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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

STATISTICS AND POLICY MAKING IN THE NETHERLANDS

Note by Statistics Netherlands

I. ABSTRACT

1. The official statistics in the Netherlands are produced by Statistics Netherlands. The statistical system is a centralized system with clear demarcations of what falls within the official boundary. Its core is formed by the statistics in the working programs approved by the Central Commission for Statistics. Additional statistics may be produced with additional funding, mainly from the ministries, under the same rules and regulations as the statistics of the working program. The same holds true for research on demand carried out by Statistics Netherlands.

II. INTRODUCTION

2. This year Statistics Netherlands (SN) is celebrating its 110th anniversary. When people reach this respectable age (and very few do) it is customary to ask what their secret is for achieving this milestone. For a statistical office the secret may well be finding the right balance between staying independent and producing information that is relevant to society.

3. This short paper touches upon several aspects that are relevant in this respect. The next part gives some background features on the way the Dutch statistical production is organised. Part IV raises several general issues related to independence and solutions from SN's point of view. Part V is about SN's accountability to government and society about the way the statistics are produced, while part VI deals with the specific demands from policymakers, the public and the media. Part VII describes the activities of the Centre for Policy Related Statistics as part of the solution to deal with these demands.

III. STATISTICS IN THE NETHERLANDS

4. The Dutch Statistical Office was founded in 1899 and was assigned the task of collecting, processing and publishing statistics for practical, policy and scientific purposes. Today this description still fits the situation as can be witnessed from the mission statement of Statistics Netherlands that is formulated as:

Compiling and publishing undisputed, coherent, up-to-date statistical information for practical, policy and scientific purposes.

5. One characteristic of the way official statistics are compiled in the Netherlands is that this is done by the Central Statistical Office. Unlike several other countries, the ministries do not make official statistics, but leave that to SN. This does not mean that these departments do not produce figures themselves, but their figures do not have the status of official statistics. In 2003 a new version of the Dutch Law on Statistics came into force. This law reiterates the independent position of SN. This independence is strengthened by the fact that SN changed from being a departmental agency to a so called ZBO, that is, an autonomous agency with legal status.

6. An important aspect of the independent position of SN is that there is a strict separation between the content of the working program of SN and the funding of this program. The funding is decided through the normal funding procedures in central government, but the content is decided by the Central Commission for Statistics, an independent organisation outside government.

IV. GENERAL ISSUES IN INDEPENDENCE

A. Non-exclusivity

7. In a modern society it is increasingly important to have access to adequate and relevant information. Policymakers use this information to prepare policies and to defend their policies in the political arena. But in a democracy, it is equally important that opposition groups and the public at large can have equal access to the same information. An independent statistical agency

therefore means honouring the principle of non-exclusivity of information. Information, especially information that is an important element in political decision making, must be available to each party concerned. There cannot be a preferential treatment for government parties.

B. Embargo

8. In line with this, SN has strict embargo rules for new statistical figures. In general, new information is released at the same time for all parties concerned. In a limited number of cases new information is released to a ministry slightly earlier to allow them to prepare statements on issues that might be raised in parliament or by the media. In all cases concerned, however, this is announced in advance.

C. Undisputed information

9. The SN mission statement says that the information produced should be undisputed. This is of course a very important phenomenon. It can only be achieved if there is ample trust in the independence, the quality, and the trustworthiness of the producers of the information. This does not imply that the information produced is indisputable. Information can always be compiled in a variety of ways. But the information from the official statistics is information that the parties can rely on as impartial and produced using a sound and agreed methodology.

D. Core business and other activities

10. In the Netherlands there is a strict separation between the production of official statistics and the activities of modelling and forecasting. The only exception to this is the prognoses of the size and composition of the population. For all other fields there are the specialised planning agencies, such as the Netherlands Bureau for Economic Policy Analysis (CPB) for economic models and forecasts, and the Social and Cultural Planning Office. This division of tasks makes it easier for SN to safeguard the boundary of official statistics.

