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

SESSION I: RELATIONSHIPS BETWEEN STATISTICIANS AND POLICY MAKERS:
MAINTAINING INDEPENDENCE WHILE ADDRESSING DEMANDS

**THE RELATIONSHIP BETWEEN STATISTICIANS AND POLICY MAKERS:
THE CANADIAN CASE OF MAINTAINING INDEPENDENCE WHILE ADDRESSING
DATA DEMANDS**

Note by Statistics Canada

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 Canada to prepare a note to provide basis for the discussion.

The present note describes two instruments focused on achieving both relevance and credibility of Statistics Canada. These are seemingly conflicting goals that require being fully independent of policy-making departments while responding to the highest priority information needs of the country that are identified by the policy makers.

I. INTRODUCTION

1. To fulfil its mission a national statistical office must produce information that is both relevant and credible.
2. Achieving relevance and credibility require quite different relationships to policy makers.
3. To be entirely credible, a national statistical office must be fully independent of policy-making departments. Too close a relationship with the policy-making arms of government will inevitably raise concerns about the believability of the office's statistical information and analysis.
4. To be relevant, a national statistical office cannot isolate itself from policy makers. Relevance requires that the information the office produces respond to the highest priority information needs of the country, and it is policy makers that must identify those priorities.
5. The goal is to achieve both objectives, even if they sound conflicting. The ideal objective is to achieve independent intimacy with the policy arms of government. This paper describes how Statistics Canada achieves both objectives and pursues the seemingly conflicting goals.
6. In an economist's language, we need two instruments to achieve two goals; one instrument, close relationship with policy departments, would not do. The paper describes the two instruments focused on achieving credibility and relevance.

II. CREDIBILITY: CREATING AND MAINTAINING INDEPENDENCE

7. Statistics Canada is a highly independent statistical office. A number of factors, which conceptually can be considered to be part of a "credibility instrument", contribute to creating and maintaining this independence including underlying legislation, political convention, independent behaviour and independence watchdogs. The following discusses each of these factors in turn.

A. Legislation

8. Canada's Statistics Act creates Statistics Canada as an independent organization. However, for the purpose of accountability to Canadians, the Act makes Statistics Canada report to Parliament through a specific minister named as Minister Responsible for Statistics Canada. Statistics Canada is not embedded in any broader organization with a policy mandate, nor does it have any policy responsibility.
9. Again, from an accountability perspective, the Chief Statistician of Canada is established as a deputy minister, appointed "during pleasure" and serving "under the direction of the Minister". The Chief Statistician is therefore an equal of deputy ministers heading policy departments. An alternative arrangement could have been created that would have made the Chief Statistician an officer of parliament appointed for a fixed term. This would have made Statistics Canada more rigorously independent of any policy arm of government, but would have also had the effect of isolating the Chief Statistician from policy makers. The actual formulation

strikes a balance as the Government of the day that brought in the legislation had a firm view that the two seemingly contradictory objectives could be simultaneously achieved and tailored the legislation accordingly. It is clear that the legislation itself does not go all the way to protect independence. Its objective, however, was not that. The objective was to ensure that this legislation does not go so far in the direction of independence so as to sacrifice "relevance" and rely on other tools to guarantee independence as part of and in combination with legislation.

10. The Chief Statistician is charged to "advise on matters pertaining to statistical programs of the departments and agencies of the Government of Canada, and confer with those departments and agencies to that end; and supervise generally the administration of this Act and control the operations and staff of Statistics Canada." Most powers under the Act are assigned to the Minister Responsible for Statistics Canada, but are generally delegated by the Minister to the Chief Statistician.

11. Through this delegation, the *Act* provides the Chief Statistician with sweeping powers to collect information on virtually any topic by either mandatory or voluntary surveys, to conduct quinquennial censuses of population and agriculture and to requisition administrative data files from other organizations for statistical purposes. It provides the office with the flexibility to conduct its programs either from its base budget or from special-purpose funding provided by other federal departments.

