

Statistics for European policies and high-priority initiatives

Statistics Explained

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

Information needs for policy purposes require a constant interaction between policymakers and statisticians: the former formulate their needs for data, and the latter attempt to foresee future needs or adapt the statistical production system so as to fulfil those needs. In this way, policies can lead to improvements in statistical production, both in terms of enhancing the quality of existing indicators and of creating new ones.

Policymakers often require highly aggregated indicators which provide a synthetic and clear picture of the different phenomena in which they are interested. Statisticians therefore have to filter and aggregate basic, detailed data in order to increase data readability and extract information (or indicators).

Over recent years, a number of policies have substantially influenced [Eurostat's](#) priorities and activities:

- the [the economic and monetary union](#) (EMU) and the creation of the [euro area](#) (1999);
- the [Europe 2020 strategy](#) (2010);
- [enhanced economic governance](#) (2010);
- the [Sustainable Development Goals in an EU context](#) (2016)
- the [European Pillar of Social Rights](#) (2017)
- the [Circular economy](#) (2018)

Background

Europeans place a high value on their quality of life, including aspects such as a clean environment, social protection, prosperity and equality. In recent years the [European Council](#) has focused on a number of key areas intended to shape the future social, economic and environmental development of the EU. While Europe 2020 is the EU's strategy for smart, sustainable and inclusive growth for the decade, the sustainable development strategy is concerned with improving the quality of life and well-being, both for current and future generations, through seeking a balance between economic development, social cohesion and protection of the environment. Furthermore, the financial and economic crisis, starting in 2008, highlighted the need for broader coordination of policy measures and this put a greater focus on relevant statistical information.

The economic and monetary union and the setting-up of the [European Central Bank \(ECB\)](#) in 1999 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. These infra-annual short-term statistics are also needed for an assessment of the business cycle.

[Gross domestic product \(GDP\)](#) is the best known measure of macroeconomic activity. Developed in the 1930s, GDP has become a standard benchmark used by policymakers throughout the world and is widely used in public debates. However, the need to improve data and indicators to complement GDP has been increasingly recognised

and is the focus of a number of international initiatives, which also reflect renewed societal and political priorities, like environmental sustainability and social inclusion.

Eurostat, in unison with other [European Commission](#) services, has responded to politicians' needs in these areas by helping to develop sets of indicators on 'EU policies and initiatives'. Because of the cross-cutting nature of many policies, some indicators are used to support multiple policies. More information in relation to each of these sets of indicators may be found within a set of dedicated sections that are available on Eurostat's website:

- [Europe 2020 indicators](#) ;
- [Euro-indicators and principal European economic indicators \(PEEIs\)](#) ;
- [European pillar of social rights](#) ;
- [Sustainable development goals](#) ;
- [Circular economy](#) ;
- [Macroeconomic imbalance procedure](#) .

European semester

Launched in 2010 as a response to the global financial and economic crisis, the [European semester](#) is a policy coordination tool, developed to ensure stronger economic governance and better policy coordination across the EU. This framework governs the:

- implementation of structural reforms to ensure progress towards the agreed goals of the Europe 2020 strategy;
- implementation of fiscal policies under the [Stability and Growth Pact](#) to strengthen economic governance and ensure budgetary discipline;
- prevention of excessive macroeconomic imbalances.

The European semester is an [annual exercise](#) that starts in November with the [annual growth survey](#) and the [alert mechanism report](#) . Based on those inputs, national reform and stability and convergence programmes are reviewed and updated. The Council concludes the European semester in June / July of the following year by agreeing on a set of [country-specific recommendations](#) , highlighting areas where EU Member States need to take further actions.

The role of Eurostat in the context of the Europe 2020 strategy and the European semester is to:

- ensure statistical support;
- provide methodological support in the process of choice and definition of indicators;
- liaise with the other European Commission Directorate-Generals, in particular on the definition and choice of indicators to support the strategy;
- produce and supply the relevant statistical data;
- ensure high quality standards for data.

