



Annual Report 2012

**Fourth annual report by the
European Statistical Governance Advisory Board
to the European Parliament and the Council**

**on the implementation of the
European Statistics Code of Practice by Eurostat
and the European Statistical System as a whole**

European Statistical Governance Advisory Board (ESGAB)

ESGAB was established by the European Parliament and the Council in 2008 to provide an independent overview of the European Statistical System (ESS) with particular regard to implementing the European Statistics Code of Practice. ESGAB's aim is to enhance professional independence, integrity and accountability — three key elements of the Code of Practice — in the European Statistical System, as well as the quality of European statistics.

Its tasks include preparing an annual report to the European Parliament and the Council on the implementation of the Code of Practice insofar as it relates to the Commission (Eurostat), including an assessment of the implementation of the Code in the European Statistical System as a whole, and advising the Commission (Eurostat) on appropriate measures to facilitate implementation of the Code, on how to communicate the Code to users and data providers, on updating of the Code and on questions related to user confidence in European statistics, if considered necessary.

ESGAB comprises seven members, and Eurostat participates as an observer. Expenses arising from the Secretariat and meetings are covered by the European Commission. ESGAB members receive no remuneration. In that respect, the Board has no operating budget.

For further details see: <http://ec.europa.eu/esgab>.



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Foreword

As the incoming Chair, I am pleased to share with you the fourth ESGAB report. 2012 is also the year when a new team took office. While we have extended our perspective to areas that are not explicitly covered in the principles and indicators of the European Statistics Code of Practice, such as coordination, we have continued to explore the principles of professional independence and quality commitment. These remain the cornerstones of credible statistics. Moreover, we have chosen not to tackle the principle of adequacy of resources in isolation, but to combine our assessment with cost-effectiveness and confidentiality.

We have a sense that, after the turmoil of the last few years, the European Statistical System has taken important steps towards reform. However, the degree of change within the ESS itself is not enough and is not yet complete. Most of all, a similar impetus is now needed amongst the political decision makers and legislators. Their share of the work is about creating the enabling conditions for high-quality European statistics, and keeping statistical production and dissemination free of political interference. We hope to have helped the process by signposting key areas which require new action and the implementation of existing provisions.

Thomas Wieser
ESGAB Chair

Executive summary and recommendations

For European policies to be effective they need credible official statistics, as well as decision makers who base their decisions on evidence. Developing, producing and disseminating trustworthy official statistics must not be a matter for ordinary administrations, which are often subject to influence by political changes in government. If this were the case, statistics could be seen as being produced to support various political ambitions. In fact, the contrary applies: neutral statistics that observe the real developments of the past — whether in line with policy aims or not — are a basis on which sound decisions about the future can be built. According to the European Court of Auditors in its Special Report No 12/2012:

*'Public confidence in European statistics is essential in a Union where political decisions need to be evidence-based and where an increasing number of decisions are directly triggered by statistical data or by indicators derived from them.'*¹

Therefore, it is crucial to ensure that statistical offices operate independently of the political agenda. Existing policies and those yet to be developed serve as a guide for statistical priorities when setting out the work programme, but decisions on statistical data sources, methodology and dissemination must be free of political interference. ESGAB endorses the Court's view that more needs to be done in order to fully implement the European Code of Practice. This will require determined action by both governments and statistical producers.

It is vital to safeguard the professional independence of the national statistical authorities and Eurostat, i.e. the European Statistical System (ESS), and ensure they are adequately resourced. Yet, the reality for the ESS is the increasing demand for statistics — especially, but not exclusively, in the areas of government finance statistics and national accounts — and steadily decreasing resources. While many of the concerns about resources are due to the economic and financial crisis, respect for professional independence and many other principles of the European Statistics Code of Practice are a matter of political will, conduct and action. The European Commission is paving the way by strengthening Eurostat's professional independence and coordinating role in line with the revised Commission Decision², which defines Eurostat's role and responsibilities within the Commission. Furthermore, the ESS itself must be a driver of systemic improvement in order to adapt its structures and resources to the new demands. Implementing the vision for the next decade (COM(2009) 404) and the associated joint ESS strategy can no longer be postponed.

Statistical legislation that is in line with the principles of the Code of Practice and its effective implementation is a basic requirement. However, this is not enough in the politicised environment in which statistical offices operate today. The current tendency to substitute political debates with statistics, leading to an automated start of regulatory processes and even an implementation of sanctions, has further increased the need to ensure that official statistics are not only legally empowered but are seen by the public to be free from political influence. The on-going revision of the European Statistics Regulation No 223/09 in the spirit of the Code of Practice is a step in the right direction, provided that the Member States agree, especially on the aspects of

¹ [Special Report No 12/2012](#) by the European Court of Auditors of 21.9.2012.

