

# ESGAB Annual Report 2018

## Executive summary and recommendations

As already highlighted in previous ESGAB Reports, statistical systems are facing extremely complex challenges, which are driven by two key factors. The first relates to significant changes in the way in which economic, environmental and social phenomena are evolving (from digitalisation to globalisation, from climate change to migration, etc.). These require rapid responses by official statisticians to improve definitions, classifications and statistical frameworks. The second relates to the impact of the so-called “data revolution” on most dimensions of data collection, processing and dissemination processes. Moreover, the fast-changing landscape of traditional and social media puts statistical offices under a huge pressure to interact with (and in some instances compete with) a growing number of data producers, especially coming from the private sector.

The European Statistical System (ESS) is characterised by continuous changes aimed at improving the quality of European statistics and the governance of the System. Within the System, the role of the European Statistical Governance Advisory Board (ESGAB) is to enhance professional independence, integrity and accountability (key elements of the European Statistics Code of Practice) within the ESS, as well as the quality of European statistics.

Mastering these challenging processes requires the ESS to have the capacity to manage existing processes while anticipating future challenges and trends, especially as the development of statistical infrastructures and procedures requires time. Fully recognising the efforts already made by the ESS over the last few years, including the implementation of past ESGAB recommendations, this Report, the tenth since the Board was established, focuses on two key aspects:

- a) improvements needed to enhance the governance of the ESS as it is now, i.e. subject to the existing legislation and programmes;
- b) enhancements that could be achieved in the medium run, also thanks to possible changes in the existing set of national and European rules.

The year 2018 has been very significant for the ESS on both respects. As far as governance is concerned, the following three developments are particularly noteworthy: the coming into force of the new EU General Data Protection Regulation (GDPR); the review carried out by ESGAB of the practical implementation (over the last six years) of the “Commitment of Confidence” on Eurostat (approved by the European Commission in 2012); and the Report to the European Parliament and the Council prepared by the Commission on the establishment of Commitments on Confidence in Statistics by Member States. All these developments are stimulating significant innovations in the System and ESGAB has made several recommendations to the European Commission and to the ESS on how to improve governance rules and practices to strengthen the functioning of Eurostat and of National Statistical Institutes (NSIs).

As far as the planning of the future ESS is concerned, the most relevant initiatives taken in 2018 were: the approval by the ESS of a strategic plan for European statistics “beyond 2020”, which acknowledges substantial challenges to be addressed and identifies key factors in the future direction of the ESS; the proposal for the Multiannual Financial Framework 2021-2027 for the EU budget, prepared by the European Commission, which confirms the volume of funding for European statistics; the decision by the ESS to launch a new round of peer reviews on the implementation of the European Statistics Code of Practice, which had been revised at the end of 2017. On all these aspects, ESGAB developed its recommendations.

Last, but not least, ESGAB decided to highlight some additional and important issues, namely, the:

- engagement of stakeholders, especially at national level;
- development of partnerships with the private sector to produce high quality statistics;
- roles of NSIs vis-à-vis “fake news”;
- possible establishment of ESGAB-like bodies where they do not exist to facilitate an effective oversight of National Statistical Systems;
- launch of a reflection on the future of the ESS in the context of possible changes to the EU governance, as discussed in the “White Paper on the Future of Europe”.

This Report discusses these key points in some detail, also recalling the positions expressed in previous ESGAB Reports.

Overall, ESGAB agreed on 14 recommendations, listed below. In 2019 the Board will continue to work on these issues, monitoring the response by the ESS to these and past recommendations, in close cooperation with Eurostat and the NSIs, as well as with ESGAB-like bodies established at national level.

## 2018 recommendations

**2018/1** — Eurostat and the national statistical institutes (NSIs) should improve the comparability of key economic and social indicators challenged by the processes of globalisation and digitalisation. Retaining a holistic approach, they should also devote a priority effort to the measurement of their consequences on the development of European statistics, as mentioned in the ESSC position paper.

