion of impartiality for a NSO requires therefore from a NSO as the major producer at national level to stay away from any function that is the legitimate prerogative of a user department. As a consequence, all NSOs should be completely free of any assignments to carry out, implement, or advocate policy measures decided by the legislator or the government, whatever the area. Producers are bound by the Fundamental Principles of official statistics and statistical legislation, whereas users are not: any user has to acknowledge the source of the information, but whatever he or she adds as comments, interpretation, analysis (including in combination with other sources of information), or change in terminology is under his or her own responsibility, which should be clearly visible for any third person.

8. This separation between producers and users does not and should not preclude a NSO from having regular contacts with policy departments to find out about their information needs that may be combined with information needs of other users and included in programmes for official statistics. Neither does it exclude staff from NSOs from giving advice to staff in user departments about the characteristics and quality aspects of the data, or about appropriate analytical tools and methods. The provision by the NSO of tailor-made tabulations or analysis from available data for policy departments according to their specifications is not in conflict with impartiality either, as long as it is made clear that the responsibility of the NSO is limited to the quality of the data and the compilation process, and that it does not extend to the definitions of the tables themselves if those tables deviate from standard definitions used for the release of results of official statistics. There are many ways in which a mutually beneficial cooperation between a NSO and a user department can be organized without giving the appearance that the NSO shares responsibility for policy proposals.

9. The notion of impartiality also precludes a NSO from engaging in “promotion” activities for the government or a specific member of the executive. There has to be a very clear institutional separation between the promotion function of a government and a NSO; whenever possible, the same member of the government should not be responsible for both functions at the same time.

10. Some NSOs may have been, or still are, somewhat reluctant to provide to government departments or specific interest groups tailor-made aggregate statistical information in addition to what is released officially, because of the fear of possible “biased” use in policy debates. Such a restrictive approach is not at all necessary as part of the strict separation between official statistics and policy-oriented functions; on the contrary, it would unnecessarily limit the possible use of official statistics in policy evaluation, implementation and preparation. Any serious misinterpretation or misuse of statistics can give rise to a public statement by the NSO, based on the 4th fundamental principle; this principle is not only valid in the relationship between NSOs and the media, but with all users and for all types of use.

B. Examples of compatible non-statistical responsibilities

11. There are some positive examples of non-statistical activities that do not lead to any conflict with the notion of impartiality in producing and disseminating official statistics. Responsibility for cartography and mapping is the first example. The combination of official statistics and cartography in one institution has a long tradition in Mexico and Brazil. Both functions are very similar in their objective: the organization of a production process leading to factual information about the country that is made publicly available and can be used for a great variety of purposes. Positive synergies of the combination of both functions are evident with population and agricultural censuses. Furthermore, official maps like official statistics have a high connotation of accuracy and professionalism. A similar combination that would not be problematic from the point of view of impartiality is official statistics and data collection and processing activities about environmental and meteorological phenomena through technical observation devices, although this combination does not seem to have been tried out in practice.

12. Another example of a completely different nature is the additional function of the chief statistician as supervisor of the process that compiles the results of national elections or referenda, i.e. as election scrutinizer, as is the case in the Federal Republic of Germany and in the Czech Republic. Through the high visibility of elections, the perception of impartiality of the chief statistician is greatly reinforced through this additional task, from which will benefit the perception of impartiality of the NSO in its core function, provided the elections are free and fair. The responsibility should concentrate on ensuring the impartiality of the aggregation of results as established at local level to authoritative partial and final results, and of their effective and timely communication. Whether the NSO can engage, as part of this process, in projections from early partial results (not from polling), without impartiality to be affected, is an interesting borderline case on which the Norwegian experience may shed some light.

C. Possible conflicts for producers of official statistics other than National Statistical Offices

13. At national level, the allocation of non-statistical tasks to NSOs that are a potential threat for its impartiality are rarely considered, and even less often implemented. This may be due to the recognition that the main reason for having a NSO, to have one national institution whose core or almost exclusive task is official statistics, may be weakened if the NSO is assigned non-statistical tasks. The combination of statistical and non-statistical tasks may be more frequent in some countries for statistical departments of producers of official statistics other than the NSO, such as ministries. In such an environment, the pressure to take on board non-statistical tasks is likely to be higher, because for the institution as a whole, the non-statistical task in terms of policy preparation, advocacy and evaluation is the core task.

14. It is for this reason that the official statistics function has to be assigned, within a ministry, to a specific organizational unit for which the statistical legislation is applicable. The same considerations apply to such a unit concerning responsibilities for non-statistical tasks as apply to NSOs. It is perfectly compatible that a statistical department prepares many statistical inputs required by the rest of the ministry, and gives regular advice on the nature and limits of these statistics, but the staff assigned to such units should not get involved in policy issues directly.

15. The combination of statistics with policy advocacy in the same organizational unit is very frequent in international organizations, notably in the United Nations (UN) system. The Principles Governing International Statistical Activities⁴, endorsed by the UN Statistical Commission in 2006, also include as one of the good practices of the second principle, “making a clear distinction, in statistical publications, between statistical and analytical comments on the one hand, and policy-prescriptive and advocacy comment on the other”. Since the adoption of these principles, the speed of implementation of this requirement in those organizations that had not established a clear organizational separation already before is rather slow, and the awareness of this combination being problematic is not very wide-spread within these organizations.

