

Chapter 3

The Main Producers of Economic Statistics

Who produces economic statistics? How is the international statistical system organised? Which are the main databases available on the Internet? This chapter outlines the institutional and organisational features of the main producers of economic statistics, starting with international organisations and moving on to review the European and the OECD statistical systems. The division of work between the international organisations and the bodies responsible at the national level for producing statistics (national statistical institutes, other government bodies and central banks) has a significant influence on the availability, and most of all, the quality of the data in existence. Of particular importance during the past 20 years has been the role played by Eurostat and other European institutions, both in setting objectives for the national production of economic statistics, and in making these increasingly comparable internationally. This chapter also contains references to the databases available from international and supranational organisations other than OECD.

3.1. The international statistical system

As noted in Chapter 1, the modern system of national accounting was born out in the years immediately following the Second World War. The call for a comparable system for measuring the economic development of the various countries arose directly out of the decision-making needs of national authorities and international institutions. Over the years, international organisations and national statistical authorities have developed new methodological approaches and databases in many other fields (education, health, the environment, etc.), that go beyond the sectoral aspects of economic statistics. Cooperation between international organisations and national statistical institutes led to the creation of what is called the “international statistical system”.

Given the large number of international organisations in existence worldwide, the sources of international statistics now available are very numerous. Their sheer number represents an unprecedented wealth of information, but this requires a capacity on the part of users to be able to select, from sources that are diverse and sometimes contradictory, the data most relevant to their own needs. In practice, cooperation between international organisations has not yet reached the point where overlap or duplication of activities has been eliminated, while the availability of new information and communication technologies (ICT) has made it easier to build databases, which have proliferated. Quite frequently, the databases of different international bodies contain references to the same variables, but attach a different value to them. In some cases, these variations are simply the result of differences in the frequency with which data are updated, in others they are due to differences in

The UN Fundamental Principles of Official Statistics

The Statistical Commission,

- Bearing in mind that official statistical information is an essential basis for development in the economic, demographic, social and environmental fields and for mutual knowledge and trade among the States and peoples of the world;
- Bearing in mind that the essential trust of the public in official statistical information depends to a large extent on respect for the fundamental values and principles which are the basis of any society which seeks to understand itself and to respect the rights of its members;
- Bearing in mind that the quality of official statistics, and thus the quality of the information available to the Government, the economy and the public depends largely on the cooperation of citizens, enterprises, and other respondents in providing appropriate and reliable data needed for necessary statistical compilations and on the cooperation between users and producers of statistics in order to meet users' needs;
- Recalling the efforts of governmental and non-governmental organisations active in statistics to establish standards and concepts to allow comparisons among countries;
- Recalling also the International Statistical Institute Declaration of Professional Ethics;
... redacted ...

The UN Fundamental Principles of Official Statistics (*cont.*)

Adopts the present principles of official statistics:

- Principle 1.** Official statistics provide an indispensable element in the information system of a democratic society, serving the Government, the economy and the public with data about the economic, demographic, social and environmental situation. To this end, official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistical agencies to honour citizens' entitlement to public information.
- Principle 2.** To retain trust in official statistics, the statistical agencies need to decide according to strictly professional considerations, including scientific principles and professional ethics, on the methods and procedures for the collection, processing, storage and presentation of statistical data.
- Principle 3.** To facilitate a correct interpretation of the data, the statistical agencies are to present information according to scientific standards on the sources, methods and procedures of the statistics.
- Principle 4.** The statistical agencies are entitled to comment on erroneous interpretation and misuse of statistics.
- Principle 5.** Data for statistical purposes may be drawn from all types of sources, be they statistical surveys or administrative records. Statistical agencies are to choose the source with regard to quality, timeliness, costs and the burden on respondents.
- Principle 6.** Individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes.
- Principle 7.** The laws, regulations and measures under which the statistical systems operate are to be made public.
- Principle 8.** Coordination among statistical agencies within countries is essential to achieve consistency and efficiency in the statistical system.
- Principle 9.** The use by statistical agencies in each country of international concepts, classifications and methods promotes the consistency and efficiency of statistical systems at all official levels.
- Principle 10.** Bilateral and multilateral cooperation in statistics contributes to the improvement of systems of official statistics in all countries.

