Summary

This document provides information on the outcome of the in-depth review of governance statistics that the Bureau of the Conference of European Statisticians carried out in October 2016. It also provides the comments received during the electronic consultation among members of the Conference of European Statisticians.

The in-depth review paper (ECE/CES/2017/9), prepared by Turkey, Mexico and OECD, gives an overview of the various challenges and current developments related to governance statistics.

The Conference will be informed of the outcome of the in-depth review of governance statistics on 21 June 2017 under item 8(a).
I. Introduction

1. Each year, the Bureau of the Conference of European Statisticians (CES) reviews selected statistical areas in depth. The purpose of the reviews is to improve coordination of statistical activities in the region of the United Nations Economic Commission for Europe (UNECE), identify gaps or duplication of work, and address emerging issues. These reviews focus on strategic issues and highlight concerns of statistical offices of both a conceptual and coordinating nature.

2. The Bureau carried out an in-depth review of governance statistics in October 2016 based on the paper by Turkey, Mexico and OECD (provided as document ECE/CES/2017/9).

II. In-depth review discussion and decisions by the Bureau

3. The following points were raised in the discussion at the CES Bureau meeting:

   (a) The demand for governance statistics is increasing, particularly in the context of Sustainable Development Goals (SDGs) and the Goal 16 “Peace, justice and strong institutions”;

   (b) Governance has many dimensions and its measurement is challenging, even when narrowed down to the public institutions operating at national level. First, a common definition of governance and a conceptual framework are needed. The conceptual framework has to be useful for countries in different situations, taking into account that it is not possible to impose a common understanding of good governance on different societies. The conceptual framework should be developed in cooperation with academics, policy makers and other stakeholders;

   (c) Based on the conceptual framework, a measurement framework can be developed. This framework should provide guidance on what and how can be measured, what types of instruments can be used and what are their advantages and limitations;

   (d) There is some reluctance in national statistical offices to measuring governance because of its policy implications. However, it is important to deliver a message that national statistical offices are well placed to measure governance. It is possible to do it in a way that is in line with the Fundamental Principles of Official Statistics and does not compromise the integrity of the statistical office;

   (e) A close dialogue with users, including policy makers is very important to ensure that governments would perceive the measurement of governance as a helpful tool and not a threat. The communication should be done in a careful way to get support at policy level before embarking on the measurement actions. It has to be clearly explained for whom, why and how governance is measured;

   (f) The in-depth review paper is a valuable contribution to the work of the Praia City Group on governance statistics. Any possible future work on measuring governance should take into account the results achieved by the Praia group;

   (g) In addition, there are several developments at international level to advance governance statistics. For example, OECD is developing guidelines on measuring trust, to be finalized by mid-2017. A household survey that includes questions related to governance is being carried out in African countries under the Strategy for the Harmonisation of Statistics (ShaSA) initiative.
4. The Bureau commended the work of the Praia City Group on measuring governance, and looks forward to the results of their work. The Bureau decided to wait for the outcomes of the current initiatives before deciding on concrete actions on governance statistics under CES.

5. The Bureau decided to inform the 2017 CES plenary session about the in-depth review and to collect feedback from statistical offices through an electronic consultation. The Bureau will review the issue again in October 2017 to take into account the outcomes of the Praia Group work, and to decide on possible further work under CES.

III. Comments received from the electronic consultation

6. The UNECE Secretariat conducted an electronic consultation in April 2017 to inform all CES members about the outcome of the in-depth review of governance statistics, and provide an opportunity to comment on the outcomes of the review, described in Section II of this note.

7. CES members expressed their support and interest in the in-depth review and thanked the authors for preparing this excellent summary of the issues and challenges related to governance statistics. The following 14 countries replied to the electronic consultation: Armenia, Austria, Canada, Czechia, Finland, Germany, Hungary, Japan, Lithuania, Mexico, Poland, Sweden, Switzerland and United States.