16. Many international organizations consider statistical activities primarily as a service for other parts of the organization, notably policy evaluation and preparation, or more as a user of statistics than a producer. With the very important exception of the EU Commission, there is no analogy at international level to a NSO in the form of an international organization whose core or even exclusive task is the production and dissemination of official statistics (which is a term that is avoided in international data work rather than used in analogy to the national level). In this respect, statistical departments of international organizations are more similar to statistical departments of ministries at national level than to NSOs.

⁴ <http://www.unece.org/stats/archive/int.principles.pdf>.

III. THE PRINCIPLE OF CONFIDENTIALITY

A. Exclusively statistical use of data in statistical systems

17. The principle of confidentiality in official statistics has two components: first, a guarantee that any data on protected individual units (persons, households, enterprises, local units)⁵ kept in the national statistical system are to be exclusively used for statistical purposes, and second, as a corollary, that such confidential data are not disclosed in such a way that the ban on non-statistical use of such confidential data by whoever may obtain access following disclosure is compromised.

18. Much of the debate about statistical confidentiality has concentrated on the disclosure risk avoidance, taking the implementation of the ban on non-statistical use for granted. However, in terms of the possibility of NSOs carrying out non-statistical tasks, the clear separation between statistical and non-statistical use of individual data is the key consideration. In addition, the distinction is a crucial aspect of the pledge given by NSOs to respondents in statistical surveys, and it is the prerequisite for NSOs being authorized in a rather general way to match different sources at the level of individual units, which requires explicit legal authorization in each single case if carried out for non-statistical purposes by other government departments.

19. It is clear that any data collected by the NSO from respondents through statistical surveys fall under the explicit pledge given to respondents that their data are exclusively used for statistical purposes. NSOs have to be perceived as 100% compliant on respecting this limit of use. The ban on non-statistical use of individual data in the statistical system is not limited to survey data, however; it covers all data, independently of the source. For data that have their origin in administrative records kept by another government agency, the implication is that once these data are in the statistical system, in particular with the NSO, they can only be used for statistical purposes. Any request for non-statistical use of such data has to be addressed to the government department responsible for the administrative use of such data, and not to the NSO. This is the so-called “one-way” principle: whereas data flows from an administrative departments to the NSO that contain confidential information is perfectly legal, flows in the reverse direction should be strictly banned.

B. Incompatibility of responsibilities for data work for administrative purposes

20. What does this mean for non-statistical activities of the NSO? It has to stay 100% free of any responsibility that involves non-statistical use of individual data. Examples for such activities are:

- (a) Administrative registers on businesses or population;

⁵ The exact delimitation of protected units may vary from country to country, especially for economic units. Economic units in the public sector (e.g. municipalities) should not be considered as being protected by statistical confidentiality, otherwise NSIs could not release any results at municipal level. Public sector entities do not have a private sphere that can be protected. The only confidentiality issue that might arise for public sector units are state secrets.

(b) Repository of evidence about individual units, in other forms than systematic registers, which may be used in courts;

(c) Responsibility for certain characteristics in administrative registers kept by other departments for administrative purposes (e.g. activity code in an administrative business register).

21. In some countries, NSOs have better information and communications technology equipment, and better expertise on how to organize data processing than other departments. From the perspective of efficiency, it may sometimes be tempting for a government to consider allocating the responsibility for tasks like those listed above in paragraph 20 to the NSO. However, the efficiency gain is clearly not worth the loss of credibility for the NSO if the ban on non-statistical use of all data is compromised by the assignment of non-statistical tasks. How can the pledge in statistical surveys given to respondents sound credible, if another part of the NSO has the responsibility to decide e.g. for tax purposes to which activity category an enterprise belongs? How can the same pledge be credible in the context of a household survey if another part of the NSO with responsibility for an administrative population register has to decide whether a person is eligible for certain rights (e.g. voting)? Such decisions are clearly incompatible with the NSO being seen as the guardian of the confidentiality principle in statistics.

22. NSOs in centrally planned economies used to be in charge of business registers without distinction between statistical and non-statistical use. The introduction of this distinction took place gradually, and not without difficulties. One of the most difficult parts was to find another agency that agreed to take over responsibility for the administrative business register, and the creation of the legal basis for such a register outside the statistical legislation. It is very positive that in most countries in the UNECE region, this separation in responsibilities is now fully implemented, and that NSOs in these countries can concentrate on improving the quality and coverage of their statistical registers.⁶

23. It is also important not to blur the distinction between statistical and administrative registers, e.g. by allowing specific exceptions of non-statistical use in the form of granting access for certain characteristics to this kind of use by other government departments, or by making certain characteristics publicly accessible for any use. Such requests should be addressed to the agency responsible for the administrative register, and implemented there, and not through the statistical register in the responsibility of the NSO.