Europe 2020 strategy

Europe 2020 is the EU's 10-year growth and jobs strategy. It was launched in 2010 as the successor to the Lisbon strategy. The Europe 2020 strategy places policy emphasis on a new growth path towards a smart, sustainable and inclusive economy, to overcome the structural weaknesses in Europe's economy, improve its competitiveness and productivity, and underpin a sustainable social market economy. The strategy aims to make the EU a 'smart, sustainable and inclusive' economy with high levels of employment, productivity and social cohesion.

In 2014-2015 the European Commission performed a mid-term review of the Europe 2020 strategy which notably included a public consultation. The "[Results of the public consultation on the Europe 2020 strategy for smart, sustainable and inclusive growth](#) " were published in March 2015. Following the review, the Commission decided to continue the strategy, monitoring and implementing it through the European Semester.

Europe 2020 headline indicators

The key areas identified for action are centred around five headline targets for the whole EU, on employment, research and development, climate change and energy sustainability, education and on fighting poverty and social exclusion. These targets have been translated into national targets for the individual EU Member States, reflecting different starting points and levels of ambition (see the [national targets](#) as set out in the National Reform Programmes in April 2015).

At the EU level progress towards these targets is measured through nine headline indicators. At national level, each Member State produces a National Reform Programme which contains the elements necessary for monitoring progress towards their country-specific targets and which includes indications on possible structural reforms.

The European Commission adopted seven flagship initiatives to drive progress towards the Europe 2020 goals. Eurostat is mandated to monitor progress for the one on [a resource-efficient Europe](#) .

More information

More information regarding the Europe 2020 strategy may be found through the following links:

- Eurostat's dedicated section for [Europe 2020 indicators](#)
- The European Commission's [European semester](#)

Statistics for business cycle analysis and economic and monetary policy

Since 2001 the euro-indicators / [principal European economic indicators](#) (PEEIs) dedicated section of Eurostat's website has been a reference point for all users of official statistics dealing with short-term data. Euro-indicators / PEEIs aim to supply business-cycle analysts, policymakers, the media, researchers, students, and other interested parties with a comprehensive, well-structured and high quality set of information which is useful for 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 EU Member States.

Euro-indicators and principal European economic indicators (PEEIs)

The data presented in Euro-indicators / PEEIs are built around a set of the most relevant statistics, a list of which can be found in the [European Commission's Communication \(2002\) 661 final](#) ; the list was extended in 2008, with three indicators relating to housing statistics, see the [EFC status report on information requirements in the European monetary union \(EMU\)](#) .

Euro-indicators / PEEIs, divided into eight domains, are presented on Eurostat's website in three main ways: selected [PEEIs indicators](#) (containing an overview of the 22 most relevant and timely short-term economic indicators for the euro area and the EU); a set of [Euro-indicators tables](#) ; and the [European and national short-term statistics database](#) .

Economic and Financial Committee status reports

PEEIs were designed together with timeliness targets. Since 2002, the progress achieved with respect to these targets and remaining challenges have been regularly monitored. Each year Eurostat, in cooperation with the European Central Bank, drafts an [EFC status report](#) on information requirements in the European monetary union (EMU) which is first submitted to the [Economic and Financial Committee](#) (EFC) and then to the [Economic and Financial Affairs Council](#) (ECOFIN).

More information

- Eurostat's dedicated section for [Euro-indicators / PEEIs](#) .

European pillar of social rights

The [European Pillar of Social Rights](#) has been jointly signed by the European Parliament, the Council and the Commission on 17 November 2017.

Social scoreboard

The European Pillar of Social Rights is accompanied by a 'social scoreboard' which monitors the implementation of the Pillar by tracking trends and performances across EU countries. The Pillar is about delivering new and more effective rights for citizens. It has 3 main dimensions:

- Equal opportunities and access to the labour market
- Fair working conditions
- Social protection and inclusion.

