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RENEWING THE CONFERENCE OF EUROPEAN STATISTICIANS: A COMMENT

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I. Introduction

1. The initiative of the CES to celebrate its 50th anniversary looking ahead towards the upcoming challenges and promoting substantive reforms has to be strongly praised and supported. The main paper prepared by Messers Fellegi and Franchet contains a vision of the future role of the Conference and a set of proposals, inspired by both pragmatism and desire for change. Both the vision and the pragmatic responses have to be welcomed and wholeheartedly supported. The proposed changes are fully in line with the UN reform efforts, guided and stimulated by the Millennium Declaration, and with the guidelines inspiring the changes underway at the UNECE. These changes follow the initiative launched by the Secretary General of the UN for “Strengthening the Organisation” in the spring of 2002.

2. The UNECE reform underway has three main new orientations (see the document on “Strengthening the UNECE”). These orientations find a significant recognition in the Fellegi-Franchet proposals. They can be reformulated in the following way:

a) The reform aims at raising the policy profile of the UNECE, and its Principle Subsidiary Bodies, such as the CES, so that they can (continue to) attract the interest, and active involvement, of the policy makers at the top level, namely -in the field of statistics- the Chief-Statisticians or Ministers responsible for statistics. This means focusing on policy issues, policy dialogue and guidelines, rather than technical or sectorial aspects. The questions of a technical or detailed nature can be left to specific groups or task forces. There are broad issues of statistical policy that can only be dealt with by the top political level in national administrations; the Conference should remain the forum where such issues are discussed, and addressed through appropriate tools of international policy making (rules, standards, best practise, etc.).

b) The policy fields covered by the organisation should be extended beyond the conventional economic areas. They should include increasingly social policy issues, and the cross-sectorial links between economic environmental and social policy reform. The “co-ordination” and “integration” role of the CES, that can be seen at its best in the preparation

discussion and use of the “integrated presentation”, have this main function: i.e. make sure that the efforts of the international statistical community are focused on responding to the most pressing policy demands, and the agreed priorities of member countries. This does not only mean achieving efficiency and full transparency, but it implies above all the need to fill the gaps, exploit the synergies, fine-tune the activities on the basis of the actual policy priorities of member countries and deliver a quality service. The final aim of co-ordination and integration, in sum, is to contribute decisively to establishing an evidence-based, data-intensive, and science-driven policy dialogue. It is well known that the major measurement gaps are in the area of social statistics, good governance and peace building. Maintaining the good co-ordination among the major statistical agencies at the international level is a tool to ensure that the available resources are best used to enhance the role of statistics for consolidating peace democracy and human rights, and bridging the development gaps existing in the ECE region and beyond.

c) The mission of UNECE is to support the economic and social integration of the ECE region, and support the integration of sub-regions within the ECE. In the past, the CES has played an important role in support of the East-West dialogue, EU integration, the transatlantic relations between EU and North America, the strengthening of the OECD statistics. Moreover, the CES, which represents the most advanced countries in statistics, has contributed to global statistical co-operation and integration. The CES can now contribute also to the EU enlargement, the dialogue between EU - North America and Russia, the integration of the CIS, the dialogue between the transition economies that are acceding the EU and the others, the exchange of experience on the issues of the statistical transition, the statistical co-operation in the Mediterranean, the integration in the Balkans, the South Caucasus, the Black Sea area, Central Asia. These economic and political processes do not only have a different scope and pace, but they also have different statistical dimensions and implications. They require therefore a targeted and customised international support mechanism. The CES has in its mission the responsibility of responding to the specific concerns and requirements of these different integration processes and country groupings. But it has also a unique role to play in making sure that each of these different processes and dimensions are consistent with the broader picture, and that all sub-regional processes maintain an inclusive and open character. The mechanisms envisaged in the Fellegi-Franchet proposal manage to find a good balance between two conflicting goals: first, they allow in fact for the differentiation and targeting required by different country groupings, and particularly by the OECD countries on the one hand and on the other the transition economies; and second they ensure that the overall framework is strengthened, particularly thanks to the critical role of the CES Bureau, and maintain an inclusive open and egalitarian character for the ECE statistical community, in line with the UN spirit and principles.