² [OJ L 251](#), 18.9.2012, p. 49 — 2012/504/EU .

professional independence and coordination. Also, the recent revision of the Eurostat Decision by the European Commission is an acknowledgement of its specific role in ensuring high-quality European statistics. Going forward, ESGAB's views and recommendations with respect to the ESS and Eurostat address the following areas:

1. Governance — enablers and implementation

While there is no evidence of political interference in most countries, conditions to prevent incidents occurring are not entirely assured for the ESS. Governance structures at European and national level must serve to uphold the de facto as well as the perceived credibility of official statistics. In order to strengthen the governance of statistical systems, appropriate statistical laws need to be pursued and put into practice:

- 1.1. The principle 'professional independence' of the European Code of Practice must be fully respected. The communication strategies of political decision makers and statistical producers should contribute to a public image of neutral and impartial European statistics.
- 1.2. The coordinating role of the National Statistical Institutes (NSIs) and Eurostat in the production of European statistics must be enforced and supported by legislative changes, where necessary.
- 1.3. An independent board at national level to oversee the implementation of the Code of Practice would serve to strengthen the accountability of the statistical producers. Membership of the board should be open to members appointed outside the national system, such as Eurostat, ESGAB or the European Statistical System Committee.
- 1.4. Clear and publicly accessible appointment and dismissal rules for the heads of statistical offices should be ensured by means of open competitions and fixed terms in line with the Code of Practice. Tenure of term should be respected despite changes in government, and no steps should be taken to change National Statistical Institutes top management during electoral campaigns or shortly after elections. Following resignations on personal grounds, additional communication efforts are required concerning the recruitment process for a successor and, in the case of any unexpected change of management, concerning caretaking arrangements.
- 1.5. The working arrangements between statistical producers and the entities to which they are administratively linked (such as ministers), i.e. the description of their respective roles and responsibilities, should be publicly available at national level.
- 1.6. Equal access to statistics must be safeguarded and National Statistical Institutes should publicly comment more on criticism, misuse and misinterpretation of official statistics.

2. Efficiency and resources

The ESS response to an increasing demand for statistics in the face of decreasing resources must be a systemic change in the ways statistics are produced in order to further improve efficiency. Governments must remove legislative barriers which hinder exploitation of the development work and secure the resources needed for investing in the change:

- 2.1. In order to create the conditions for producing truly European statistics, the statistical offices need to be able to exchange micro-data. While safeguarding the interests of those protected by law so as to ensure privacy and confidentiality, necessary legislative changes need to be introduced to allow the cross-border flow of data for European statistics.
- 2.2. The use of administrative data is a source for potential savings for many NSIs. Governments must facilitate access to and exploitation of existing data as well as ensure that its statistical usage is subject to high standards. This includes their involvement in the design, development and discontinuation of administrative registers and databases maintained by other entities. As such policy would inevitably cover various domains, a country-specific data strategy is needed to improve the coordination and implementation of the initiatives at national level. This requires action at political level.
- 2.3. The on-going revision of the ESS governance structure must be completed swiftly in order to streamline the decision-making channels and transfer all comitology competences to the European Statistical System Committee.

3. Monitoring compliance with the Code of Practice in the future

The compliance monitoring of improvement actions based on the peer reviews of 2006-2008 has played an important role in the functioning of the ESS. However, the many changes that have occurred over the past few years can no longer be reflected in this exercise and new instruments need to be developed:

- 3.1. A new round of peer reviews based on the revised Code of Practice and lessons learned from the previous exercise is necessary in order to review compliance.
- 3.2. After Greece and Eurostat, further Commitments on Confidence, which better involve policy makers and statistical professionals in the shared objective of trustworthy and reliable statistics, need to be drawn up. ESGAB's monitoring role needs to be defined as complementary to that of Eurostat. For monitoring Eurostat's compliance with these Commitments on Confidence, a list of improvement actions should be included.

1. Introduction

ESGAB's fourth report explores the principles of the European Statistics Code of Practice (the Code)³ identified as key elements for the statistical systems, which were also examined in the previous reports: professional independence, adequacy of resources and quality commitment. Moreover, cost effectiveness and confidentiality as well as accessibility and clarity will carry more weight in the future development of the ESS.

The report is based on the results of the annual compliance monitoring carried out by Eurostat (Annexes 1 and 2) and two questionnaires addressed to the National Statistical Institutes (NSIs) by ESGAB. The questionnaires followed up on the 2011 recommendations and explored Principles 1,2,3,4,5,10 and 15 of the Code of Practice, as well as coordination aspects. Eurostat reported on its own progress. Moreover, information obtained from dialogues with representatives from three countries and Eurostat have contributed to ESGAB's views.

The recent Special Report No 12 of the European Court of Auditors — 'Did the Commission and Eurostat improve the process for producing reliable and credible European statistics'¹ — examined many areas, also in ESGAB's interest, in the context of:

*'Reliable and credible statistics are vital for the performance of the tasks entrusted to the European Union. Statistics are needed, in almost all areas, for the formulation, application, monitoring and assessment of the policies laid down in the treaties, and for the collection and allocation of EU funds. More and more European policies are directly based on statistics and statistical indicators are increasingly used as a trigger for policy decisions or sanctions.'*¹

This report consists of five sections, starting with the introduction followed by an account of the implementation of the principles of the Code which were examined. Sections three and four focus on relevant developments in ESS governance and coordination. Section five puts forward ESGAB's views on its future work.

