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ESGAB/2018/50

**OPINION**  
**of the European Statistical Governance Advisory Board (ESGAB),**  
**concerning the implementation of the Commission's Commitment on Confidence**  
**(Commission Decision [2012/504](#) on Eurostat)**

## INTRODUCTION

The Commission Decision 504 of 17 September 2012 on Eurostat states in its Whereas (4): "The present Decision should be regarded as a renewed commitment from the Commission on confidence in European statistics developed, produced and disseminated by Eurostat"<sup>1</sup>. This Decision defines the role and responsibilities of Eurostat, establishes its Director General as the Chief Statistician of the Commission, describes his/her tasks, recalls the coordination needed with other Directorates General of the Commission, that access to administrative data sources within the Commission should be provided for statistical purposes, and urges the DG of Eurostat to ensure that statistical confidentiality is respected.

According to Article 11(5) of Regulation 223/2009 (as amended in June 2015), "The Commitment established by the Commission shall be regularly monitored by the European Statistical Governance Board (ESGAB) [...] ESGAB shall report to the European Parliament and the Council on the implementation of the Commitment by 9 June 2018". While ESGAB recommendations to improve the functioning of the European Statistical System and the work carried out by Eurostat are contained in the annual Reports, this opinion only contains ESGAB views on the implementation of the above-mentioned Decision.

After a brief description of the working method followed by ESGAB to develop its views, the key findings are described and some recommendations to improve the current situation are presented. Annex 1 recalls the recommendations from the peer review of Eurostat conducted by ESGAB in 2014 to assess its compliance with the European Statistics Code of Practice, and Annex 2 presents some information on ESGAB.

## THE WORKING METHOD

This Opinion is based on the information about the functioning of Eurostat and its relationships with the Commission collected over the years by ESGAB and described in its Reports, as well as on the results of the meetings organised by ESGAB in Spring 2018 with the following stakeholders: the Chairs of the Economic and Financial Committee (EFC) and of the EFC Sub-Committee on Statistics; the former Chair of the ESSC Partnership Group; the Chair of the European Parliament ECON Committee; and members of the Cabinet of Commissioner Thyssen (in charge of overseeing the work carried out by Eurostat), the Secretariat-General, DG ECFIN, DG AGRI and the Commission's Spokesperson service.

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<sup>1</sup> The concept of Commitments on Confidence in Statistics ("Commitments") was presented by the Commission for the first time in its Communication to the European Parliament and the Council "Towards robust quality management for European Statistics" of 15 April 2011 (COM(2011) 211). The Commitments were intended as a means to involve national governments in the responsibility for the level of the country's compliance with the European Statistics Code of Practice, to ensure public trust in European statistics.

These dialogues with key stakeholders provided ESGAB with rich and useful information on several aspects linked to the implementation of the European Commission's Commitment on Confidence. A meeting was also organised with the Director General of Eurostat, while additional information was provided by Eurostat offices.

## KEY FINDINGS

Eurostat is the European Union's statistical authority and the leader of the European Statistical System (ESS). Consequently, its activities in developing, producing and disseminating European statistics must respect the statistical principles enshrined in Regulation 223/2009 and the European Statistics Code of Practice. In addition, Eurostat is a Directorate General of the European Commission and, as an obvious consequence, must respect the Commission's internal governance regarding, *inter alia*, planning/monitoring procedures and control obligations, as well as staff and salary regulations.

In relation to the information collected on the actual implementation of the Commission's Commitment, ESGAB highlights the following points:

- Eurostat has a strong and well-recognised professional position in the European Statistical System and within the Commission. Its leadership in statistical methodology is not contested.
- Eurostat produces European statistics following, in its daily work, the principles of the Code of Practice. This behaviour contributes to the high reputation of Eurostat and its Director General among the interviewed stakeholders.
- Eurostat's independence in performing statistical work is well understood within and outside the Commission, and reflects the benefits of using its own visual identity when disseminating statistics. Eurostat applies a free dissemination policy which allows the reuse of statistics, as well as Commission information in general, for both commercial and non-commercial purposes, as long as the source is acknowledged. No misuse of Eurostat's logo has been reported.
- This acknowledged independence on the part of Eurostat represents a key asset that has not been put at any risk by political influences or by administrative powers. The working arrangements between Eurostat and the responsible Commissioner are clear and they have been implemented over many years without any significant problems.
- Eurostat respects the principle and rules of statistical confidentiality when processing and disseminating data, and in all its technical dimensions (e.g. via a secure IT environment).
- Eurostat plays well its role as coordinator of the production of European statistics, both within the ESS and the Commission. In particular, to maximise the coordination of other DGs of the Commission, in relation to producing European statistics as well as discussing policy needs and service delivery, Eurostat has established Memoranda of Understanding with most of the other DGs. In addition, it has created a Network of Statistical Correspondents and set up a service delivering institutional user support, which provides methodological and other services. Annual hearings are held at senior management level to discuss and if necessary review the cooperation between Eurostat and the relevant Commission services.
- Eurostat also plays an important role in supporting National Statistical Institutes (NSIs) in different domains, such as in the development of statistics, standard-setting, requests for resources, advocacy for improvements, and training.