II. The crucial test for the reform of the CES

3. Therefore, I believe that the experience of the CES reform can be of benefit not only to the statistical institutions and the data users in the member countries, but also it can serve as a model for the other PSBs of the UNECE. The CES remains “ahead of the curve”, and will experiment new solutions to problems and challenges that affect not only the statistical agencies, but the ECE policy makers in all fields.

4. The crucial test in CES reform however will be the implementation of the Fellegi-Franchet proposals, and their impact on the relevance and quality of statistics. Let us in fact remember that the organisational arrangements of the CES, and the international statistical activities, are not simply aimed at keeping the community of statisticians interested and supportive. They must carry the support of the users, and have an impact on the policy role of statistics, as a tool for decision making of governments and the civil society.

5. The challenges are formidable because the gap between growing requirements and the capacity of official statisticians to respond has been increasing recently. There are many reasons for this development to have occurred.

6. The main factors are linked to the formidable increase in the demand for data, and data quality, which has given an unprecedented visibility to the questions of statistical production and availability. This insatiable “hunger for data” has been fed by both the advent of the information society and the democratic deficit in our political systems. The public debate has grown increasingly impatient vis-à-vis empty political statements, electoral promises, rhetoric and emotional upheavals. It demands facts and figures! It requires accountability and concrete evidence of results. In sum, it wants decisions based on hard data and sound arguments, and evaluations founded on robust evidence and reliable measurement. The growing “statistical education” of the media, the politicians, business and civil society makes this leap forward in the democratic process not only possible, but necessary.

III. Challenges and risks ahead

7. Three specific developments have pushed the political relevance of data at the international level:

- a) the increasing internationalisation of political debates, spurred by media coverage and globalisation, that requires comparable data across countries and regions of the world;
- b) the shift away from formal rules, treaties and codified standards towards “soft regulation”, identification of best practise, bench-marking, which requires good quality data and sound analytical frameworks;
- c) the shift of emphasis towards implementation, monitoring and follow-up mechanisms, based on precise measurement of progress made and policy analysis.

8. These demand factors have posed unprecedented pressures on the existing data supply mechanisms, particularly the conventional assets of official statistics. The technical difficulties related to methodology organisation and resources are well known to statisticians, even though not always well understood by the general public: pressures for more timely and more comparable data; demand for statistical significance at the level of municipality or even urban blocks; resistance to statistical burdens on respondents and concern with statistical confidentiality; ambiguity in concepts and contradictions in figures; etc. Other difficulties have to do with analytical gaps that translate themselves in shaky statistical definitions and ambiguous indicators. Suspicion of manipulation and opportunistic behaviour in the production and use of data for policy or administration has sometimes undermined public confidence in statistics, and correspondingly in transparent public policies. Long gestation periods are required for the production of agreed standards or the completion of complex technical operation like a Census or a national Sample Survey or the setting up of reliable statistical registers. Public demands push statistics away from conventional terrain towards uncharted territories for the measurement of the new economy, good governance, security, social cohesion, and the like.

9. The result of these new opportunities and difficulties is that often policy-makers, the media, the governments, the business leaders and the general public turn to sources other than those of official statistics for data support or advice. This trend, that is generalised and undoubted now, need not be considered a problem in itself; it is inevitable in fact that with the increase in the provision of data from private or public sources other than official statistics, and with the growing demand for data of all types, the supply becomes diversified heterogeneous and much richer than the one that even the best public statistical systems can provide. However, this trend becomes a problem, and a serious one for statistics

and democracy, if the overall quality of data is damaged undermining the public trust in an evidence based policy process, and in democracy itself.

10. The Conference should analyse in depth this development with the new opportunities and threats it brings and help statistical supply systems in member countries to adjust to the new situation by restructuring, interact with private suppliers, promote statistical quality, guarantee access also to the weaker segments of society, so that high standards of both market efficiency and public service are warranted to the benefit of decision makers in the information society.