**2018/2** — Eurostat and the NSIs should put in place comprehensive strategies for relations with users, giving special attention to researchers (eventually establishing a centralised service responsible for contact with users, a mechanism for taking user feedback into account, etc.). Regular assessment of user engagement should be undertaken to guarantee that the tools used ensure appropriate answers. Eurostat, in cooperation with European statistical advisory committee (ESAC), should also prepare an overview of national user councils and promote the establishment of these bodies in countries where they do not currently exist.

**2018/3** — Considering the challenges in attracting and retaining staff with the requisite skill sets, Eurostat and the NSIs should work with experts in academia and the private sector to identify the new skills emerging and needed in the various fields of the ESS, and should make appropriate resources available to retrain current staff members with these key skills.

**2018/4** — Eurostat and the NSIs should step up their efforts to improve the statistical literacy of European citizens and to educate professional users (especially the media) in the correct use of statistics. Moreover, to increase trust in official statistics, Eurostat and the NSIs should devote more effort to publicly reporting the misuse of official statistics disseminated by them.

**2018/5** — To increase confidence in the ESS and the involvement of government authorities at all levels, Eurostat and the NSIs should define a communication strategy for the whole peer-review process and ensure the engagement of stakeholders at all steps before, during and after the process. Both the communication strategy and the engagement should consider all types of stakeholders, within and outside the ESS, requiring specific actions depending on the relevant target group (other national authorities (ONAs), governments, parliaments and users). This process should also make the link between statistics produced at national level and those at the European level clear.

**2018/6** — Eurostat and the NSIs should engage with the private sector, by establishing partnerships to enhance cooperation and collaboration ('realise synergies') and reduce the burden on respondents by making use of new data sources to produce European statistics. These partnerships should ensure the necessary control by the ESS of the content, robustness, continuity and conditions of access of these new data sources.

**2018/7** — In order to improve the overall quality of data produced by a wide range of private sources, Eurostat and the NSIs should promote a reflection on developing minimum standards on data quality to be followed by entities operating in the European Union, such as companies and institutions not belonging to the ESS, which produce statistical data and indicators and want to benefit from a 'statistical quality' label.

**2018/8** — Eurostat and NSIs should promote a reflection both on how to improve the current ESS governance, for example encouraging the creation of ESGAB-like bodies in each country, and on the long-term future of the ESS in light of possible changes to the governance of the European Union (taking into account alternative scenarios). In the new institutional context, it is important that close cooperation with the United Kingdom is continued to ensure a shared understanding of parallel developments, so that statistical comparability is maintained.

**2018/9** — The European Commission and the ESS should agree on a minimum set of issues to be covered by the commitments on confidence in statistics and promote the delivery of stand-alone commitments by national governments.

**2018/10** — To safeguard transparency and visibility, NSIs should ensure either that national commitments on confidence are directly accessible from the home page of the respective website (in the case of stand-alone commitments) or that the home page makes a clear reference to the specific legislation making up the commitment.

**2018/11** — Taking into account ESGAB's opinion that the CoP should be widely promoted as a mark of quality, and although Eurostat expressed a different view in this respect, Eurostat and the NSIs should consider referring to the CoP on all press releases, for example by using a standard text, specifically drafted for such use, addressed to journalists.

**2018/12** — As the revised CoP includes the new Principle 1bis on coordination and cooperation, NSIs should pursue their cooperation with ONAs and enhance their coordinating

role within the national statistical system and in the production of national statistics. Moreover, Member States should ensure further progress towards the implementation of the improvement actions which are dependent on authorities outside the NSI, with Eurostat support when needed.

**2018/13** — NSIs should clearly inform the public about privacy and data security policies and publish those policies on the respective website (if not already done).

**2018/14** — To allow a meaningful evaluation of the implementation of improvement actions, Eurostat should produce an in-depth analysis which is also based on qualitative information, distinguishing between: a) actions needed to ensure full compliance with the CoP, b) actions aiming at achieving substantial improvements in the functioning of the statistical system, and c) other improvement actions. Moreover, the Board recommends Eurostat consider this kind of categorisation when defining the methodology for the new round of peer reviews.