More information

- Eurostat's dedicated section for [European Pillar of Social Rights](#) .

Sustainable development goals

[Sustainable development](#) has since long been at the heart of the European project and the EU Treaties give recognition to its economic, social and environmental dimensions that should be tackled together. It means that development must meet the needs of the present without compromising the ability of future generations to meet their own needs. A life of dignity for all within the planet's limits and reconciling economic efficiency, social inclusion and environmental responsibility is at the essence of sustainable development and is reflected in the EU policy strategies.

The [Sustainable Development Goals \(SDGs\)](#) and their related targets, approved in September 2015 by the UN General Assembly, strive to worldwide end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind. All countries, developed and developing alike, have a shared responsibility to achieve the implementation of the SDGs.

On 22 November 2016 the European Commission issued a Communication on [Next steps for a sustainable European future: European action for sustainability](#) . This Communication presents the EU's answer to the 2030 Agenda and includes two work streams. The first work stream is to fully integrate the SDGs in the European policy framework and current Commission priorities, assessing where we stand and identifying the most relevant sustainability concerns. A second track is related to reflection work on further developing our longer term vision and the focus of sectoral policies after 2020, preparing for the long term implementation of the SDGs.

Monitoring sustainable development in the EU

The Communication foresees a regular monitoring of progress towards the SDGs in an EU context. The Eurostat publication [Sustainable Development in the European Union – Monitoring report on progress towards the SDGs in an EU context](#) , released in November 2017, is the first of these regular monitoring exercises. It builds on Eurostat's long experience in monitoring progress towards the objectives EU sustainable development strategy, which Eurostat carried out between 2005 and 2015. The 2017 monitoring report looks at the aspects of the SDGs which are relevant from an EU perspective and therefore does not aim at exhaustively assessing EU progress towards the 169 targets of the 2030 Agenda. It provides a first statistical assessment of trends in relation to the SDGs in the EU during the past five years ('short-term') and, whenever data availability allows, during the past 15 years ('long-term'). The monitoring report is based on the [EU SDG indicator set](#) . The 100 indicators (of which more than 40 % are multipurpose, i.e. are used to monitor more than one SDG) have strong links with the above-mentioned Communication and the EU policy initiatives mentioned in the accompanying Commission Staff Working Document '[Key European action supporting the 2030 Agenda and the Sustainable Development](#)' . The EU SDG indicator set is open to annual reviews, to ensure that it continues to include the most relevant and highest quality indicators and to align to future policy developments.

More information

- Eurostat's dedicated section for [Sustainable development goals](#) .

Circular economy

In a circular economy the value of products and materials is maintained for as long as possible; waste and resource use are minimised, and resources are kept within the economy when a product has reached the end of its life, to be used again and again to create further value. In December 2015 the European Commission adopted a [Circular Economy Package](#). An Action Plan for the circular economy establishes a concrete programme of actions outlining measures that cover the entire product life cycle: from production and consumption to waste management and the market for secondary raw materials.

Visualisation tools

A monitoring framework containing a number of indicators is available on Eurostat's [dedicated section](#). Eurostat has also developed a [visualisation tool](#) describing various aspects of a circular economy.

More information

- Eurostat's dedicated section for [Circular economy](#).

Macroeconomic imbalance procedure

The financial, economic and sovereign debt crisis that swept over Europe from 2008 provoked a wide range of EU policy initiatives. One of the principal initiatives was the establishment of a [macroeconomic imbalance procedure \(MIP\)](#) focusing on the identification of emerging or persistent macroeconomic imbalances in a Member State at an early stage. The MIP is part of a surveillance framework that aims to identify potential macroeconomic risks early on, prevent the emergence of harmful macroeconomic imbalances and correct the imbalances that are already in place. It is a system for monitoring economic policies and detecting potential harm to the proper functioning of the economy of a Member State, of the economic and monetary union, and of the EU as a whole. The MIP contains a number of sequential steps, having the alert mechanism report (AMR) as a starting point. The MIP is accompanied by a scoreboard consisting of a small number of relevant, practical, simple, measurable, and available macroeconomic and macro-financial indicators. The MIP scoreboard indicators should not be regarded as either policy targets or policy instruments; their interpretation is supplemented by economic judgement and expertise specific to each Member State. Once a year a snapshot of the latest available data on the MIP scoreboard is taken and combined with economic reading (assessment / evaluation) to form the basis for the [alert mechanism report](#), prepared by the European Commission in November each year.