11. In line with this, the activities of SN are all closely connected to its core business. This means that activities like opinion polling or managing electoral procedures are left to other parties. When activities are expanded, it is always done with a clear connection to the core business. An example of this is the development of Blaise software. This software was developed by SN initially only for its own use in the statistical process. However, other research institutions have licenses to use it for the same purposes.

12. Another example of activities undertaken as an extension of the core business is the possibility for specific research institutes to use the facility of remote access of Statistics Netherlands to make their micro data sets available to other researchers. The institution remains the owner of the data sets and is in charge of allowing or disallowing other researchers to approach these data. The facility itself, however, is run by SN and is subject to the same legislation and procedures that are used for the 'regular' micro data services of SN. This facility of hosting data sets was started only recently in a pilot with the National Bank.

E. The nature and quality of registrations and registers

13. It was laid down in the new statistical law of 2003 that the process of information gathering for statistical purposes should cause as little administrative and response burden for the enterprises and the citizens as possible. This means that data for statistics should first of all be derived from existing registrations. When this proves to be impossible, data can be gathered by means of surveys. To make this possible, the law of 2003 states that SN can have free access to all registrations that are kept or financed by the government.

14. These circumstances can, at least in theory, form a threat to the independence of statistics. The registrations are after all set up with a specific goal in mind and are kept and maintained for this specific goal. This might lead to an unintentional distortion from the things we would like to measure. It therefore is crucial to have access to information to validate or correct the register data when necessary.

V. ACCOUNTABILITY TO GOVERNMENT AND SOCIETY

15. The counterpart of independence is the accountability of an organization to its financiers. After all, most of the budget is financed by public funds. For SN drawing up the working programs is an important part of accountability, this holds for the yearly and the medium-term working program. These working programs are public and must be approved by the Central Commission for Statistics before they are implemented.

16. Before the working plans are drawn up, there is an intensive contact with all parties involved in the specific statistical themes. There are a number of advisory boards that comment on the plans and give their advice on adjustments or alternatives. At a more operational level there are also a number of feedback groups that discuss the present statistics and the desirability of making future changes, for instance, due to developments in a specific field.

17. Another part of the accountability is the annual report that gives an account of the production of Statistics Netherlands in the past year, in terms of both output and financing.

18. An important aspect of accountability is that all statistical output produced by SN is available through the internet, where the on-line database StatLine can be consulted by everyone, free of charge.

VI. DEMANDS OF POLICY MAKERS, PUBLIC AND PRESS

19. As mentioned earlier, the Central Commission for Statistics decides on the working program of SN. In this sense, in a very pragmatic way, one might say the boundary of official statistics is in essence determined. However, the major factor is the available budget, which determines how much of the existing plans for statistics can be carried out.

20. This boundary can be extended, and is, by additional financing mainly from government departments. The additional statistics that are financed in this way must form an extension of the approved working program. As a former director of Statistics Netherlands formulated it a few

years ago: “we should be convinced that these additional statistics would be not unbecoming in our working program”.

21. This also indicates that the results of these additional statistics, like the results from the working program, are to be considered as official statistics and are freely available for everyone through StatLine. Moreover, the professional autonomy of SN is left unquestioned when compiling these statistics. Of course there is an unmistakable influence of the financiers in the choice of additional statistics requested. This means that the potential statistics that fall outside the working program, and for which there are no sponsors to provide additional financing, are not produced. One might consider this a bias.

22. This leaves unchallenged the statement that all statistics produced by SN are official statistics. SN makes no such thing as an unofficial statistic or a result that is specifically and exclusively for a financier.

23. The media usually request information as background to their news stories. There are very strict rules about the press releases of new figures to the media. In fact there is no special treatment of the media. They do not get information any sooner than other parties. All press releases are announced in a calendar that is publicly available.

24. Demands from the general public are not directly visible, other than in responses to the information services and to the website.