2. Overview of implementation of the Code of Practice

2.1. Professional independence

Principle 1: *'Professional independence of statistical authorities from other policy, regulatory or administrative departments and bodies, as well as from private sector operators, ensures the credibility of European statistics.'*

ESS national members

Legislation that underpins the statistical work and the professional independence of statistical offices and other producers of European statistics is needed for good governance. While the Greek statistical law⁴ was amended in April 2012, most National Statistical Institutes have not reported significant changes in the legal framework of their institutional setting since 2010. However, a number of countries such as Belgium, Denmark, France, Germany, Latvia, Portugal, Romania, Spain and Switzerland plan to modify their national statistical legislation to align it with

³http://epp.eurostat.ec.europa.eu/portal/page/portal/quality/documents/CoP_October_2011.pdf.

⁴http://www.statistics.gr/portal/page/portal/ESYE/BUCKET/General/Greek_Statistical_Law_3832_en.pdf.

the revised Regulation No 223/09 on European statistics, once it is adopted, or to comply with indicator 1.8 of the Code of Practice on the rules for appointing and dismissing the heads of NSIs. Moreover, the Greek revised law introduces an independent statistical advisory committee to oversee implementation of the European Statistics Code of Practice by the Greek statistical system.

Currently, a wave of top management changes is taking place in the ESS. The heads of NSIs have recently changed in Bulgaria, Finland, France, Ireland, Lithuania, Norway, Poland and Spain. In Spain, after the snap election of November 2011, the Head of the National Statistics Institute (INE) was changed in early January 2012, together with other senior positions in the administration. In France, the Head of the National Institute of Statistics and Economic Studies (INSEE) left the position at his own request in March 2012, prior to the presidential elections in May. In Estonia, Finland, Lithuania and Portugal the procedure to recruit heads of the NSIs was revised in 2010. These changes generally improve compliance with the Code through, for example, fixed terms or open competition. In Germany, Ireland and Italy, open competitions have been applied to senior management positions directly below the Head of the NSI.

Publicly available information about statistical releases and working arrangements with supervising bodies (such as ministries of finance) is important for maintaining the trust and credibility of users and the public in official statistics. The majority of ESS members report no change in their working arrangements since 2010, including those countries where such rules are neither formalised or publicly available. The pre-release access rules are reported as unchanged or slightly improved since 2010. In Hungary, Lithuania, Spain and Switzerland, the scope of the pre-releases or the number of bodies having privileged pre-release access has been reduced. The vast majority of ESS members report no deviations from statistical release calendars. Since 2010 Greece, Hungary, Portugal and Switzerland report having improved their compliance with the release calendars. In some countries, pressure by users to improve the timeliness of statistical pre-releases has been dealt with as part of the user dialogue and consultation.

While the widely automated use of statistical indicators has financial consequences, such as rent increases on the basis of the official inflation rate or the Consumer Price Index used for the indexation of salaries, pensions and other incomes, NSIs do not report any misuse of or undue influence on these statistics at national level.

Eurostat

The Commission is implementing the governance structure as outlined in COM(2011) 211 on robust quality management, including Eurostat's own position as a Directorate-General of the Commission. In October 2011, the responsibility for Eurostat was given to the European Commissioner for Taxation, Customs, Audit and Anti-Fraud, Algirdas Šemeta. In this way the Commission is able to reinforce the independence and the objectivity of the technical work, as well as the independent compilation and dissemination of statistical data. The working arrangements⁵ describing the general principles and responsibilities of the cooperation between Eurostat and Commissioner Šemeta are publicly available.

⁵http://epp.eurostat.ec.europa.eu/portal/page/portal/about_eurostat/documents/WA_SEMETA_EUROSTAT.pdf.

In April 2012, the Commission proposed amending Regulation No 223/2009 on European statistics. In particular, the revision aims to strengthen the coordinating role of NSIs and the position of the head of NSIs through clear recruitment and dismissal rules, as well as through the power to publicly comment on budget proposals.

In line with the proposed amendment of Regulation No 223/2009, the revision of Decision 97/281/EC to redefine the role and the responsibilities of Eurostat within the internal organisation of the Commission was adopted on 17 September 2012. Decision 2012/504/EU² reinforces the professional independence of Eurostat and its coordinating role. It designates the Director-General of Eurostat as the Chief Statistician and explicitly states that no-one is allowed to give the Director-General of Eurostat instructions when it comes to his/her statistical tasks. The Decision can be regarded as a renewed commitment on the part of the Commission to assure confidence in the European statistics developed, produced and disseminated by Eurostat.

Eurostat's key legislative policy objective is to enhance the professional independence of the producers of European statistics. Until now, the legislative approach has favoured the technically detailed statistics regulations of the Council and the European Parliament. These have proved inflexible and difficult to update, and often involve politicians and legislator in technical discussions which would be best left to the statisticians. The aim of the new policy is to uncouple the 'what' (e.g. work programme, resources), to be decided by the legislator, from the 'how' (e.g. methodology), which will remain in the hands of statisticians. It also has the potential to improve the efficiency of resource allocations and priority setting.