12. These are very strong legal provisions. They show the importance that Parliament attaches to good statistical information. This strong authority to collect and access information is, of course, counterbalanced by an ironclad guarantee of confidentiality. Over the years, a few attempts have been made to supersede the confidentiality provisions of the Statistics Act, but these were successfully resisted.

B. Political convention

13. Clearly, while the Statistics Act separates Statistics Canada organizationally from the policy arms of government, it does not separate the office from the political level of government, for the purpose of accountability. That separation is accomplished in Canada through a long-standing political convention.

14. Successive governments have understood that, to maintain the trust of Canadians, Statistics Canada must be free of political intervention. Absent that trust, policy debates can shift from the substantive issues to the believability of the numbers themselves.

15. It is now part of the brief to incoming Ministers that they are expected to maintain an arm's length relationship with Statistics Canada. Ministers have left the operations of the office to the Chief Statistician.

16. The political level of government interacts with Statistics Canada primarily by determining the overall level of resources provided to Statistics Canada for its basic programs and by approving the content and funding of the Censuses of Population and Agriculture. The office is effectively left with autonomy in how best to deploy the resources made available.

17. There is inevitably pressure from policy departments to be made aware of Statistics Canada's information prior to its official release. The Canadian government has recognized that this also constitutes a threat to the credibility of the national statistical office. Departments have been advised that such access can only occur when a credible case can be made that advance information on statistical findings would help with rapid policy intervention. In these truly few cases, access is permitted by the Clerk of the Privy Council, who is the Head of the Canadian public service.

III. MAINTAINING AND NURTURING INDEPENDENCE

A. Independent behaviour

18. Statistics Canada conducts itself in a manner that confirms its independence from the policy arms of government. Many of the office's policies reinforce and communicate that independence.

19. Statistics Canada is mandated to "collect, compile, analyse, abstract and publish statistical information". To be completely transparent in its activities, Statistics Canada's internal policies require that final results of all statistical programs be published. This is true, not only for the base program, but also for any survey conducted on a cost recovered basis on behalf of other federal departments.

20. To create a level playing field for all users, Statistics Canada requires that the announcement of publication be made in a news release vehicle *The Daily* released every working day at 8:30 a.m. on the office's web site (the Labour Force Survey and Consumer Price Index are two exceptions that are released at 7:00 a.m.). Findings are held confidential until those times. *The Daily* is widely followed and is recognized by the news media as one of the major news sources in the country. Any delay in posting of *The Daily* can result in strong protests from the news media and business people, particularly financial analysts. This just does not happen.

21. Further reassurance of the absence of external intervention is achieved by publishing on our web site release dates for key economic series one year in advance. News media receive a summary of all significant releases two weeks in advance.

22. Major releases contain analysis as well as data, pointing out the most significant findings in the most recent numbers. In addition to this current analysis, Statistics Canada maintains a substantial program of in-depth research, regularly publishing findings that inform important issues of public debate. Analytical activities are conducted without "fear or favour" and on occasion produce results that are uncomfortable for policy departments. However, Statistics Canada is not an academic-type research institution. Its focus on analysis and research is in two areas: where such an activity is useful to enhance the quality of data; and where Statistics Canada has a comparative advantage in transforming data into information in areas of substantial importance to decision-making and policy development for citizens and policy-makers.

23. Statistics Canada maintains strict neutrality in its analyses. It takes no view on whether a movement in a data series is good or bad, and it does not drift into policy advocacy in its attempt

to be policy relevant. Well-managed peer review and “institutional review” (within Statistics Canada) of analytic output help to ensure objectivity. Being objective involves exploring all sides of an issue, stating assumptions, and highlighting major findings — whether or not these reflect well on governments past or present.

24. Statistics Canada does not have the option of withholding information from Canadians. Federal access to information legislation can be used to compel the office to release any non-confidential statistical information or analysis. This legislated transparency provides a further guarantee of independence.

25. Statistics Canada is quite vocal in communicating its independence in all available venues. The office has been successful in obtaining broad-based recognition for that fact.

B. Independence watchdogs

26. A critical bulwark protecting Statistics Canada's independence are the many watchdogs who scrutinize the office's actions for any derogation from strict neutrality or any hint of political intervention.