definitions, or errors in the way the data have been gathered or processed. Lastly, unclear indications about the methods used to compile the data can lead the user to confuse one variable with another. The result is that users often find it impossible or difficult to identify which statistics are most appropriate for their requirements, and they run the risk of using data that are in fact not comparable, thus making mistakes in their interpretation.

The international organisations most active in the statistical field are, together with the OECD (Organisation for Economic Co-operation and Development), the UN (United Nations), the IMF (International Monetary Fund) and the WB (World Bank). The United Nations, founded in 1945, now numbers over 190 countries, and in spite of the problems in recent years, represents the fulcrum of the system of international relations developed over the past 50 years. In the field of statistics, too, the UN fulfils a pivotal function, through its Statistical Commission. Comprising 24 member states of the UN, elected for a period of four years, the Commission (which celebrated its 60th anniversary in 2007) meets annually in plenary session that is open to all UN member states (which are usually represented by the presidents or director-generals of their national statistical institutes) as well as to international organisations, admitted to meetings as observers. The Commission is called upon to approve all the main standards in the field of statistical methodology (classifications, handbooks, etc.).

In 1994, the Statistical Commission also approved a declaration on the “Fundamental Principles of Official Statistics” (see box above), which has become a key reference in the drawing up of national statistical laws and regulations, as well as the rules of conduct of national statistical institutes. The “Principles” underline the fundamental value of statistical information in the democratic development of modern society; they require producers of official statistics to adopt measures to ensure that their statistics are produced on the basis of purely scientific criteria, disseminated on an impartial basis, drawn up with guarantees for the confidentiality of the information received, and so on. Over time, the Principles have been fully absorbed by several national statistical systems, giving direction both to the rules governing national statistical institutes and the operating procedures they follow, and thus contributing to the development of the statistical function according to values shared at the international level.

The Secretariat of the Statistical Commission is provided by the Statistics Division of the UN, which regularly publishes statistics gathered by the member states (available on the Internet website, www.un.org), and contributes to the development of international statistical methodology through the work of various working groups that bring together statisticians from the member states and from other international organisations. It also fulfils the important function of providing technical assistance to less-developed countries, and supplies the other divisions of the UN with the necessary data enabling them to compile analytical reports on specific phenomena (poverty, economic development, etc.) and to debate and discuss political issues.

Particularly significant among the activities of the Statistical Division is the production of the 48 indicators for monitoring the progress of the less-developed countries towards the Millennium Development Goals, the objectives defined in 2000 by the UN General Assembly in terms of level of *per capita* income, reduction of mortality rates, improving levels of education, etc. (see box below). These indicators are produced by a large number of organisations coordinated by the UN Statistical Division.

The Millennium Development Goals

Goal 1. Eradicate extreme poverty and hunger

- Target 1. Reduce by half the proportion of people whose income is less than \$1 a day
- Target 2. Reduce by half the proportion of people who suffer from hunger

Goal 2. Achieve universal primary education

- Target 3. Ensure that all boys and girls complete a full course of primary education

Goal 3. Promote gender equality and empower women

- Target 4. Eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels by 2015

Goal 4. Reduce child mortality

- Target 5. Reduce by two-thirds the mortality rate among children under five

Goal 5. Improve maternal health

- Target 6. Reduce by three-quarters the maternal mortality ratio

Goal 6. Combat HIV/AIDS, malaria and other diseases

- Target 7. Halt and begin to reverse the spread of HIV/AIDS
- Target 8. Halt and begin to reverse the incidence of malaria and other major diseases