- Furthermore, there is a well-established network of contacts and joint work with users and with several other institutions, including other data producers. In particular, a good coordination has been established with the European Central Bank and international organisations (United Nations, Organisation for Economic Cooperation and Development, International Monetary Fund, World Bank, etc.), preventing overlap of efforts, reducing burden for countries and allowing the development of common methodologies and standards.

## RECOMMENDATIONS

ESGAB welcomes the above-mentioned findings, all of which contribute to maintaining and improving the levels of confidence in European statistics produced by the ESS. However, the Board also sees room for improvement in several areas. In some cases, improvements could be made by Eurostat itself, while in other cases actions by the Commission would be needed.

- **Pre-release access and reactions in case of inappropriate comments on European statistics**

Article 6(2) of the Commission Decision on Eurostat states that equality of access to European statistics for all users must be ensured. In practice, however, in the case of the most important statistical indicators, Eurostat grants pre-release access to a number of stakeholders within and outside the Commission (under the conditions covered by various Memoranda of Understanding and the Protocol on Impartial Access). According to Eurostat's internal monitoring and assessment of dissemination, there have been no leaks of information, nor any materialised risk in that context.

***Recommendation 1:** While a complete ban on pre-release may not be possible, ESGAB recommends that the Commission/Eurostat clarify and harmonise the pre-release rules and practices followed internally with those followed by Member States.*

From time to time commentators/politicians present and interpret European statistics in ways that could go beyond the bounds of legitimate, if partisan, commentary. In the rare cases that this was brought to the attention of Eurostat, a possible reaction was considered, at Eurostat and/or NSI level as appropriate.

***Recommendation 2:** As these behaviours seem more frequent now than in the past and as they can put at risk the credibility of European statistics in the eyes of citizens, ESGAB recommends that the Commission/Eurostat consider measures to curtail the spread of inappropriate comments or the diffusion of fake news in relation to European statistics. In so doing, Eurostat should take into account the recent recommendations to statistical authorities made by the EU Task Force on this subject<sup>2</sup>.*

- **Explanation of methodologies, description of complex phenomena, new developments**

Article 6(1.b) of the Decision states that Eurostat is in charge of developing and promoting statistical standards, methods and procedures; Article 6(2) also refers to Eurostat's role in providing technical explanations and the support necessary for the use of European statistics. It became clear from the information collected in preparing this Opinion, that Eurostat's communication and pro-activeness in clarifying particularly difficult methodological issues could be improved.

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<sup>2</sup> <https://ec.europa.eu/digital-single-market/en/news/final-report-high-level-expert-group-fake-news-and-online-disinformation>

**Recommendation 3:** *ESGAB recommends that Eurostat be more proactive in clarifying complex methodological issues and in providing better explanations in relation to statistical revisions to key stakeholders, including EU policy committees.*

Several of the stakeholders who met with ESGAB underlined that Eurostat needs to improve the timeliness of some statistics necessary to underpin Commission's policies. While it is understood that Eurostat depends to a great extent on Member States and may also have resource constraints, these limitations may oblige some Directorates General to launch their own data collections.

**Recommendation 4:** *As far as the challenges posed by new or fast-changing phenomena (globalisation, automation, migration, intellectual output and property, inequalities, inflation/deflation, etc.) or by the availability of new data sources (such as the big data), ESGAB recommends that Eurostat (as well as NSIs) be quicker in responding to new measurement challenges, on the basis of an appropriate and open methodological reflection.*

**Recommendation 5:** *In this context, ESGAB recommends that Eurostat be more proactive in establishing agreements with private-sector data producers, also for the benefit of NSIs, in order to access data which could be used in an appropriate way to develop useful statistics.*

**Recommendation 6:** *ESGAB also recommends that Eurostat further strengthens its relationships with academic experts, stakeholders and data users, and improves the procedures for granting faster access to individual data for research purposes, in conformity with the rules that safeguard confidential data.*

- **Coordination of 'other statistics' and possible extension of the boundary of European statistics**

According to Article 6(4) of the Commission Decision on Eurostat, the organisation shall coordinate the development and production of statistics produced by other Commission services, but users may have some difficulties in understanding the distinction between European statistics (for which Eurostat has a strong coordinating role) and 'other statistics' produced by Commission services (where Eurostat is involved only upon agreement with the latter).