27. This scrutiny is particularly strong in periods of transition between Chief Statisticians. There is usually some suspicion that the new Chief Statistician may be arriving with a brief from the political level to redirect the office in some way, or silence some or all of its analytical programs.

28. When the current Chief Statistician was appointed, efforts early in his tenure to improve the quality of analysis published in *The Daily* resulted in wild rumours of an assault on the office's analytical program. Lately, there is recognition that independence of the institution is as secure under the new Chief Statistician as it was in the past.

29. The news media are particularly important watchdogs. Journalists monitor closely for any sign of political intervention. When suspicious, journalists use access to information legislation to force disclosure of any communications between the Agency and the political level. Journalists therefore have not only powerful tools to monitor the independence of the statistical office, but also the means to exact a heavy price should any proof of interference be found.

30. But there are many other watchdogs. The National Statistics Council, whose members are appointed by the Minister, advises Statistics Canada on the operation of the national statistical system and is attentive to any allegations of interference, as would the Agency's many advisory committees. Provincial and territorial governments, and most notably their statistical offices, also monitor this issue.

31. Statistics Canada's employees are among the most vigilant watchdogs. They are fiercely proud of the office's reputation for independence and would be quite prepared to raise concerns if they feel something untoward is being done.

32. Independence watchdogs can, of course, be frustrating as they occasionally cry wolf without adequately verifying their information. False claims of political interference need to be dealt with quickly and forcefully.

C. The Chief Statistician

33. The final safeguard of Statistics Canada's independence is the personal commitment of the Chief Statistician to its protection. Faced with any significant attack on the Agency's independence, the Chief Statistician's ultimate recourse is a public resignation.

IV. ENSURING RELEVANCE

34. Through these various devices, Statistics Canada has built and maintained a strong reputation for independence that safeguards its credibility, but safeguarding credibility alone does not make an effective statistical office.

35. Statistics Canada believes that a national statistical office has an obligation to ensure that its information (data, analysis and research) is both relevant to the highest priority information requirements of the nation and that it is of appropriate quality. By quality we mean that the data we produce, which are by necessity based on samples, are representative of the universe we are trying to capture. Achieving and maintaining appropriate quality is very much the responsibility of the national statistical office. However, creating relevant information is not something that can be done by the national statistical office acting in isolation. The priority information needs of the nation must be discovered through dialogue with the stakeholders in the national statistical system.

36. Statistics Canada's resources are necessarily limited, and new funding is not easily forthcoming for statistical programs, so the dialogue in which we engage must not be only, or even largely, about new statistical programs supported by new funding, but rather trading off existing lower priority programs in order to fund programs that address emerging, higher priorities.

37. So Statistics Canada has acted to create intimate relations, not only with federal policy departments but also with policy interveners and data users anywhere in society.

38. In the Canadian constitution, responsibility for "census and statistics" is assigned to the federal government. Statistics Canada infers from this fact that its mandate is to serve the needs of not just the federal government but of the nation as a whole.

39. To discover Canada's priority information needs Statistics Canada maintains an extensive stakeholder network. At the pinnacle of the network is the National Statistics Council, a prestigious body of distinguished Canadians advising the Chief Statistician on the management of the national statistical system.

40. In addition to the National Statistics Council, the office convenes a number of subject matter specific committees to provide advice on priorities concepts, methods and policies.

