

**Seminar on “Balancing principles of professional
autonomy and accountability with the mandate to
produce policy relevant data”**

**Session 2: Beyond the production of official
statistics: creating synergies, avoiding conflict**

**Conference of European Statisticians,
Geneva, 8-10 June 2009**



Introduction



Introduction to Session 2

- **Session 1 addressed the relationships between statisticians and policy makers, with the goal of maintaining independence while addressing demands**
- **Session 2 addresses the various issues of engaging in non-statistical activities with the focus on creating synergies and avoiding conflict**
- **The starting point of this session is that NSO do – to some degree and in varying forms - perform activities on behalf of government which are considered as not being part of the core activities of statistical offices, namely the production of official statistics**

Introduction to Session 2

- **Examples of such activities are:**
 - **Research and analysis, modelling, economic/econometric modelling, forecasting and scenario-building**
 - **Statistical activities beyond official statistics (e.g., opinion collection)**
 - **Non-statistical activities: managing registers; management of electoral procedures; computer centres management; etc.**

Introduction to Session 2

- **Non-statistical activities may have synergies with statistical activities and be source of gains and benefits such as**
 - Improved quality of data and results
 - Deepened competences of staff
 - Increased efficiency
- **Non-statistical activities may be risks of conflicts and threats to the credibility of a NSO**
- **Focus of this session are such synergies and potential conflicts by non-statistical activities of NSOs**
- **Three invited papers (Norway, Latvia, UNECE) and one contributed paper (Switzerland)**
- **Papers cover a few out of the wide range of non-statistical activities**
- **General conclusions**

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Introduction to Session 2

Norway

**Forecasting and policy analyses in a statistical agency:
the Norwegian experience**

Latvia

**Modelling, forecasting and scenario building when producing
official statistics – experience of the Central Statistical Bureau
of Latvia**

UNECE

**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?**

Switzerland

**The introduction of a business identification number in
Switzerland**

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Introduction to Session 2

Programme

- 14.30 – 14.50** Introduction to session
Introducing the papers
General themes
Key statements
- 14.50 – 15.10** Replies by invited authors
- 15.10 – 15.25** General discussion
- 15.25 – 15.30** Short summary

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Summary of contributions/discussion



Forecasting and policy analyses in a statistical agency: the Norwegian experience

Content

- According to Norwegian Statistics Act research is an obligation for SN
- Research Department in Statistics Norway since 1950
- Historical overview of research activities:
 - Research in national accounts, tax policy and business cycles
 - Contributed to the development of the national accounts concepts
 - However, also social and demographic research
 - Most specific feature: economic modelling and forecasting

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Forecasting and policy analyses in a statistical agency: the Norwegian experience

Discussion

- Economic modelling and forecasting are viewed as linked activities, especially in case of econometric models
- To some extent the production of national accounts data comprise forecasts (flash estimates and quarterly accounts)
- Main synergies are seen in
 - Check of data consistency/quality/user feedback
 - Better communication between model builders in Statistics Norway and model users in the Ministry (of Finance)
 - Increased reputation and image
- Statistics Norway has made so far no bad experience in its double role

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Forecasting and policy analyses in a statistical agency: the Norwegian experience

Question 1

How are the research activities of Statistics Norway seen and assessed in the public opinion? Has the publication of results of research activities a special format (time schedule, audience, etc.)?

Forecasting and policy analyses in a statistical agency: the Norwegian experience

Question 2

Statistics Norway admits that forecasting and policy analyses may damage the credibility of Statistics Norway or of the statistical products of Statistics Norway. What measures have been taken to prevent possible credibility problems?

Forecasting and policy analyses in a statistical agency: the Norwegian experience

Question 3

Economic analyses, in particular forecasting, are on risk that substantial revisions might be needed. What effects have uncertainties of results and discussions of revisions on the credibility of statistical products in general?

Modelling, forecasting and scenario building when producing official statistics – experience of the Central Statistical Bureau of Latvia

Content

- Research activity: Labour market forecasting, both medium- and long-term
- Work done under the supervision of the Ministry of Economics
- Analyses and presentation of results is done under shared responsibility with the Ministry of Economics
- Labour market forecasts are based on the economic forecasts by the Ministry of Economics
- Labour Market Consultative Council
- Research quite new and still in development

Modelling, forecasting and scenario building when producing official statistics – experience of the Central Statistical Bureau of Latvia

Discussion

- Analysis has shown that it would be possible to ensure the credibility
- To minimize the risks an independent Department of Statistical Scientific Research within CBS Latvia was established
- Synergies are seen
 - CBS Latvia is the main producer of the necessary data that are required for labour market forecasting
 - Statistical expertise is easily available for the forecasting exercise
 - To get acquainted with national and international practices
- As the activities are at an early stage, so far no experience with risks and problems of credibility and compatibility of these functions

Modelling, forecasting and scenario building when producing official statistics – experience of the Central Statistical Bureau of Latvia

Question 1

Were issues of avoiding data confidentiality problems (small country, relatively detailed modelling database, etc.) a reason for the engagement of the CBS in modelling medium-term and long-term labour market forecasting?