**Recommendation 7:** *As the credibility of European statistics may be negatively affected by the low quality of some 'other statistics' or by different release procedures followed by Commission services when they are disseminated to the public, ESGAB recommends that Eurostat increases its participation in the elaboration of 'other statistics' to ensure that influential data produced by other Commission services are more closely aligned with the Principles of the Code of Practice. Furthermore, where it is appropriate, Eurostat should be open to reconsider the boundary between the two categories.*

Of course, the Board recognises that this increased participation of Eurostat and extension of the reach of the Code of Practice may require an increase of resources devoted to statistical activities, but this would be beneficial for the overall quality of data released by the Commission and would reduce the risks associated to the existence of this dichotomy.

**Recommendation 8:** *To reinforce Eurostat's capacity to coordinate the statistical activities carried out by other Commission services, ESGAB recommends that, in addition to the existing Network of Statistical Correspondents, the Commission set up a high-level body of Directors General of the Commission chaired by the Director General of Eurostat, similarly to what exists in several international organisations.*

- **Access to administrative records**

According to Article 9(1) of the Commission Decision on Eurostat, the latter shall have the right to access administrative data within the Commission services and, according to paragraph 2 of the same Article, it shall be consulted on – and may be involved in – the design, development and discontinuation of administrative registers and databases built up and maintained by other Commission services. However, such provisions are not yet complied with by all the Commission services in a systematic and harmonised way. An enhanced access to those administrative sources would allow new developments as well as reduced burden on respondents and increased timeliness, important principles of the Code of Practice (Principles 6 and 13).

***Recommendation 9:** ESGAB recommends that the Commission ensure a stronger role for Eurostat whenever other Commission services collect administrative data, and supports increased access by Eurostat to those records.*

- **Adequate resources**

While resources are not specifically mentioned in the Commission Decision on Eurostat, it is clear that to pursue its work and implement the above recommendations Eurostat needs to be adequately resourced. This is also an important principle of the Code of Practice (Principle 3), which Eurostat is expected to implement.

***Recommendation 10:** ESGAB welcomes the fact that for 2019 and 2020 Eurostat has received higher budget to further improve European statistics. ESGAB recommends that the Commission remain committed to providing adequate resources to the European Statistical System to meet the growing demands for high quality statistics.*

***Recommendation 11:** Moreover, given the very technical work to be carried out by Eurostat, especially in the context of the 'data revolution', ESGAB recommends that the Commission's recruitment processes give adequate consideration to Eurostat's need to recruit staff members with appropriate specialist skills (statisticians, data scientists, etc.).*

- **Recruitment and dismissal of the Eurostat Director General**

Regarding the recruitment of the Eurostat Director General, ESGAB welcomes the fact that the Commission has adopted the Board's earlier recommendations by following an open procedure, based on professional criteria, in selecting the Director General of Eurostat. This is also the case for the selection of the Deputy Director General, which is currently ongoing.

The Eurostat Decision specifies the role of the Chief Statistician in its Article 8. As this role is entrusted to the Director General of Eurostat, the latter should have, in addition to adequate managerial skills, high competence in statistical matters.

***Recommendation 12:** ESGAB recommends that a clear reference to high competence in statistical matters be included in future vacancy notices for the position of Director General of Eurostat/Chief Statistician.*

While the Code of Practice refers in its Indicator 1.8 to the dismissal of the heads of NSIs and Eurostat, stating that the reasons on the basis of which the incumbency can be terminated are specified in the legal framework and cannot include reasons compromising professional or scientific independence, the Decision on Eurostat does not make any reference to the dismissal of the Director General of Eurostat.