IV. Responding to the requirements of the UN policy agenda

11. The Conference has more direct and specific responsibilities in this context in relation to the international policy debate. What we said of both new opportunities and threats for statistical systems apply clearly also to the international policy making agenda. Issues of international policy, like the future of Europe or peace in the Middle East, are central to the interests and concerns of ECE member governments. The United Nations policy agenda, particularly in relation to the Millennium Development Goals for the promotion of peace security and development in the world, requires more, and better data. The same thing can be said of the OECD and the EU facing the challenges of enlargement and institutional reforms. The issues are complex and wide ranging: from human rights to security, from inequality to human capital, from population aging to trade liberalisation, from fighting crime and corruption to establishing democratic governance and tolerance.

12. Is the CES providing, in co-operation with the other major statistical players in the region (such as Eurostat and the OECD Statistical Directorate), a satisfactory response to the data demands of member countries and the policy departments of international organisations? Is it catering for their most pressing needs and the priority issues in their policy agenda? Will the CES be able to contribute significantly to the on-going political discussions on the future of Europe and North America? Will it play its role in achieving the Millennium Development Goals set by the ECE member countries?

13. The CES reform has to put these basic questions at the centre of the strategy. The capacity to respond to these questions will provide the basic test of whether the reform has been successful or otherwise. Obviously, statisticians alone cannot provide the response to the questions above. This response must be given by the users of the services of the CES (and its partners organisations). The test of the success of the reform must be seen in the actual use of statistics, and their impact on the major policy processes taking place in the ECE. Therefore the CES has to engage in an intense dialogue with the policy departments of the UN system, of other organisations and member governments, to review accomplishments and define priorities for the future agenda. It should moreover enable statisticians in member countries and international organisations to better understand and become active participants in the policy discussions underway, so that they can prepare themselves for future data requests and educate the public to the need of investing into statistical capacity building. Only by taking an active policy stance, in relation to the issues of to-morrow, rather than to those of the past, statisticians can raise their policy profile, attract interest, and resources, and accomplish their mission of serving policy-making and society at large.

V. Engaging the users in the CES

14. The Fellegi-Franchet proposals are fully aware of this need for more policy responsiveness, and create an environment which will make it easier to address its implications. However, I would like to make it more explicit, and be given the necessary visibility. The CES should not only be an event, and an essential tool, for Chief Statisticians and Statistics Ministers, but also for the Heads of national

governments, Ministers of economic and social policy, foreign ministers and the chiefs of the participating international organisations.

15. Delivering and promoting the use of an integrated and co-ordinated approach to statistical activities presupposes an integrated view, and a robust understanding of the policy issues at stake in the region. The CES has an essential role in promoting this understanding. Such an integrated view should be common to the major statistical players in the region, the Statistical offices of the member states and the Statistical Departments of the major international organisations in the UN system and beyond, particularly Eurostat, the OECD and the Bretton Woods institutions. Statisticians must be, and be perceived to be, active partners in the policy process, not in the sense of advancing solutions (their independence require always a certain distance from policy controversies and an absolute impartiality vis-à-vis partisan politics), but in the sense of being able to propose a reliable – and timely - view of the problems, of what works, and can work, and what does not work, in policy making. Their close collaboration in that context with policy analysts, model-builders and forecasters is also essential. Therefore the involvement of policy analysts in the CES is important.

VI. Statistical regionalism, sub-regionalism and globalism

16. A source of potential tension in the discussion on the CES reform is to be found in the fear that a more focused and targeted discussion, involving a smaller and more homogeneous group of countries or a sub-region, may be perceived as an exclusive arrangement or –worse- as a conspiracy “ad excludendum”, a discrimination and a breach of the fundamental principle of universal and equal dignity membership, enshrined in the UN Charter. It is undoubted that in many cases certain questions can be best dealt with in a smaller group, be it a group of more advanced statistical systems or of countries sharing a common experience –the transition economies, the countries of South Eastern Europe or the CIS-. But it is equally undoubted that the sensitivities involved are quite sharp, the risks of exclusion and discrimination are real, and correspondingly there may arise misunderstanding, confusion and hard feelings. The Fellegi-Franchet proposal pays a great deal of attention to these risks and sensitivities, and should be praised for adopting a very cautious and open stance promoting an arrangement that is very inclusive, and allows all members to be part of all possible targeted discussion groups. Should we then conclude that all is well, and there is no need to talk about this question any longer? I do not think so, and would like to devote the rest of my comment to this question.