8. Canada noted the necessity to wait for the final product of the Praia Group on Governance Statistics, as noted by the CES Bureau. The Praia Group aims to develop a conceptual framework for governance statistics. Once that has been completed, the statistical framework will need to be applied in practice. National statistical offices (NSOs) should be involved in the development of this framework in addition to experts of governance. Then, statistical measures will need to be developed, again using expertise from NSOs, policy makers and other relevant actors; this endeavour will be labour intensive and costly.

9. Hungary would appreciate the integration of governance statistics into official statistics in order to ensure their regular production. The role of official statistics and the importance of official data need to be highlighted as an objective data source. Besides the high importance of agreeing on methodological and instrumental questions of measuring governance, clear terminology and a consistent framework for governance statistics will be needed. Defining the concept of governance should have top priority. Conceptual work may also be needed to clarify the intended results, tangible deliverables and expected benefits of governance.

10. A set of indicators on governance should be developed. For this reason Hungary suggests the following approach: (i) determine the scope of indicators; (ii) generalize the criteria of compiling indicators; (iii) establish a common quality framework; (iv) take into account the needs of different user groups, to better interact with stakeholders (needs assessment); and (v) recommend a set of indicators based on official statistics that comply with statistical standards and the Fundamental Principle of Official Statistics.

11. Hungary also recommends: (i) promoting and facilitating cooperation based on mutual interests; (ii) exploiting comparative advantages and spill-over effects; (iii) establishing scientific collaboration; (iv) facilitating the development of abilities, skills and experience; (v) participating in virtual, physical and technical networks, (vi) investing in human resources based on a long-term strategy, and (vii) sharing and utilizing international best practices to support progress in countries.
12. Lastly, Hungary suggests linking the initiative of governance statistics to other activities, for example the UNECE work to develop guidance on the role of national statistical offices with regard to leading, composite and sentiment indicators, United Kingdom’s recent initiatives and OECD work in this field. The different maturity levels of NSOs’ governance statistics should be taken into account when mapping out future possibilities.

13. The United States Bureau of Economic Analysis (BEA) noted that governance statistics will likely be viewed as normative rather than objective. BEA encourages the development of “a common definition of governance and a conceptual framework” (paragraph II.3.b). A conceptual framework that provides meaning to levels and changes in statistics will support their usefulness. The current lack of such a framework probably underlies the reluctance of NSOs to get engaged. Providing additional details for linking governance statistics with the Fundamental Principles of Official Statistics may address the reluctance of NSOs to produce these statistics.

14. The United States Department of Justice (DOJ) notes that the document significantly advances the discussion and understanding of the complexities of measuring governance. The review provides input for developing a common conceptual basis. Table 1 ("Deconstructing the concept of governance") is considered a valuable contribution, as it provides three main domains in which to place past and current efforts. In doing so, it helps to classify different measurement approaches and facilitates communication among experts, data producers, government officials and other stakeholders. Each of the domains calls for different measurement. There is interest, though, to learn how the dimensions in Table 1 were defined, and whether they were vetted in earlier discussions.

15. DOJ considers that the document significantly advances the conceptual underpinning of the Sustainable Development Goal (SDG) 16. This an important step since many of the indicators for SDG 16 pose challenges, particularly in the Praia City Group, tasked with the development of a handbook on measurement.

16. Lastly, DOJ also notes that it is not an easy task to develop indicators that can be implemented, are affordable, and capture key aspects of governance performance. The next step is to prepare a road map to advance the development of internationally comparable data. Expert assessments and composite indicators from international organizations are not sufficient. The review underscores the need to set priorities, since not all dimensions of governance are measureable due to limited resources and variable capacities of national statistical offices.

17. As a follow-up to the in-depth reviews, DOJ asks UNECE to provide assistance in establishing priorities for the development of governance statistics. It could be done by systematically assessing the current capacities of countries to collect and report governance statistics. This would require agreeing on principles for priority setting, and providing methodological guidance for the development of survey modules and optimal data collection. Such work would contribute greatly to the development of governance statistics.

IV. Proposal to the Conference

18. The Conference of European Statisticians is invited to take note of the in-depth review paper on governance statistics (ECE/CES/2017/9), and endorse the outcome of the review.