



Linking statistics to European policies

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Effective economic and political decision-making depends on the regular supply of reliable information. Statistics are one of the principle sources of such information, providing essential quantitative support to the elaboration and implementation of policies. Statistics are also a powerful tool for communicating with the general public.

The information needs of politicians require constant interaction between policy-makers and statisticians: the former formulate their needs for data, and the latter attempt to adapt the statistical production system so as to fulfil those needs. In this fashion, new policies lead to improvements in statistical production, both in terms of enhancing the quality of existing indicators and of creating new ones.

Whereas politicians require aggregated indicators which provide a synthetic and clear picture of the different phenomena they are interested in, statisticians tend to deal with less aggregated basic data. Statisticians therefore have to transform, synthesise and model basic data in order to increase data readability and extract signals (i.e. indicators).

Over recent years, three particularly significant policies have substantially influenced Eurostat's priorities and activities:

- economic and monetary union (EMU) and the creation of the euro area (1999);
- the Lisbon strategy (2000, re-focused in 2005);
- the sustainable development strategy (2001, renewed in 2006).



Economic and monetary union and the setting-up of the European Central Bank (ECB) required a broad range of infra-annual short-term statistics to measure economic and monetary developments within the euro area and to assist in the implementation of a common monetary policy. Effective monetary policy depends on timely, reliable and comprehensive economic statistics giving an overview of the economic situation. Such data are also needed for the assessment of the business cycle.

However, measuring economic and monetary developments within the euro area is not the only concern of European policies. Europeans place a high value on their quality of life, including aspects such as a clean environment, social protection, prosperity and equity.

In recent years the European Council has focused on a number of key areas intended to shape the future development of the EU, in particular by adopting two complementary strategies. While the goal of the Lisbon strategy is for the EU to 'become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion', the sustainable development strategy is concerned with the continuous improvement of quality of life, both for current and future generations, through seeking a balance between economic development, social cohesion and protection of the environment.

Eurostat has responded to politicians needs in these new areas by developing three sets of indicators:

- Euro-Indicators, of which the Principal European Economic Indicators (PEEIs) are the core, for monetary policy purposes;
- structural indicators, for the (revised) Lisbon strategy, used to underpin the Commission's analysis in an annual progress report to the European Council;
- sustainable development indicators, extending across a wide range of issues affecting the quality of life, including environmental, social, economic and governance issues.

These indicators have been developed by experts and agreed at a political level. They are continuously monitored, improved and reviewed in order to be in line with evolving policy requirements.

Eurostat has created three 'special topics' on its website, linked to these three collections of indicators. This chapter briefly presents the main characteristics of these three areas.



Euro-indicators/PEEIS

Since October 2001 the Euro-Indicators/PEEIs web pages have been a reference point for all users of official statistics dealing with short-term data. They were initially conceived as an independent website, available in parallel to the Eurostat website. However, since October 2004, Euro-Indicators/PEEIs have been integrated into the Eurostat website as a so-called 'special topic'. It is possible to access Euro-Indicators/PEEIs from Eurostat's homepage or directly via the following link: <http://ec.europa.eu/eurostat/euroindicators>. It is also possible to e-mail the Euro-Indicators/PEEIs team at: ESTAT-EUROINDICATORS@ec.europa.eu.

Euro-Indicators/PEEIs aims to supply business-cycle analysts, policymakers, media, researchers, students, and other interested users with a comprehensive, well structured and high quality set of information which is useful in their daily activities. The core of Euro-Indicators/PEEIs comprises a set of statistical indicators giving an accurate and as timely as possible overview of the economic evolution of the euro area, the EU, and the individual Member States. Moreover, Euro-Indicators contains the following additional products and services intended to assist in the understanding and analysis of data:

- Principal European Economic Indicators (PEEIs),
- background,
- data,
- publications,
- news releases,
- methodology.

Euro-indicators/PEEIS data

The data presented in Euro-Indicators/PEEIs are built around a set of the most relevant statistical indicators, called Principal European Economic Indicators, a complete list of which can be found in the Commission communication COM(2002) 661. Euro-Indicators/PEEIs includes detailed breakdowns for PEEIs, as well as additional qualitative and quantitative indicators which are useful to give an overall picture of the economic situation in Europe. They are structured in three main parts:

- selected Principal European Economic Indicators (containing 22 selected indicators for the euro area and European Union) directly accessible on the Euro-Indicators/PEEIs homepage;
- key short-term indicators (a subset of pre-defined tables);
- European and national short-term statistics database (Euroind).