17. I wish to show that in the trade-off between flexibility and inclusiveness, the issue we are facing reflect a much more complex and wider political problem, and that we should approach it not only with pragmatism and diplomacy, but also with an in-depth understanding of the issues at stake, and an active engagement in the policy discussions concerning them. This will provide an illustration of the argument I presented earlier: that statisticians should be involved in the main policy discussions and aim at contributing to address such questions at an early stage. Besides this example is not chosen at random; it touches in fact a critical point in the proposed reform, identifies a possible missing link, and opens up a direction for further reflection and reform.

VII. An analytical framework for inclusive regionalism and sub-regionalism.

18. To put the question into a consistent framework, I would like to make four general comments:

a) **The issue is of general value and applicability.** The need to balance flexibility, variable geometry and inclusiveness can be found in all communities (public and private, institutions and business, households and society), in all fields of policy (security, trade, population, technology, etc.), and at all levels (in a single country, between a region and its municipalities, in the North-South relationship, between one region and the world).

The principle of equality vis-à-vis the law and in the access to basic goods and services has been a driving force of the nation-state; it has eliminated privileges and discriminations and brought about national cohesion and solidarity. However, recent welfare reforms have been based on the principle that treating equally people with unequal chances in life is also a form of discrimination, and the public sector should focus on providing equal opportunities and basic safety nets rather than “one-size-fits-all” solutions. Another illustration can be given by remembering that when Mr. Blair invited to dinner a few of his European colleagues he ran into a serious political problem, because some other European leaders felt left out and excluded. In the common perception, however, the difference between providing support and advice to one’s own children and relations, and on the other hand indulging into nepotism or mafia practises is in general clearly perceived. Similarly, the difference between collusive behaviour and business co-operation is well understood by the guardians of market competition and antitrust.

In any community the tension between consolidating the communal bonds internally and opening up to external co-operation is strongly felt. However, there is no automatic link between strengthening a community and taking a defensive or aggressive stance. The principle of Adam Smith of a basic positive relationship between private interests and public goods is not limited to economics.

b) **The issue of “universalism versus regionalism” is not new.** In trade theory, the discussion on regional trade agreements, and their impact, has given rise to a huge literature, with noble traditions and an uninterrupted stream of contributions. The conditions under which regional trade arrangements produce effects of “trade creation” rather than “trade diversion” have been carefully studied and confronted in this literature.

More recently, the debate on the so-called “new regionalism” or “open regionalism” has revived interest in regional integration processes, focusing not only on economic aspects, but also on broader political and social implications. The complex relationships between regionalisation and globalisation have given rise to much controversy: the much discussed “stepping stone” versus “stumbling block” alternative has not yet been settled at the theoretical and policy level. “The two processes of economic globalisation and political regionalisation are going on simultaneously. They deeply affect the stability of the Westphalian state system; and therefore they at the same time contribute to both disorder and, possibly, a future order” (Hettne 1999, p.xx).

The fierce opposition of the past, particularly in America, to the EU integration process, both the single market and the monetary union (the so called “Fortress Europe”), has now been replaced by a more cautious and supportive stance. A less ideological and more evidence-based approach seems to emerge, leading to pragmatic and/or eclectic views, and exchanges. The crucial policy question has become to determine the conditions under which regional arrangements are conducive to a global “order”, rather than disorder, and those that on the contrary create obstacles to the multilateral and global approach.