24. The only activity that is close to maintaining an administrative register, and for which responsibility is sometimes assigned to a NSO, is geographical types of registers (register of addresses, dwellings, buildings, municipalities etc.), without reference to units protected by

⁶ For a more detailed presentation of legal issues in relationship with statistical business registers and their exclusive use for statistical purposes, see document ECE/CES/GE.42/2007/10: The importance of a good legal framework for the coordination function of statistical business registers, <http://www.unecce.org/stats/documents/ece/ces/ge.42/2007/10.e.pdf>.

statistical confidentiality such as persons or enterprises. The distinction between statistical and non-statistical use is not relevant in this context; whether the NSO should have responsibility for the register, or just get a copy from another department to which the responsibility is assigned, is not a matter of principle, but of the relative shares of use for different purposes.

25. There is another reason, linked to the principle of professional independence, why NSOs should never be made responsible for data that can be used for administrative decisions relating to individual units. It would prohibit any editing or adjustments of individual data for statistical purposes, if the data as defined in the administrative process have to be kept in this form as evidence in administrative or judicial processes. Since definitions and classifications used in administrative processes are not necessarily identical to those in statistical standards, NSOs must insist on keeping the right to edit and adjust data of administrative origin. This is also the reason why declaring certain characteristics of enterprises as being public is not necessarily a positive provision for registers kept by NSOs; the possibility to update such characteristics through non-public sources such as statistical surveys would be lost.

26. Statistical registers can in principle be used for statistical purpose outside official statistics, without infringement on fundamental principles. One example is drawing samples for surveys outside official statistics, e.g. for research, market research or opinion polls, according to the specifications of an outside researcher. A clear legal basis is required for NSOs to provide such a type of services, and a contract has to be signed by the researcher that the identification characteristics transmitted from the register will neither be stored, nor used for any data matching, nor for any additional data collection from the same respondents, which may be difficult to verify. For this reason, and also for limiting the response burden, the legislation in some countries does not allow the use of identification characteristics from statistical registers for surveys carried out outside of official statistics.

C. Data collection for mixed purposes

27. Should NSOs be involved in primary data collections for mixed purposes, i.e. administrative and statistical and, if yes, how can the perception of strictly complying with the ban on non-statistical use be maintained in such operations? This is an important question notably for censuses. The Conference of European Statisticians (CES) Recommendations for the 2010 Round of Population and Housing Censuses⁷ acknowledge in paragraph 17 that countries may wish to organize censuses for dual purposes, i.e. statistical and non-statistical, but it is also recommended that in such circumstances, the responsibilities for the data collection, and for the non-statistical use of individual data such as updating administrative registers, are clearly assigned to public departments other than the NSO. For censuses that are fully register-based, the individual updating of the various registers may take place separately, but in a coordinated way, in the specific legal frameworks of administrative use, and it is only when copies of these updated registers are forwarded to the NSO, where they are integrated, that the ban on non-statistical use of data starts to be valid.

⁷ Adopted by the Conference of European Statisticians in 2006;
<http://www.unece.org/stats/documents/ece/ces/ge.41/recommendations/zip.1.e.pdf>.

28. For large operations such as censuses, the efficiency gains may outweigh the additional institutional complications caused by a dual purpose collection of data from respondents. For sample surveys, or exhaustive surveys addressed to a subset of a larger population, this is very unlikely to be the case. Responsibilities for data collection should then be given to a department outside the NSO, with the NSO being consulted and giving advice as described below; the respondents would be informed that the data collection is for administrative purposes, and that the data are also used, or forwarded to the NSO, for statistical purposes.

29. There are different ways by which NSOs can and should influence the primary data collection and processing for administrative purposes by other agencies, with the objective of facilitating the secondary use of such information for official statistics, and to give advice along these lines to responsible agencies. But the fundamental principle on confidentiality does not allow NSOs to be assigned responsibility for decisions of an administrative nature against individual persons or enterprises, or to be seen as the responsible agency for collecting, forwarding or processing data for such non-statistical purposes. If this line is blurred through occasional exceptions, the risk is that the credibility of the pledge to respondents made in statistical surveys is weakened, and that the privilege for NSOs to match data from different sources if carried out exclusively for statistical purposes may be questioned and finally lost. This would be too high a price to be paid for whatever gain may arise from assuming the responsibility for data activities that include non-statistical purposes.

IV. CONCLUSIONS

30. Impartiality and confidentiality impose strict limits on the type of non-statistical activities for which a NSO can assume responsibility. Since these two principles are cornerstones of trust and credibility of a NSO, they should not be put at risk by accepting assignments that are in conflict with these principles. There are some examples of non-statistical activities that can be combined with the production of official statistics and that can even reinforce the notion of impartiality. Concerning confidentiality, however, the ban on non-statistical use of confidential data that are within a national statistical system has to be maintained strictly. It is recognized that the expertise accumulated within a NSO is very useful for other government departments that are in charge of data collection and processing for administrative purposes, but this expertise should be used through appropriate forms of consultation, advice and cooperation, and not by shifting responsibilities for such type of data work to NSOs.

* * * * *