ESGAB's conclusions on the ESS

ESGAB welcomes the intention of many countries to modernise their statistical legislation. A strong legal basis with regard to the professional independence of producers of official statistics can be considered a prerequisite for independent official statistics. It is equally important to implement the law in practice and in the spirit of the Code. To guarantee professional independence of the producers, the principle not only needs to exist, but needs to be seen to exist and to be respected in practice, in particular by governments. It is strongly recommended that top management changes be avoided in periods when they could be perceived to be linked to electoral changes and political pressure. Although an increasing number of countries apply open recruitment, more effort is needed to conform to indicator 1.8 of the Code of Practice, so as to ensure the transparent recruitment and dismissal of heads of NSIs and top management in the statistical system:

'The appointment of the heads of the National Statistical Institutes and Eurostat and, where appropriate, of other statistical authorities, is based on professional competence only. The reasons on the basis of which the incumbency can be terminated are specified in the legal framework. These cannot include reasons compromising professional or scientific independence.'

In Greece, for instance, politics has continued to affect the functioning of the Hellenic Statistical Authority (ELSTAT). This reveals a lack of understanding of the role of statistics in society and in policy making, something also observed on a wider European scale. Policies must be supported and shaped by evidence; the evidence must not be shaped by influencing the production and dissemination of

official statistics or by the selective use of statistics. In the vast majority of the countries, political interference with the heads of the NSIs has not been observed. However, this is not assured among all ESS members.

Compliance with the Code of Practice is therefore crucial. ESGAB welcomes the creation of an advisory committee in Greece to oversee the implementation of the Code in the Hellenic statistical system. The inclusion of members appointed by Eurostat, the European Statistical System Committee and ESGAB serves to reinforce the committee's independent advisory role. A model such as this, which aims to strengthen compliance with the Code, could also be considered elsewhere in the ESS.

ESGAB would urge those countries that have not yet formalised their working arrangements and made them publicly available, to accelerate their efforts to improve transparency. ESGAB welcomes ESS efforts to restrict pre-release access to the release calendar and improvements in adherence to it. Leaving the first interpretation of the data to the producers not only minimises the risk of undue influence but also prevents incorrect interpretations, especially when new statistics are developed or where methodology has changed.

While not much change has been reported in the misuse, misinterpretation and criticism of official statistics, any misunderstanding needs to be addressed and clarified. NSIs for their part are responsible for communicating official statistics in a clear manner. ESGAB recommends that NSIs make full use of indicator 1.7:

'The National Statistical Institutes and Eurostat and, where appropriate, other statistical authorities, comment publicly on statistical issues, including criticism and misuse of statistics as far as considered suitable.'

ESGAB encourages Eurostat to pursue its efforts to reinforce the professional independence of the statistical profession in the ESS as a whole, as well as of the NSIs in their National Statistical Systems.

2.2. Improving the effectiveness of the system

Resource issues are examined in a cluster of intrinsically linked principles that are crucial for tapping into the potential for improving effectiveness:

Principle 2: 'Statistical authorities must have a clear legal mandate to collect information.'

Principle 3: 'The resources available to statistical authorities are sufficient to meet European statistics requirements.'

Principle 5: 'The privacy of data providers (households, enterprises, administrations and other respondents), the confidentiality of the information they provide and its use only for statistical purposes is absolutely guaranteed.'

Principle 10: 'Resources are used effectively.'

ESS national members

For the vast majority of ESS members, the resource situation has deteriorated since 2010. The gradually worsening situation can largely be explained by governments' economic situation. In some countries, reductions affecting statistical institutions may be higher than the average observed for other public administrations. In the majority of the NSIs and other statistical producers, the scarcity of resources has resulted in underinvestment in new developments,

discontinuation of on-going activities and the inability to fill vacancies. NSIs have sought ways to save resources and improve cost-effectiveness, mostly by streamlining working methods and processes at national level. In addition to earlier cuts in many countries, over the past two years staff numbers have been reduced in Bulgaria, Lithuania, Slovakia and the Netherlands, and salaries have been cut in Greece, Hungary, Iceland, Ireland, Latvia, Portugal and Romania. Some countries, notably the Czech Republic, Greece, Ireland and Spain, have implemented both staff and wage cuts.

The competitiveness of salaries is generally in line with that of other government departments. However, a fall in wages relative to the private sector in a country will affect statistical institutions severely, as the statistical domain needs specific knowledge, such as statistics, economics and IT, which is also required by the private sector.

Roughly two-thirds of ESS members report being involved in the design of administrative data in cooperation with the registry owners. While in countries such as Denmark, Iceland, Italy, Norway and Slovenia, legislation exists to guarantee NSIs' access to and involvement in the administrative registries, in Austria, Belgium, France, Germany, Latvia, Poland, Slovakia and the UK such legislation is reportedly not available or fails to cover statistical needs. Most NSIs conclude agreements with administrative data owners and are involved in assuring the data quality.

In countries where the population census is not registry-based, carrying out the exercise requires significant additional resources. Important savings in census budgets have been realised through a transition to administrative registries or by redesigning IT tools over a long period of time.

All ESS members report that they work within a legal framework that guarantees statistical confidentiality. In most countries, the legislation also covers administrative data. In Estonia, Hungary, Italy, Liechtenstein, Romania, Slovakia and Switzerland, legislation of this type has been or is being revised. Some 40% of ESS members consider that the requirements of their data protection legislation are incompatible with the statistical needs. The legal prohibitions and limitations related to data privacy and confidentiality, while understandable, also hinder the effective use of administrative data.