***Recommendation 13:** ESGAB recommends that the Decision on Eurostat be aligned with the Code of Practice by adding a reference to the dismissal of the Director General of Eurostat when the Decision is amended.*

## **Recommendations from the 2014 peer review of Eurostat to assess its compliance with the European Statistics Code of Practice**

### **Legislation underpinning the recruitment and dismissal of Eurostat's senior management**

1. Arrangements for future appointments of Directors General of Eurostat should be specified in law, and based on open competition.
2. Key criteria for selection of a Director General of Eurostat should be his/her professional reputation in the international statistical community and his/her management capacities.
3. Legislation should specify reasons for an early dismissal of the Director General of Eurostat. These should not include reasons which compromise his/her professional or scientific independence.
4. The recruitment and dismissal of Eurostat senior management, other than the Director General, should be public and transparent with strong emphasis on statistical qualifications.

### **Implementation of the legal architecture**

5. Future European statistical legislation should adhere to the legislative architecture adopted in 2013 with its three-layer approach, making in particular a distinction between the 'What' in framework regulations and the 'How' in delegated and implementing acts.

### **Coherence of European statistics – quality, methodology and procedures**

6. Instances where the implementation of legally stipulated and agreed methodologies or tools is being significantly delayed in some Member States should be reviewed and analysed with a view to identifying and implementing necessary systemic corrective measures.
7. Harmonisation of methodologies for data processing and for the calculation of quality indicators should be rigorously pursued in cooperation with Member States.
8. Assessments should be carried out regularly and systematically to ensure that consistency checking practices take place across statistical domains in a comparable way.
9. The quality management and assurance practice should be further harmonised and streamlined. The basic common standard for user and producer orientated quality reports should be used for every statistical operation and domain. This will ensure that these reports provide similar information and that quality can be equally appraised in the different domains.

### **Dissemination – release calendar and pre-release rules**

10. Eurostat should aim at publishing a full release calendar and at joint publication of Eurostat and NSI statistics.
11. Eurostat should fully investigate the potential impact of a full pre-release ban and ways to manage risks if a strongly limited pre-release is maintained for individual news agencies.

### **Communication and users**

12. Eurostat should review and revise its communication strategy to ensure that it is effectively reaching its target audiences in today's media landscape and make optimal use of modern communication tools for different user segments.

### **Coordination**

13. Eurostat should support the coordination role of the NSIs in relation to the ONAs by accepting only Code-compliant data transfers from an NSI or authorised ONA. The cut-off date for unauthorised data deliveries should be widely communicated one year in advance.
14. Should unauthorised or non-Code-compliant data transfers to Eurostat continue after the announced date, Eurostat should reject the data.
15. Eurostat must establish clear mechanisms for its coordination role within the European Commission and develop an inventory of existing statistical activities.
16. The ESS and the ESCB should focus on working pragmatically within the given division of labour and proceed with practical cooperation. It would be beneficial if the ESCB were to adopt verifiable quality assurance procedures similar to those of the ESS in order to enhance this mutual understanding.
17. A principle and corresponding indicators addressing the need to coordinate the development, production and dissemination of European statistics should be developed during the next revision of the Code of Practice.

## Information on ESGAB

### About ESGAB

ESGAB provides an independent overview of the implementation of the Code of Practice. It seeks to enhance the professional independence, integrity and accountability of the European Statistical System, key elements of the Code, and the quality of European statistics.

Its tasks include the preparation of an annual report to the European Parliament and the Council on the implementation of the Code by Eurostat and the European Statistical System as a whole. ESGAB also advises the Commission (Eurostat) on appropriate measures to facilitate implementation.

The 2016 and 2017 ESGAB reports are available on the Board's homepage (<http://ec.europa.eu/esgab/>).

### European Statistical System

The European Statistical System<sup>3</sup> (ESS) is a partnership between the European Union's statistical authority, i.e. the Commission (Eurostat), and the national statistical institutes (NSIs) and other national authorities (ONAs) responsible in each Member State for the development, production and dissemination of European statistics.

### European Statistics Code of Practice (the Code)

The European Statistics Code of Practice<sup>4</sup> sets the standards for developing, producing and disseminating European statistics. It builds on a common definition of quality in statistics used in the European Statistical System. The Code is a self-regulatory instrument containing 15 principles which address the institutional environment in which national and EU statistical authorities operate, and the production and dissemination of European statistics. Its implementation is supported by a set of indicators of good practice for each principle.

The Code was adopted by the Statistical Programme Committee in 2005; it was revised by the European Statistical System Committee in 2011 and again in 2017.

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<sup>3</sup> <http://ec.europa.eu/eurostat/web/european-statistical-system/overview>.

<sup>4</sup> <http://ec.europa.eu/eurostat/web/quality/european-statistics-code-of-practice>.