Both the key short-term indicators and the Euroind database are divided into the following eight domains:

- balance of payments,
- business and consumer surveys,
- consumer prices,
- external trade,
- industry, commerce and services,
- labour market,
- monetary and financial indicators,
- national accounts.



The new Euro-Indicators/PEEIs homepage launched in October 2007 gives a general overview of the economic situation of the euro area and European Union, bringing together in one single place a set of the most relevant and timely short-term economic indicators for the euro area and the European Union. This webpage provides policy-makers, analysts, academics, the media, and the public with essential information for decision making, economic analysis and research. Key short-term indicators are available from the data page and these provide an easy way to look at the most recent data in tabular or graphical format, including a short explanatory text; a download facility is also provided for the 320 tables that are currently available.

The Euroind database (accessible either from the Euro-Indicators data page or from the data dissemination tree on the Eurostat website as European and national short-term indicators) constitutes a large database of infra-annual macro-economic indicators; about 70 000 series are currently available and these can be selected and downloaded in a variety of formats.

Meta-data

In conformity with Eurostat standards, the Euro-Indicators data are documented in accordance with the International Monetary Fund's (IMF) special data dissemination standard (SDDS). SDDS files are regularly monitored and revised so that they are in line with the published data. The creation of a more user-oriented meta-data set is one of the objectives of the Euro-Indicators team (currently under construction).

Quality reports

Since 2001, the Euroind database has been subject to monthly quality monitoring. The results of this assessment are presented in a detailed online publication called 'State of affairs', accessible from the tab entitled 'Publications' within the Euro-Indicators/PEEIs 'special topic'. A synthesis of this monthly assessment is presented in another online publication, entitled the 'Monitoring report', which is also accessible from the same tab.

Publications and working papers

The main publication produced by the Euro-Indicators team is the monthly 'Eurostatistics'. It presents a synthetic picture of the economic situation together with detailed statistical analysis of the latest economic events for the euro area, EU and the Member States. The current issue of 'Eurostatistics' is accessible from the Euro-Indicators/PEEIs home page as an essential product. Past issues are accessible from the 'Publications' tab within the Euro-Indicators/PEEIs 'special topic'. Moreover, under the same tab users can find a collection of Euro-Indicators selected readings and working papers, containing both methodological and empirical studies on statistical improvements and analyses of European data.



Other products and services

The Euro-Indicators/PEEIs 'special topic' also provides users with access to the European release calendar for infra-annual statistics, which is updated on a weekly basis, as well as access to related press releases – both of these are found within the tab entitled 'news releases'. In addition, a monthly online newsletter is accessible from the 'Publications' tab. The newsletter contains short articles, news from the Member States and Eurostat, announcements, useful links, etc. Note that all papers and proceedings presented in conferences in relation to Euro-Indicators are also available on the Euro-Indicators/PEEIs 'special topic' under the tab for methodology by selecting the final point concerning 'Eurostat seminars and conferences'.

Planned improvements

Euro-Indicators/PEEIs is constantly evolving to meet user needs. The main improvements for 2009 will concern the improvement of the new Euro-Indicators/PEEIs homepage and the methodological pages. Concerning the new Euro-Indicators/PEEIs page, new features and facilities will be added and the list of indicators updated. A new set of methodological pages related to key topics, such as flash estimates, back-recalculation, interpolation and extrapolation, seasonal adjustment, business-cycle analysis, and the construction of coincident and leading indicators will be progressively implemented within the 'Methodology' tab. These pages will cover methodological papers, online bibliographies, software and routines, links to specialised sites and, whenever possible, new indicators or quantitative analyses (documented in SDDS format) produced on the basis of advanced statistical techniques.

Structural indicators

At the Lisbon European Council in the spring of 2000, the EU set itself the following strategic goal for the next decade: 'to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion'.

The Council recognised the need to regularly discuss and assess progress made in achieving this goal on the basis of a commonly agreed set of structural indicators and to this end, invited the European Commission to draw up an annual spring report on progress being made. This report was to be based on the evolution of structural indicators in the following areas:

- general economic background,
- employment,
- innovation and research,
- economic reform,
- social cohesion,
- environment (since 2002).

For the first time, in 2004, the European Commission presented a shortlist of 14 structural indicators which were included in the statistical annex to its spring report to the European Council. This shortlist was agreed with the Council; its concise layout makes it easier to present policy messages and the Member States' positions with regard to the key Lisbon targets. The same shortlist indicators were presented in the annexes of subsequent annual progress reports to the European Council.