While the exchange of micro-data involves confidential data that is subject to privacy rules, it has the potential for more efficient use of resources and a reduced burden on respondents and statistical authorities. Half of ESS members do not see any obstacles to exchanging micro-data with other ESS partners. The other half has difficulties due to existing legislation limiting micro-data exchange or due to the absence of legislation allowing it. Some partners also feel that there is a risk of the confidential data being leaked.

Eurostat

While statistical demand is rising, the Commission and Eurostat are both facing severe constraints on their human and financial resources. In the period 2013-2017, Eurostat expects a decrease in staff numbers due to a 'reduction tax' of 1% per year and a 'redeployment tax' of 1% per year, imposed by the Commission on

all Directorates-General. The expected net decrease in Eurostat staff numbers will be around 15-20 posts on average per year.

At the same time, Eurostat's responsibilities have increased, particularly in view of the 'audit-like powers' assigned by Council Regulation 479/2009 in the area of excessive deficit procedure. To achieve efficiency gains, the statistical production system needs re-engineering. It is vital to continue investing in projects which aim to find concrete solutions to the challenges posed by new statistical demands, burden reduction and innovation of the production processes. These so-called ESS Vision Infrastructure Projects (ESS-VIP) are a priority for Eurostat's internal process to free up and re-allocate staff resources. 'Framework for Resource Allocation Management in Eurostat' (FRAME) is being further developed as an approach to identifying processes, projects and activities at Eurostat which could be reduced or discontinued in the coming years.

ESS-VIP projects such as SIMSTAT (to convert Intrastat to a holistic system of internal market statistics) and DATA VALIDATION (to develop common solutions to be used in different statistical domains) are cornerstones of the emerging industrialised way of producing statistics. A programme of these types of modernisation projects is being developed.

Eurostat's role in enabling the ESS to face the current challenges also means taking the lead in strategic priority setting for the ESS as a whole. The long-term strategy and objectives are set out in the Communications COM(2009) 404 on the production method of EU statistics and a vision for the next decade and COM(2011) 211 towards robust quality management for European Statistics. The European Statistical Programme (ESP) for 2013-2017 and subsequent annual work programmes will implement the objectives set. A future alignment of the duration of the ESP and that of the Multi-Annual Financial Framework (seven years) is being sought in the proposed revision of Regulation 223/09. Discussions with the heads of the NSIs on negative priorities continue to be held twice a year in order to be able to change tack to focus on areas with a bigger impact on improving efficiency.

Finally, the ESS legislative policy also aims at improving cost efficiency through a more flexible approach in legislation. It aims to give more decision-making powers to the statisticians so as to improve the efficiency of resource allocation.

ESGAB's conclusions on the ESS

The scarcity of resources is detrimental to quality and independence. Many NSIs and other statistical producers have already been subjected to substantial cuts. Nevertheless, the pressure on budgets is not expected to diminish in the foreseeable future. ESGAB has noted the various ways of saving resources, but only in very few cases is the production of statistics being discontinued. This gives false reassurance. Savings achieved by reducing certain statistics are limited and decreasing budgets and staff numbers over time will lead to an inability to produce the statistics demanded. This would hamper political decision making, especially when good decisions based on good data are needed more than ever to overcome the economic and financial crisis.

Producing trustworthy statistics is not easy or free of charge. While governments must strive for adequate resource allocations in their national contexts, work must

also continue to improve the efficiency of the European Statistical System. The ESS systemic design is approaching its limits as the capacity of the Member States to provide resources diminishes and the burden of fulfilling the statistical obligations, especially in smaller economies, is heavier than in bigger ones. This should act as an impetus for fundamental reforms or major restructuring in order to increase cost-effectiveness. However, there is only scant evidence that this situation is leading to structural questioning of the current business model. If the ESS is to devise concrete plans for standardised solutions and an industrial way of producing statistics, preconceived notions and traditions must change. For example, the ownership of the data collected and processed at national level, be it via registries or surveys, must be rethought out in order to share it with other European producers, enabling the free cross-border flow of data between the Members States. Such integrated pan-European statistics requires cooperation and reform at EU level in order to guarantee the constant quality of the statistics produced by other ESS members. ESS-VIP projects are an encouraging starting point.

While countries differ in their approaches to the sensitive questions of privacy and confidentiality, the possibility and willingness among ESS members to share micro-data is a key element of reform. ESGAB notes that all ESS members report having a legal framework to guarantee statistical confidentiality. The data sources, including administrative ones, are covered by the legal frameworks. Thus, as the ESS is a system of partners who all comply with the confidentiality principle, the exchange of micro-data should not be seen as a problem but as an opportunity. However, ESGAB observes that legislative restrictions on micro-data exchange results in significant additional costs for the statistics. This aspect should not be ignored by the lawmakers.

Also, the use of administrative data sources in the ESS is fragmented and implemented in diverse ways in different administrative cultures and settings. Some countries, mostly in northern Europe with predominantly registry-based national administrations, are more advanced than others. However, the possibilities of NSIs to influence the registries' design and the quality of the outputs still need to be improved throughout the ESS. The potential for exploiting administrative data should be vigorously pursued, as it is a prime way of cutting costs in the public service. Therefore, the government departments must enhance cooperation in sharing registers for statistical purposes under the application of the data-protection provisions.

2.3. Quality commitment

Principle 4: 'All ESS members commit themselves to work and cooperate according to the principles fixed in the 'Quality declaration of the European statistical system'.