c) The question of “regionalism versus globalism” **goes to the heart of the mission of the UNECE, and therefore of its PSBs, like the CES.** The strength of the ECE and its political significance is in the fact that it is part of a global compound, the regional branch of the United Nations, a regional arm and tool for contributing and implementing the goals and tasks of the UN. Understanding therefore to what extent and how the ECE contributes to the global policy agenda is not an additional or complementary responsibility, but is the essence itself of the region. Unlike other regional organisations, the ECE does not have an “independent” *raison d’être*, except that of

contributing to the universal and inclusive goals of the UN. This explains why this *raison d'être* has not been generally questioned. However, the strategy through which the ECE operates as a global player, and its effectiveness, have not been sufficiently discussed either. The fact that promoting regional and sub-regional integration processes has an inclusive and positive impact on globalisation is often taken for granted; this may determine the unintended unfortunate consequence that convincing evidence and concrete arguments in support of the global role of the UN regional commissions have been lacking.

d) The issue has a specific dimension if related to the case of official statistics. Statistics is ultimately a universal language. Consolidating therefore a local or national statistical system cannot be considered alternative or contradictory with respect to promoting global statistical norms and standards. Analogously, a regional statistical framework should be seen as a stepping stone towards inter-regional and global statistical integration. And any sub-regional statistical system, be it the EU one or the OECD, cannot exclude nor neglect the statistical needs of other sub-regions, like central and eastern Europe, the Balkans or the CIS. These requirements are well understood by statisticians, because of the specific nature of their professional skills. The history of the CES, its ability to make co-operation work, even in the worst periods of the cold war, witnesses the great potential that the controversial nexus between regional and global integration is addressed effectively by statisticians in ways and modalities that set a paradigm for other policy fields.

Before developing this aspect, and concluding, I want to present two digressions that will help me in drawing policy lessons and practical suggestions.

VIII. Multi-lateralism and regionalism in the recent experience of the WTO

19. The question of regional trade agreements and their impact on world trade is at the centre of the concerns of the World Trade Organisation (WTO). The last decade has seen a considerable increase in the number of trade agreements. They have involved an increasing number of countries in the world. Nearly all of the WTO's 144 Members have signed regional trade agreements, customs unions, free trade areas or other preferential arrangements with other countries. According to WTO sources, over 200 regional trade agreements have been notified to the GATT or WTO over time, and currently over 150 agreements are in force, most of which have been concluded in the past 10 years. The implications of the growth of regional trade agreements for the development of the multilateral trading system and the impact of help or hindrance that such agreements can have, has been a question of fundamental concern for the WTO, and for other organisations.

20. The benefits of joining a regional trade agreement can be economic, political, or both. On the economic side, the expansion of the domestic market after trade barriers with partners have been removed can create economies of scale, while competition from partners serves as a stimulus to produce more efficiently and counteract unwanted monopoly power. Consumers can benefit from the trade creation effect of the agreement. This can contribute to creating an environment for attracting foreign investment and the transfer of technology. Partners can create broader, faster and deeper liberalization among their members than it would be possible multilaterally. On the political side, studies have shown that partner countries are less likely to go to war with each other. The creation of regional trade groupings involving transition economies or those emerging from a dictatorship or conflict might play a useful role in consolidating economic reforms and providing political stability. Smaller countries may increase their bargaining power, either regionally or multilaterally, by joining regional groups. Countries may also decide to join a regional trade agreement to further their objectives regionally, if such objectives are difficult to achieve at the multilateral level.

21. But there are also potential costs of a regional trade agreement, which should be carefully considered. Losses of tariff revenues, overlapping regional trade agreements, complicated rules of origin, that imply further technical and administrative problems, and the possibility of trade diversion are the main problems that the partners have to face. Third parties may lose market shares in the case of trade diversion. Moreover, frictions between trading blocks might complicate trade negotiations at the multilateral level. If negotiating resources, that are increasingly scarce, are allocated predominantly at the regional level, multilateral negotiations might suffer.

22. For these reasons, the debate concerning regional trade agreements and their compatibility with the multilateral trading system has gained new impetus. Ruggiero (see R. Ruggiero, former WTO Director General, 1997), speaking about regional initiatives and their global impact, argued that regional agreements are more about securing regional preferences in a world marked by growing competition for markets, investment and technology, rather than increasing regional economic efficiency or co-operation. It is necessary therefore to establish new rules that take into account the fundamental changes observed in the nature and scope of such agreements and their progressively overlapping membership.