41. Statistics Canada has worked with the provincial and territorial governments to create a network of statistical focal points in these governments, typically in the provincial or territorial statistical office. These focal points meet annually with the Chief Statistician in a Consultative Committee on Statistical Policy. Focal points also participate in a number of subject-matter specific committees. In areas of provincial or shared jurisdiction, such as health, education and justice, more targeted consultative mechanisms exist creating opportunities for dialogue with policy makers in these specific domains.
42. In the course of any year, numerous bilateral meetings are held with representatives of municipal governments, associations, think tanks, etc., all in the object of discovering their information priorities and seeking their advice on concepts, methods and policies.
43. All of Statistics Canada's programs are evaluated thoroughly every four years and these evaluations afford an opportunity to further discuss information priorities with key stakeholders. An extensive consultation is undertaken in the process of determining the content of the Censuses of Population and Agriculture.
44. But in the universe of stakeholders, federal policy departments are particularly important to Statistics Canada since these departments are most influential in preserving and augmenting the office's base budget. Moreover, roughly one-sixth of Statistics Canada's annual expenditure is for cost-recovered work funded exclusively by federal policy departments. It is imperative that Statistics Canada have a strong relationship with these departments at all levels, including the most senior.
45. In describing above the legislative foundations for Statistics Canada's independence, it was noted that the Chief Statistician was a deputy minister, equal in status to the deputy ministers leading federal policy departments. This arrangement has enormous advantages in maintaining a strong dialogue with policy departments. As a deputy minister, the Chief Statistician participates in weekly briefings that assemble all the deputy ministers and provide tremendous insight in the evolving policy priorities of the government of the day. When appropriate, these meetings can provide opportunities for the Chief Statistician to present key information to his colleagues. Participation in the deputy minister community also provides the Chief Statistician with access to confidential policy documents.
46. As mentioned in the early discussion, had the Chief Statistician been instituted as an officer of Parliament, none of these opportunities would exist.
47. Further, Statistics Canada has traditionally maintained strong bilateral and multi-lateral connections with federal policy departments at the working level.
48. Most recently Statistics Canada has concluded that the current level of engagement with federal policy departments is insufficient.
49. A new process has been launched that we anticipate will be repeated annually. Statistics Canada conducted a series of meetings with the deputy ministers of major policy departments and their executives. The objective of the discussion was to begin a dialogue around emerging information priorities, where the deputy ministers would like to see Statistics Canada invest, and

lower priority programs that might be either curtailed or discontinued in order to finance the new initiatives. In these discussions, Statistics Canada is, of course, willing to discuss new initiatives supported by new funding.

50. This series of meetings culminated in a multi-lateral meeting with the deputy ministers to confirm their information priorities and the means of their funding. The end result will be a statistical program that is better adapted to current Canadian realities and that enjoys the broad support of policy departments.

51. Statistics Canada believes that this type of exchange with policy interveners is essential to ensuring the relevance of the statistical program.

52. The global financial crisis illustrates how a national statistical office must respond to evolving circumstances, and why close working relationships with policy makers and policy interveners help ensure the relevance of the statistical program. At Statistics Canada, the immediate reaction to the crisis was to contemplate producing a greater range of financial data in the future, which would enable the government to better diagnose and track the current crisis.

53. This is what Statistics Canada may have chosen to do, but for its close relationships with economic policy departments and agencies. Instead, consulting with these departments and agencies revealed that they did not consider it a priority to study past events that may not reoccur, at least not in the same form. Our close contacts revealed to us that policy makers urgently needed information to help them understand better the current state of the economy with a view to anticipate its future course. We have identified three areas of action:

(a) Speed up the turnaround of relevant information already being produced (such as financial information compiled for the National Accounts);

(b) Produce, on an ad hoc basis, very targeted data required for current needs;

(c) Improve communications both with Canadians and policy makers to ensure that policy departments and agencies are aware of available information and its significance in the current circumstances. This has led to significant changes in our daily data release vehicle *The Daily* and more rapid and focussed communication with policy departments.

54. This cautionary tale serves to confirm the importance of strong relationships with policy makers.

V. CONCLUSION

55. Statistics Canada is fortunate to be where it is. Canadian laws, institutional structures, traditions and policies have created and nurtured a world-class statistical system that produces credible, trustworthy data without political interference. A robust environment of public scrutiny and broad interest in the statistical system help to safeguard that independence. At the same time, engaging with policy makers to discover and understand priorities does not constitute an inherent threat to the independence of the national statistical office. Integrity is the key. Regular exchanges with policy makers and policy interveners give the office a window on new

developments. They make the Agency more responsive to emerging needs for new types of data, for greater quality, and for faster turnaround. Greater relevance makes for an organization that is valued and respected by stakeholders, and hence is better able to exercise independence, resist political influence, and secure and protect its funding base.

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