Shortlist of structural indicators

General economic background

- GDP per capita in PPS
- Labour productivity

Employment

- Employment rate
- Employment rate of older workers

Innovation and research

- Youth educational attainment level by gender
- Gross domestic expenditure on R & D relative to GDP

Economic reform

- Comparative price levels
- Business investment

Social cohesion

- At risk-of-poverty rate after social transfers
- Long-term unemployment rate
- Dispersion of regional employment rates

Environment

- Greenhouse gas emissions
- Energy intensity of the economy
- Volume of freight transport relative to GDP

The Lisbon strategy has entered a new phase since the spring of 2005, with the spotlight on delivering results, focusing on growth and jobs. By submitting national reform programmes, Member States have accepted a new responsibility, setting out detailed commitments for action. At the same time, Community programmes specify what has to be done at an EU level. National reform programmes provide the basis for the reform agenda, prioritising growth and employment.

Time-series are presented for the EU-27, the euro area, the Member States, the candidate countries, the EFTA countries, Japan and the United States (subject to data availability).

More information regarding structural indicators may be found on Eurostat's website at: <http://ec.europa.eu/eurostat/structuralindicators>. Alternatively, for further information, contact Eurostat's structural indicators co-ordination team, at: estat-structuralindicators@ec.europa.eu.

Sustainable development indicators

The European Union's Sustainable Development Strategy (SDS), adopted by the European Council in Gothenburg in June 2001, and renewed in June 2006, aims to continuously improve quality of life, both for current and for future generations,



through reconciling economic development, social cohesion and protection of the environment. A set of sustainable development indicators (SDI) has been developed to monitor progress in the implementation of the strategy. The indicators are organised under ten different themes that reflect different political priorities: socio-economic development, sustainable consumption and production, social inclusion, demographic changes, public health, climate change and energy, sustainable transport, natural resources, global partnership and good governance.

Each theme is further divided into sub-themes to organise the set of indicators in a way that reflects the operational objectives and actions of the sustainable development strategy. In order to facilitate communication, the set of indicators has been built as a three-level pyramid. This distinction between the three levels

of indicators reflects the structure of the renewed strategy (overall lead objectives, operational priority objectives, actions/explanatory variables) and also responds to different kinds of user needs, with the headline indicators having the highest communication value, as described in the table below.

The three-levels are complemented with contextual indicators, which do not monitor directly the strategy's objectives, but provide valuable background information for analysis. The SDI data set also describes indicators which are not yet fully developed but which will, in the future, be necessary to get a more complete picture of progress, differentiating between indicators that are expected to become available within two years, with sufficient quality ('indicators under development'), and those to be developed in the longer term ('indicators to be developed').

Table 16.1: Framework for sustainable development indicators

Indicator level	Hierarchical framework	Objectives
Level 1	Lead objectives	Headline (or level-1) indicators are at the top of the pyramid. They are intended to monitor the 'overall objectives' of the strategy. They are well-known indicators with a high communication value. They are robust and available for most EU Member States for a period of at least five years.
Level 2	SDS priority objectives	The second level of the pyramid consists of indicators related to the operational objectives of the strategy. They are the lead indicators in their respective subthemes. They are robust and available for most EU Member States for a period of at least three years.
Level 3	Actions/explanatory variables	The third level consists of indicators related to actions outlined in the strategy or to other issues which are useful to analyse progress towards the SDS objectives. Breakdowns of level-1 or -2 indicators are usually also found at level 3.
Contextual indicators	Background	Contextual indicators are part of the SDI set, but they either do not monitor directly any of the strategy's objectives or they are not policy responsive. Generally they are difficult to interpret in a normative way. However, they provide valuable background information on issues having direct relevance for sustainable development policies and are useful for the analysis.



Headline sustainable development indicators

Economic development

- Growth rate of GDP per inhabitant

Production and consumption patterns

- Resource productivity

Poverty and social exclusion

- At-risk-of-poverty rate after social transfers, by gender

Ageing society

- Employment rate of older workers

Public health

- Healthy life years and life expectancy at birth, by gender

Climate change and energy

- Total greenhouse gas emissions
- Renewables in gross inland energy consumption

Transport

- Energy consumption by transport mode

Management of natural resources

- Common bird index
- Fish catches taken from stocks outside safe biological limits

Global partnership

- Official development assistance

More information regarding sustainable development indicators may be found on the Eurostat website: (<http://ec.europa.eu/eurostat/sustainabledevelopment>).

Alternatively, for further information, contact Eurostat's sustainable development indicators team at: estat-sdi@ec.europa.eu.