23. The fundamental point is to establish the right relationship between regional agreements and the multilateral trading system, which means “globalising regionalism instead of regionalise globalisation”. This implies consolidating the non-discriminatory foundations of the trading system, making therefore regionalism conform with multilateralism, and not vice-versa. And second, ensuring that regionalism and multilateralism converge in their goals and aspirations, which means measuring the success of regional agreements in terms of their ability to help design and build a new economic order in the interests of the global economy as a whole.

24. This excursus shows that the question of “regionalism versus globalism” is a highly controversial and topical one. Drawing on the debate in the field of trade, where this issue has been particularly prominent and extensively discussed, we can conclude that there is no “black and white” or simple solution. Emphasis must be placed on the actual conditions and specific aspects that make regional arrangements “stepping stones” rather than “stumbling blocks”. The implication is that there cannot be any automatic assumption: any regional strategy must prove that it contributes to multilateralism and global integration. Viceversa, a global strategy should try to make the best of the potential benefits of regional arrangements.

25. The lesson for the ECE, and the CES, is straightforward.

IX. The role of the Regional Commissions in the UN system

26. Article 68 of the UN Charter stipulates that the Economic and Social Council has the faculty of establishing subsidiary bodies in the economic, social and related fields, as may be required for the performance of its functions. As a result, five regional commissions have been established in the United Nations system, among which the Economic Commission for Europe, created in 1947. Since their establishment, the role of the regional commissions has been strengthened in various occasions following the different waves and phases of UN thinking on social and economic development.

27. For a long period, the regional commissions played a rather limited role. This role is negatively affected by the cold war, that is a global phenomenon, but cuts across all major UN regions. The UNECE in particular becomes a specialised “cold-war” institution, where the two blocs confront each other (the cold war is basically a diplomatic war, and therefore exploits all international relations institutions for battling), and at the same time engage to the extent possible in a dialogue.

28. Only in 1977 the role of the regional commissions is spelled out in the UNGA Resolution 32/197. This resolution states that regional commissions are, for their respective regions, “the main general economic and social development centres within the UN system” and it affirms their exercise of “team leadership and responsibility for coordination and cooperation at the regional level (...) improving the coordination of the relevant economic and social activities of the UN system in their respective regions”. In UNGA Resolution 33/202, adopted the following year, there is a further evolution in the role of the regional commissions, as they are given a limited role as executing agencies in operational activities, i.e. in providing technical assistance to weaker countries.

29. The major internal reform of 1982-1983, aimed at strengthening programme planning budgeting and evaluation, do mention the regional commissions, but only to foresee a rather limited management autonomy and resource basis. The framework in the UN system remains highly centralised, and the allocation of resources, particularly for operational activities, reflect this degree of centralisation.

30. In 1989, there is a beginning of inversion of trend, because thanks to UNGA Resolution 44/211, the operational activities are decentralised to the country level, in order to enhance a more coherent and efficient programming and use of resources, augment awareness of the requirements of developing countries and contribute to strengthening and using national capacity.

31. But it is only in 1998 that through the ECOSOC Resolution 1998/46, clearly defined mandates and responsibilities are given to the regional commissions. Their role is highlighted as a forum for building regional consensus on global issues as well as participating in the preparation and follow-up to major UN conferences. Moreover, “according to regional needs and circumstances, the regional commissions fulfil norm-setting, dissemination and analytical functions as well as undertake operational activities that are complementary and mutually reinforcing”. The resolution also calls for closer cooperation and interaction with other relevant regional bodies, with the UN system in the region, with the overall activities of the UN in the economic and social sectors, and with the Economic and Social Council in general, encouraging inputs from the regional commissions in its substantive consideration of global issues with a regional dimension.