VI. CENTRE FOR POLICY RELATED STATISTICS

A. Research on demand

25. One of the key issues that pop up in interviews with major users of statistical data is the great desire for flexibility in outputs. Generally the products delivered according to the statistical working program are much appreciated, but it is considered a drawback that the structure of the output is defined long in advance. Policymakers in particular need information that is tailor-made to the demands of the moment.

26. This led to a discussion around the year 2000 on how to cope with this. One option was for the departments to set up their own databases with micro data to make sure that they could produce the information they needed themselves. In itself this might be fruitful. Seen in a larger perspective, however, this would be very inefficient because datasets would be administered in different places, which could easily lead to different results. And, of course, it goes directly against the principle of a central system of statistics.

27. It was decided to set up a pilot project within SN. A small unit was created that was not given a working program in advance. Its task is to produce statistics on demand that fit the existing needs for information of the departments.

28. From the start it was made clear, however, that this was not to lead to a situation where a department could gain exclusive rights to the results. In other words, the department pays for the

additional costs of producing the required output, and the results themselves are published in the same way as SN's other output.

29. The pilot project was successfully set up. This resulted in the official start of the Centre for Policy Related Statistics within SN in 2004. The mission of this centre is to carry out statistical analyses, primarily for government agencies, on the basis described above. By now a large number of departments, planning agencies, local governments and some parties outside government use the centre on a regular basis. The volume of this line of work is now approximately 20 full time equivalent jobs.

30. Within the centre, independence is safeguarded along several lines. First, as mentioned, the project should be in line with the core of SN's role. This is underlined by the fact that projects will have to use data that is already available within SN, complemented with data that the clients have at their disposal. Second, the results of the project become part of the public domain and can not be delivered exclusively to the client. This also means that results that might not fit in with the outcome the client expected will still be published. Crucial in this respect is that the client has no say in the conclusions drawn in the output. Third, the normal procedures for protection of statistical disclosure are maintained. Fourth, the project is strictly regulated in terms of costs, products and timeliness.

31. The above illustrates that there is a clear distinction in the role the client plays and the role of SN as the party that carries out the statistical research. This implies that the client does not interfere in the research findings. It is equally important that the SN researchers keep from making policy statements on the basis of the findings. Each party in this relationship has to stick to its proper role in this.

B. Research on micro data

32. Although it is perhaps a little beyond the subject of independence from policymakers, it is worthwhile to mention another SN activity that is closely related to the information needs of policymakers. It has been possible for a number of years for researchers outside SN to approach micro data of SN to make their own analyses. Of course this is covered by strict rules of admittance and use, assuring that no breach of confidentiality occurs. These include precautions for a safe surrounding environment, precautions to assure the integrity of the researchers, signed confidentiality statements, and procedures to check produced output for hazards of statistical disclosure.

33. Research institutes can approach the micro data of SN to make their tailor-made analysis by means of on-site access within the premises of SN or by means of a remote access facility. Policymakers may commission such research institutes to do the research. Likewise it is possible for a research department within a ministry to gain access and to do the research themselves. This, however, is only possible when adequate precautions have been made to assure that the research department has an independent role within the ministry and cannot be overruled by policymakers to produce the results they desire. As it is with regular statistics and projects carried out by the Centre for Policy Related Statistics, it is obligatory to publish the results of the research.

34. In analogy to the research on demand that is carried out, there is a clear cut division in the roles external researchers and SN both play in the case of micro data research on SN data. SN has the responsibility to check the feasibility and the legitimacy of the research proposal. It has the responsibility of providing adequately prepared and documented data sets and it has the responsibility of checking output for hazards of statistical disclosure. On the other hand, the external researcher is completely responsible for the analysis carried out and the conclusions and implications that are drawn from the results. This also means that the researcher, in his duty to publish the results, has to indicate that these were analyses of data from SN, but that all analyses and the resulting conclusions are the sole responsibility of the researcher and cannot be attributed to SN.

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