Question 2

CBS Latvia mentions a number of risk factors inherent in their labour market analyses. In order to reduce the risks, an independent Department of Statistical Scientific Research has been established within CBS Latvia, and the activity is done in co-operation with the Ministry of Economics. Do these measures fulfil the expectations?

Question 3

Labour market analyses and forecasts are on risk that substantial revisions might be needed. What effects have uncertainties of results like forecast errors and discussions of revisions on the credibility of statistical products in general?

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?

Content

- **Assesses the compatibility of possible non-statistical activities based on the criteria of the Fundamental Principles of Official Statistics**
- **Principal of Impartiality**
 - Incompatibility of policy advocacy or policy advice responsibilities
 - Examples of compatible non-statistical responsibilities
 - Possible threats may specifically occur in case of official statistics functions within a ministry or a similar organisation
- **Principal of Confidentiality**
 - Exclusively statistical use of data in statistical systems
 - Examples of incompatibilities: running of administrative registers and responsibility of certain characteristics for administrative purposes (such as the activity code of the statistical units)

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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?

Discussion

- **Key statements of the paper:**
 - **Impartiality and confidentiality impose strict limits on the type of non-statistical activities**
 - **The risk of losing the credibility would be a too high price to be paid for whatever gain/synergies may arise**
 - **Expertise of NSOs are very useful for government, but this expertise should be used through appropriate forms of consultations, advice and cooperation, not by shifting responsibilities to NSOs**

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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?

Question 1

The application of the fundamental principles of official statistics in assessing activities of NSOs has to take into account not only the risks, but also synergies and advantages. How are synergies and advantages taken into account in applying the fundamental principles? What support give the fundamental principles for decisions about borderline activities, i.e., activities where synergies outweigh the risks?

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?

Question 2

Research activities reported by other contributors of the seminar are tied to policy advice activities; research results might be used for policy advocacy. How do the fundamental principles reflect on research activities?

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?

Question 3

The running of an administrative register of businesses by an NSO is viewed incompatible with the principle of confidentiality. If it can be assured that the register does not make use of statistical data, how would the situation be assessed on the basis of the fundamental principles?

The introduction of a business identification number in Switzerland

Content

- Project of the Swiss Federal Statistical Office to create a unique business identification number by using the expertise of the FSO
- The statistical business register run by the FSO is the most complete business register and matching of various administrative sources is the key task
- The new register is updated by administrative sources and not by statistical surveys
- Synergies are seen both for administrations and businesses as well as for the statistical system

The introduction of a business identification number in Switzerland

Discussion

- Explicit legal foundation
- The new administrative register will be kept separate from the statistical register
- The project involves many government units, is thus not just a task of the FSO

The introduction of a business identification number in Switzerland

Question 1

The establishment of an administrative business register within FSO may affect the credibility of statistical products of the FSO in general. What weight had this argument in the discussion of the constitution of the business register?

The introduction of a business identification number in Switzerland

Question 2

Were other government institutions seen as alternative hosts of the business register? What arguments led to the decision to establish the business register within FSO?

The introduction of a business identification number in Switzerland

Question 3

It may be argued (cf. the ECE document of this session) that economic activity code data in the business register could be conflicting with the impartiality principle; how is this risk assessed?

General questions

➤ Engagement in non-statistical activities

This implies to evaluate and balance the possible risks and gains

➤ Potential conflicts of non-statistical activities

Can we distinguish between non-statistical activities that do not create conflicts and other ones?

➤ Boundaries and conditions

Is it possible and desirable to elaborate guidelines concerning the boundaries and the conditions to be fulfilled for non-statistical activities?

General themes

➤ Legislation

Is for non-statistical activities an explicit legal basis desirable or necessary?

➤ Institutional structures

Are special institutional settings for non-statistical activities a feasible condition?

➤ User perception

How should non-statistical activities and their results be communicated to the user and the public?

Thank you for your attention !