32. It should be of no surprise that the full recognition of the role of the regional commission gains ground only well after the end of the cold war. In a multi-polar world, the establishment of regional poles of stability and economic integration can contribute to the global order. Moreover, the growing trends towards post-Hobbesian arrangements, where the nation-state redefines its prerogatives and sovereignty is shared at different levels of government, require the emergence of regional leadership functions.

33. The preparation for the “World Summit on Sustainable Development” has given rise to a discussion on the potential role of regional commissions which could lead to another, and more ambitious wave of reforms: according to the discussion paper prepared by the Vice-Chairs for the consideration of the Preparatory Committee for WSSD, the important function of “reviewing the implementation of the regional strategies and reporting to the Committee on Sustainable Development” should be given to the regional commissions. It is well known in fact that the review and reporting mechanisms have not worked well, and that implementation is a key concern in relation to the deliberations of global summits. The regional commissions - it has been proposed - would become “regional sustainable development commissions”, working in an integrated fashion with the UN Department of Economic and Social Affairs, and playing the leading co-ordination role in the system.

34. The reforms under discussion would change considerably the relationship between the global and regional level in the UN system. In any case, the discussion on the present state of such relationship is growing under the pressure of the need for more effectiveness, accountability, and coordinated use of the scarce available resources. The relationship between ECOSOC and the regional commissions, at the

inter-governmental level, and between the secretariats at DESA and regional level has to be defined making clear the division of labour in relation to the preparation and follow-up of global events, the setting of norms and standards, the identification of best practise, and the promotion of operational activities. Even more complex, and disorderly, is the relationship between ECOSOC, the Bretton Woods institutions, the international financial institutions, the specialised agencies, Funds and Programmes in the UN system, and outside. These organisations have promoted the multiplication of regional and sub-regional branches with often overlapping mandates and activities. The creation of local institutions by regional and global organisation has accelerated in the recent period posing a problem of co-ordination and division of responsibilities.

35. The changes underway, and the proposed changes under discussion, would affect considerably the mandate and activities of the CES. It is important therefore that the Conference participates actively to this discussion, considering the leading role of the statistical systems it represents and their interest in shaping a more effective global statistical architecture. The CES has two parent institutions, the ECE and the Statistical Commission: it should therefore promote a strategic reflection with the Statistical Commission and the other regional statistical conferences on the future of statistics in the UN system and in the new "global order".

X. Rethinking the global statistical architecture

36. Promoting an inclusive regional integration process capable of contributing to global peace security and development is a policy goal of priority importance for the ECE region, and is central to the mission of the UNECE. This goal is at the heart of the ECE reform process. All PSBs have been invited to look closely at ways and means through which they can contribute to sub-regional and regional integration.

37. A realistic assessment of the present context presents both risks and new opportunities, which the ECE should carefully consider in enhancing its mission.

38. The EU institutional reforms aimed at strengthening the internal mechanisms and giving it more authority and leadership in external and security relations are of fundamental importance not only for the EU member countries but for the region as a whole. The impression that the EU integration has given so far, that of an inward-looking and exclusive arrangement, should be corrected.

39. The EU enlargement has also shown how strong the incentive created by accession can be in motivating countries to undertake bold economic and political reforms. The enlargement therefore is of great potential benefit not only to the countries directly concerned but to the ECE region as a whole. But there is the risk that the enlargement creates new divisions in Europe, between the acceding countries and those that cannot accede the EU, at least in the foreseeable future. After the Zagreb summit of 2000, the countries in South Eastern Europe have been encouraged to consider themselves in a state of pre-accession. It is not clear however, how long it can take for many of them to move on to the next stage, that of formal accession. The delays may encourage disillusion and de-motivation to economic reform. Some mechanism of cooperation among these countries, and with the EU, and the enlarged EU, should be found, that while cultivating the reasonable expectation of accession, activates some processes of sub-regional integration.

40. The relationship between Russia, the EU and North-America has known recently a remarkable improvement. However, it is still mostly pursued through bilateral mechanisms. It has become imperative to engage Russia in a constructive co-operation framework, some kind of wider "European Economic Space", so that she does not feel excluded and at the same time is incentivated to persevere on the road to economic liberalisation and structural adjustment.