ESS national members

ESS members report having improved the quality of processes and products for which NSIs are in charge, since 2010. Nearly 70% of ESS members report having increased the number of statistical processes which are monitored through quality assessment activities, such as quality management systems, satisfaction surveys and user feedback, evaluations, internal quality audits, etc. Despite resource cuts, there has been no loss of output quality as yet. However, the inability to fill

vacancies with high level professionals and underinvestment in new developments may impact on quality in the mid-term.

Ensuring the quality of European statistics delivered by the other statistical producers, e.g. in ministries or agencies, is challenging for many NSIs, who often lack legal empowerment to influence statistical production in other independent bodies. The work is carried out on a consensual basis in the form of working groups, workshops, bilateral agreements, advice and guidance, etc.

Eurostat

In line with Eurostat's mission statement 'to be the leading provider of high quality statistics on Europe', Communication COM(2011) 211 'Towards robust quality management for European Statistics' identifies the high priority the Commission attaches to ensuring the quality of European statistics. Eurostat's first 4-year cycle of quality assessments of statistical processes and outputs has been completed. The subsequent evaluation report proposes to continue quality assessments in a more focused form and flexible structure, which should allow the incorporation of user and/or partner surveys, IT, and methodological or external expertise where appropriate. There are also plans to revise the assessment methodology from 2013 onwards.

Eurostat and the NSIs have jointly prepared a Quality Assurance Framework identifying good practices at both institutional and product/survey levels, which the NSIs should adopt where appropriate. These guidelines can be updated as needed, and help Eurostat and national providers of European statistics to assess their level of compliance with the Code and identify areas for further development. They can also serve as the basis for formal assessments of compliance such as peer reviews, and as training material for staff in statistical offices.

ESGAB's conclusions on the ESS

ESGAB welcomes the general improvement in process and product quality across the ESS in spite of the resource cuts. An increasing number of statistical processes are monitored through quality assessment activities. The majority of ESS members report that there has been no loss of quality due to resource constraints. However, ESGAB recommends vigilance in order to safeguard the high quality of official statistics in times of decreasing resources. Common training for NSIs and enhanced cooperation between statisticians in the NSIs and central banks and other producers of official statistics such as ministries or governmental institutes could help to improve quality and contribute to strengthened statistical governance.

2.4. Accessibility and clarity — statistical literacy

Principle 15: 'European statistics are presented in a clear and understandable form, released in suitable and convenient manner, available and accessible on an impartial basis with supporting metadata and guidance.'

ESS national members

ESS members strive to communicate official statistics to various users in a customised manner: comprehensive guidelines, seminars and workshops, quality

reports made simple (e.g. review by stakeholders not involved in the production of the statistics), feedback mechanisms, proactive media work, etc. Special efforts are made to communicate with the public regarding population censuses, and in clarifying any issues that arise regarding, for example, questionnaire anonymity, postal charges and reminder notes. Some NSIs offer specific online instruments such as interactive tools to create graphs, digital libraries, a 'mini-census' or other actions aimed at students. The ESS also invests in improving statistical literacy by actively collaborating with schools and universities, and training specific users such as teachers or journalists. Much effort goes into making statistics more accessible to researchers and scientists. However, while the ESS members report having legal provisions for accessing micro-data for scientific purposes, more than half of them see room for improvement in the legislative framework to cater for researchers' needs.

Communicating with policy makers follows a similar pattern as communicating with other users, except when policy makers have prior access to statistical releases under pre-release rules. Some NSIs attend meetings with administrations and ministries, or are involved in negotiations establishing the work programme. Many NSIs also deal with parliamentary questions, hearings and inter-governmental committees.

Most NSIs proactively deliver expertise to the ESS itself by participating in the European Statistical Training Programme (ESTP) and providing Eurostat with seconded national experts or specialised staff to meet European needs in third countries.

Eurostat

European data, national data and metadata are available free of charge on Eurostat's website. European statistics are published in the form of multi-dimensional or two-dimensional tables, accessible via a standard data browser or via bulk download facilities. Eurostat is an active partner in training activities and in facilitating communication between the various stakeholders.

Access to specific micro-data sets is granted to researchers under certain conditions laid down in Commission Regulation 831/2002. This regulation is currently being revised to take account of changes in the legal frameworks and new advanced technologies, while also permitting a greater diversity of access modes and available data sets, simplification of access procedures and decentralisation of access points. The revised regulation is expected to be adopted by March 2013.

ESGAB's conclusions on the ESS

While a revised Regulation 831/2002 is welcome, ESGAB sees significant potential for improving legal provisions for accessing micro-data for scientific purposes and informing users in the majority of countries.

ESGAB encourages continuing efforts to improve access to, and communication of, official statistics. Providing all statistics online in a 'one-stop shop' for users at the time of publication would enhance NSIs' role as the leading institution in the field of official statistics.

Improving statistical literacy is equally important in the domain of education and to facilitate correct understanding of statistics by policy makers. The stereotypical situation of statistics being blamed as inadequate when policies do not deliver the desired outputs needs to change to one where the role of statistics is seen as supporting substantiated decisions. Thus, good communication, especially of policy relevant to audiences, needs to highlight impartial statistics as the cornerstone of good policy making. Providing expertise to the European Statistical System by contributing actively to various working groups and training programmes will continue to be an important means of knowledge transfer.