MIP scoreboard indicators

The [MIP scoreboard indicators](#) cover the major sources of macroeconomic imbalances with a particular focus on the smooth functioning of the euro area. For this reason, the scoreboard consists of indicators which can monitor external balances, competitiveness positions and internal balances. Indicative thresholds have been set for each indicator. The scoreboard and the thresholds are not applied mechanically, as the scoreboard is complemented by an economic reading. The aim of the scoreboard is to identify Member States that warrant in-depth studies in order to determine whether the potential imbalances identified in the early-warning system are benign or problematic. In addition, a set of [main tables](#) are available through a dedicated section on Eurostat's website and also as the first branch of the 'Tables on EU policy' section of Eurostat's data navigation tree. The selection of MIP scoreboard indicators may change over time.

More information

- Eurostat's dedicated section, including access to the [macroeconomic imbalance procedure](#) indicators.
- For more information on the EU's macroeconomic imbalance procedure please refer to the website of the European Commission's [Directorate-General for Economic and Financial affairs](#) or to this document on [frequently asked questions related to the macroeconomic imbalance procedure](#).

Stability and Growth Pact

The Stability and Growth Pact (SGP) governs fiscal discipline in the EU. The pact's purpose is to ensure fiscal discipline in the EU by setting reference values for annual national budget deficits at 3 % of GDP and public debt at 60 % of GDP. It consists of two parts, the preventive and corrective arms.

Stability and convergence programmes and excessive deficit procedure

The rules of the SGP's [preventive arm](#) bind governments of EU Member States to their commitments towards sound fiscal policies and coordination by setting each one a budgetary target, known as a medium-term budgetary objective. Member States outline how they intend to reach their objective in [stability and convergence programmes](#) .

The [corrective arm](#) of the Stability and Growth Pact sets out the framework for EU Member States to take corrective action in the case of an excessive deficit. The corrective arm operates through the [excessive deficit procedure](#).

The enforcement mechanism establishes the potential use of sanctions for countries that fail to respect the Stability and Growth Pact's preventive or corrective rules. These sanctions apply only to Member States that share the euro.

More information

For more information on the EU's Stability and Growth Pact please refer to the website of the European Commission's [Directorate-General for Economic and Financial affairs](#) .

Dedicated section

- [Europe 2020 indicators](#) ;
- [Euro indicators \(PEEs\)](#) ;
- [European pillar of social rights](#) ;
- [Sustainable development goals](#) ;
- [Circular economy](#) ;
- [Macroeconomic imbalance procedure](#)

Publications

- [European Statistics for European Policies — A wealth of data to underpin the Commission Priorities](#)
- [Sustainable Development in the European Union – Monitoring report on progress towards the SDGs in an EU context'](#)

Visualisations

- [Circular economy visualisation tool](#)

External links

- [European semester](#)
- [Stability and Growth Pact](#)
- [EFC status report on information requirements in the European monetary union \(EMU\)](#)
- [Economic and Financial Committee \(EFC\)](#)
- [Economic and Financial Affairs Council \(ECOFIN\)](#)

- [Sustainable Development Goals \(SDGs\)](#)
- [Next steps for a sustainable European future: European action for sustainability](#)

- Circular Economy Package
- Macroeconomic imbalance procedure (MIP)
- Alert mechanism report
- Directorate-General for Economic and Financial affairs
- Stability and growth pact - preventive arm
- Stability and convergence programmes .
- Stability and growth pact - corrective arm

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