41. The links between the countries of Central Asia and the other ECE countries have become recently (particularly after the events in Afghanistan) stronger and more relevant not only from the economic but also from the political point of view. At the moment however, their integration is pursued either through the sub-regional SPECA programme, or through bilateral relations between the EU, the USA, other advanced countries, and the countries in the SPECA region. A flexible and soft multilateral framework, such as that provided by the ECE, should enable the SPECA region to engage in a dialogue with the EU and North America that is not occasional and piece-meal, but comprehensive and systematic.

42. Analogous reasoning goes for the Caucasus and the Black Sea regions. In order to consolidate the (shaky and precarious) peace and security there, a multilateral framework linking these countries together and with the EU and North America should be promoted.

43. Renewing the transatlantic partnership and consolidating the common approach of the countries belonging to the most advanced part of the planet, the great part of which are in the ECE region, should enhance the role of the OECD. The prospect for such a common vision has become particularly promising after the adoption at the Monterrey Summit of a consensus view on “financing for development”. However, the policy leadership of the OECD should not be seen as the North dictating its views to the rest of the world. The ECE, that includes many developing countries, should help the OECD to engage in a peer dialogue with the other countries in the region and disseminate the best practise and policy guidelines drawn from the most successful countries.

XI. Conclusions: continuing the strategic reflection

44. The UNECE; being the only pan-European organisation dealing with a broad range of policies in economic and social development, and being part of the UN system, can play a fundamental role in ensuring that all the above mentioned processes remain “inclusive” and contribute to provide a beacon of stability economic and social progress for the world as a whole.

45. The CES, among the other PSBs of the ECE, can play a leadership role in promoting statistical integration in the sub-regions, including the EU, and placing it consistently in the wider context of pan-European and global integration. It can be, and continue to be, a model for other policy areas and PSBs. The Franchet-Fellegi proposals define arrangements that maintain the relevance of the CES for the different countries and country groupings, and at the same time, with appropriate back-to-back and open doors mechanisms ensure inclusiveness of more targeted meetings and the sense of a diverse but integrated community. However, as the devil is in the detail, it will be important to monitor the implementation of the reform to make sure that the various groups and countries feel effectively members and active players in the wider community.

46. But the issue of inclusiveness will have to be dealt with at a more strategic level and explicitly considered in the CES reform process. The CES could then start the second half century of its existence launching a series of strategic reflections on the following:

- How can the CES support the statistical integration in the various sub-regions of the ECE, particularly the CIS, the SPECA, BISEC, the Mediterranean, etc.?
- How can the ECE support the EU enlargement, ensuring that it is not perceived as “excluding” non acceding European countries, and complementing the bilateral negotiations with a multilateral mechanism of policy dialogue and peer exchange.
- Can statistics promote a common wider “European Space”, including Russia, the CIS, the EU and North-America, where statistical co-operation can make progress in a multilateral setting.

- Can the CES provide transparency and coordination in the provision of technical assistance to the weaker countries in the ECE region, so that the synergies between bilateral and multilateral initiatives can be exploited, and the programmes at the sub-regional level are part of a broader and consistent global process.
- Can the CES contribute to initiating a rethinking of the global statistical framework and of its relationship with the Statistical Commission? The Statistical Commission is with the ECE the parent body of the CES, but at the moment it is not clear what this relationship should concretely imply.
- Can the CES contribute to designing a more decentralised, and/or de-concentrated, global statistical system, where the regional commissions play a more prominent role not only in implementing but also in re-formulating statistical standards and norms? Should the standard setting mechanisms be re-considered, allowing for more variable-geometry, soft regulation, and the dissemination of best practise?

47. The future of the CES cannot be reconsidered and reshaped without bringing fully into the picture the global framework and the relationship between the CES and the Statistical Commission. The CES, considering the leadership role it has played in the past, but above all, considering the responsibility it should take on for the future, should work with the other regional commissions and the Statistical Commission to develop a “vision” of the future where regional statistical integration is the stepping stone of the construction of a more integrated and better performing global statistical architecture.

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