2.5. Overall monitoring results

Monitoring compliance with the Code is based on external peer reviews carried out in 2006-2008. They assessed the extent to which NSIs and Eurostat complied with the institutional standards (Principles 1-6) and dissemination standards (Principle 15) established by the Code. All 27 Member States, EFTA countries and Eurostat underwent a peer review and the outcome in each case was an agreed set of improvement actions and recommendations, together with deadlines for their implementation.

Of the 677 improvement actions originally identified for the European Statistical System in the past year another 76 actions concerning all 15 principles were completed. Thus 71% of the original actions have now been completed. Of the remaining actions, including new ones identified by the NSIs in 2011 and 2012, 137 are in progress as scheduled, 45 are delayed within the NSIs and 30 depend on progress outside the NSIs. During the last year, nine countries identified 27 new improvement actions, of which three have been completed. These new actions mainly reflect the major changes to the Code of Practice adopted in September 2011, i.e. the appointment of the heads of National Statistical Institutes under Principle 1 'Professional Independence'; the definition and the making public of a quality policy under Principle 4 'Commitment to Quality'; and the use of administrative data under Principle 8 'Appropriate Statistical Procedures'. A more detailed analysis is provided in Annexes 1 and 2.

ESGAB's conclusions on the ESS

The first set of peer reviews was a commendable effort on the part of the ESS. The overall rate of improvement actions implemented increased from 60% in 2011 to 71% in 2012. New actions have already been identified and partly implemented in some countries. It is becoming increasingly clear that the actions are beginning to become outdated and that the speed of their implementation is stalling. Hence, the first set of peer reviews appears to have run its course as an icebreaker in the Code's implementation with two-thirds of the originally planned actions implemented. ESGAB welcomes plans for a new set of peer reviews to start in 2013.

3. ESS governance beyond the current implementation of the Code

Changing the ESS governance

The amendment of Regulation 223/2009 is expected to strengthen the professional independence of the NSIs, clarify their coordinating role in the national statistical systems, enhance the use of administrative records for statistical purposes and establish Commitments on Confidence in Statistics. When adopted, it will put in place a legal base facilitating the implementation of the 'vision' set out in COM(2009) 404. These changes also call for modernisation of the governance structure of the ESS itself by reinforcing the decision-making role of the ESS Committee and redesigning the cooperation with the European System of Central Banks.

The reform process as a whole needs to be speeded up if the ESS is to deliver on the future challenges. In the long term, the primary aim is to secure the autonomy and status of national statistical offices and Eurostat, in an integrated setting that avoids duplication of effort and ensures the quality of output. For future developments, the institutional setting of the ECB and the European System of Central Banks could serve as an example, not a blueprint, for statisticians in Europe.

Commitments on Confidence

Ever since its creation, the Code of Practice has gained importance in ensuring the high quality of European statistics. During the economic and financial crisis, statistics are increasingly politically relevant, not only because the scope for cooperation in producing statistics is widening but also because of the automatic way statistical indicators are used, e.g. to trigger sanctions. This draws attention to how statistics are produced and revised, how accurate and, most of all, how reliable and trustworthy they are. Credible statistics call for credible institutions; thus the professional independence of statistical authorities must be safeguarded. This can only be achieved with the support and involvement of policy-makers to secure governmental commitment to full compliance with the European Statistics Code of Practice.

Therefore, signing 'Commitments on Confidence in Statistics' (CoC), including improvement actions at the highest government level is essential. They are a key for removing barriers within the national structures e.g. in facilitating the use of administrative data for statistical purposes. The CoC also provide a tool for making the Code more binding without changing its current self-regulatory character, which is valuable for improving the instrument when needed. ESGAB welcomes the first CoC identifying areas for improvement, signed by the Greek Prime Minister and Commissioner Šemetain February 2012. The Commission Decision No 504 of 17 September 2012, defining Eurostat's role as a CoC of the European Commission, needs to be supplemented with a list of improvement actions.

ESGAB looks forward to swift progress in a number of other countries which are preparing CoC adapted to their national settings. The Commission is set to monitor the CoC, assisted by ESGAB.

4. Coordination

The emerging governance design relies heavily on strong coordination by Eurostat and the NSIs. The NSIs continue to promote the use of the Code of Practice by other national data providers through joint quality activities, sustained dialogue with data producers, dissemination of relevant materials, training courses and other specially organised events. Half of the NSIs have reportedly improved their coordination role through enhanced collaboration, agreements, use of administrative data and other means adapted to the national set-up.

Yet, most NSIs encounter coordination difficulties — especially, but not exclusively, in decentralised systems. Unresponsive partners, scarce resources, varied professional skills amongst NSIs and other bodies may lead to delays and restrictions. NSIs in some relatively decentralised systems, be they regionally or functionally decentralised, such as Belgium, Germany, Spain or Sweden, are not legally entitled to instruct other statistical actors at national level and the system coordination is mainly based on consensus. For the NSIs to fulfil their coordinating role, empowering legislation that defines ‘official statistics’ and coordination tasks is needed. Distinction needs to be made between European statistics defined in annual work programmes and other statistics.

The proposed role for the NSIs as a single contact point in the revised Regulation 223/09 will give NSIs more authority in statistical matters in their home countries. ESGAB encourages Member States to revise their statistical acts in due course in a way that will enable the NSIs to ensure that all national actors comply with the Code of Practice. While solutions in different countries may well vary, common elements in NSI’s coordination responsibilities include:

- Preparing work programme and subsequently priorities for resource distribution;
- Implementing and monitoring standards and methodology used for production of official statistics;
- Performing quality control, labelling and dissemination of official statistics in line with the Code of Practice, international standards and definitions;
- Maintaining an inventory of related legislations and official statistical operations carried out in the country;
- Representing regional offices and other producers of European statistics at European and international level.

The revised Decision on Eurostat’s role also emphasises the importance of coordination within the Commission. Also, in 2011 Commission Directorates-General were invited to involve Eurostat in all initiatives with statistical aspects. The results of the audit on ‘Strategy and coordination of statistical data production, development and dissemination’ carried out by the Internal Audit Service (IAS) of the Commission will be known towards the end of 2012.

5. Future work

While continuing to assess the implementation of the Code of Practice in the ESS, the information collected for this report gives ESGAB an incentive to further examine areas such as the exploitation of administrative data for statistical purposes and the exchange of micro-data. The data protection legislation increases the cost for statistics in a significant number of cases.

In the majority of countries, coordination by the NSI has improved but the question remains as to whether the coordination role, notably in decentralised systems, includes responsibility for the quality of data, especially for EU statistics. A more in-depth review of these aspects is needed, as well as the degree of compliance of other producers of European statistics with the Code of Practice. Also, a clear definition of coordination and tasks involved needs to be developed.

ESGAB's role in the next round of peer reviews is to be defined already at the planning stage of the exercise. Furthermore, ESGAB's involvement in monitoring the implementation of the improvement actions in the Commitments of Confidence needs to be designed as complementary to the obligation of the Commission (Eurostat) to monitor legally binding commitments. ESGAB will also continue to follow up other recent developments and infringement cases.

Annex 1: Summary of status of NSI improvement actions - March 2012

Principle		Original Peer Review Improvement Actions								New Actions 2011/2012 (not yet completed)	Status of remaining actions including new actions from 2011 and 2012			
		Total	Status "Completed" only					No further work planned	Remaining actions*		In progress as scheduled	Delays within the NSI	Further progress outside of the NSI	Total remaining actions**
			Feb-08	May-09	Mar-10	Mar-11	Mar-12							
1	Professional Independence	34	1	9	4	7	3	1	9	5	7	1	4	12
2	Mandate for data collection	25	1	8	2	3	5	0	6	1	5	0	2	7
3	Adequacy of resources	48	1	18	12	2	1	1	13	0	8	0	5	13
4	Quality commitment	103	1	28	8	13	11	1	41	6	24	16	4	44
5	Statistical confidentiality	43	2	19	4	6	6	1	5	1	3	0	2	5
6	Impartiality and objectivity	46	2	16	9	6	5	0	8	1	6	2	0	8
7	Sound methodology	46	3	15	6	5	6	0	11	1	8	3	1	12
8	Appropriate statistical procedures	40	2	10	6	4	8	0	10	5	13	2	1	16
9	Non-excessive burden on respondents	54	0	16	6	3	12	2	15	3	14	2	1	17
10	Cost effectiveness	48	0	16	7	6	4	0	15	3	10	4	4	18
11	Relevance	27	1	11	7	4	2	0	2	0	1	0	1	2
12	Accuracy and reliability	35	1	7	7	4	4	1	11	1	8	2	1	11
13	Timeliness and punctuality	14	0	5	2	3	1	0	3	1	3	0	2	5
14	Coherence and compatibility	33	1	9	4	4	4	1	10	2	7	1	1	9
15	Accessibility and clarity	81	2	29	10	6	4	0	30	4	20	12	1	33
TOTAL		677	18	216	94	76	76	8	189	34	137	45	30	212
(%)		100%	3%	32%	14%	11%	11%	1%	28%					

* Including actions with status "Included in a new action"

**Excluding actions with status "Included in a new action" or "No further work is planned"

Annex 2

Summary of remaining improvement actions from the original peer review for Principles 1, 3 and 4 (EU/EFTA breakdown)

Principle 1

Group	Countries	Total Actions	Remaining in 2010	Remaining in 2011	Remaining in 2012
Member States	17	29	17	11	8
EFTA	3	5	3	2	1
Total	20	34	20	13	9

Principle 3

Group	Countries	Total Actions	Remaining in 2010	Remaining in 2011	Remaining in 2012
Member States	22	42	17	15	13
EFTA	4	6	0	0	0
Total	26	48	17	15	13

Principle 4

Group	Countries	Total Actions	Remaining in 2010	Remaining in 2011	Remaining in 2012
Member States	25	91	55	45	33
EFTA	4	13	11	9	8
Total	29	103	66	54	41

Summary of all remaining improvement actions for Principles 1, 3 and 4 (EU/EFTA breakdown) including new improvement actions reported in 2011 and 2012

Group	Principle 1	Principle 3	Principle 4
Member States	11	13	36
EFTA	1	0	8
Total	12	13	44