Goal 7. Ensure environmental sustainability

- Target 9. Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources
- Target 10. Reduce by half the proportion of people without sustainable access to safe drinking water
- Target 11. Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020

Goal 8. Develop a global partnership for development

- Target 12. Develop further an open trading and financial system that is rule-based, predictable and non-discriminatory, includes a commitment to good governance, development and poverty reduction – nationally and internationally
- Target 13. Address the least developed countries' special needs. This include tariff- and quota-free access for their exports; enhanced debt relief for heavily indebted poor countries; cancellation of official bilateral debt; and more generous official development assistance for countries committed to poverty reduction
- Target 14. Address the special needs of landlocked and small island developing States
- Target 15. Deal comprehensively with developing countries' debt problems through national and international measures to make debt sustainable in the long term
- Target 16. In cooperation with developing countries, develop decent and productive work for youth;
- Target 17. In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
- Target 18. In cooperation with the private sector, make available the benefits of new technologies - especially information and communications technologies

The International Monetary Fund (IMF), founded in 1944 to promote international cooperation in the field of finance, ensure the stability of the international monetary system and sustain economic growth, today has 185 member states, normally represented by their economics ministries and/or national central banks, and is one of the main providers of international statistical information. In the division of statistical labour amongst international organisations, the IMF has responsibility for specific areas, such as financial statistics, balance of payments and the public sector. Through its Statistics Department, the IMF gathers numerous statistics on all the countries in the world, issues various publications and databases (www.imf.org), contributes to the development of international statistical standards and provides technical assistance to less developed countries. Of particular importance is evaluation of the quality of the statistics produced by individual countries (see Chapter 5), undertaken by the IMF as part of its multilateral monitoring of the economic conditions in member countries.

The World Bank, which currently has 185 member states, was founded in 1944 to combat poverty and improve the standard of living in developing countries. In the field of statistics, the World Bank contributes to the development of standards in methodology, and gathers and publishes certain statistics for analytical and political purposes (www.wb.org), with special emphasis on the less-developed countries. Through its various lines of credit, the World Bank plays a fundamental role in the development of statistical systems in the poorest countries, as well as in compiling statistics on major economic and social phenomena.

To strengthen the statistical capacity of developing countries, in 1999 the OECD, the IMF, the European Commission, the WB and the UN founded the *Partnership in Statistics for Development in the 21st Century* (PARIS21). The mission of PARIS21 (www.paris21.org) is to act as a catalyst for promoting a culture of evidence-based policymaking and monitoring in all countries, and especially in developing countries, and to foster more effective dialogue among those who produce development statistics and those who use them, through facilitating international events, supporting country-based activities, regional workshops, and subject matter task teams. The activities of PARIS21 are organised by a Secretariat based in OECD and supervised by a Steering Committee, an international group of stakeholders with representatives from developing countries from each region of the world, bilateral donors, and multilateral institutions.

The main statistical databases of international and supranational organisations other than OECD

Millennium Indicators Database (UN). An overall framework of 48 indicators for measuring the progress of developing countries under the Millennium Development Goals was put in place by experts from the United Nations, the IMF, the OECD, the World Bank and other international institutions. The database contains the indicators and the associated metadata.

Monthly Statistical Bulletin (UN). The database contains a selection of monthly, quarterly and yearly economic indicators for the member states.

Commodity Trade Statistics Database (UN). Contains annual data on foreign trade for more than 130 countries (in some cases going back to 1962), disaggregated by type of goods and trading partner country. Values are expressed in US dollars.

International Financial Statistics (IMF). This is the main database of the IMF, containing economic and financial data produced on an annual, quarterly and monthly basis, with a total of around 32,000 series of historical data covering more than 200 countries.

World Development Indicators (WB). Contains annual data on approximately 800 indicators relating to economic, demographic, social and environmental themes. The data, which are available in some cases as far back as 1960, cover 152 countries.

New Cronos (Eurostat). This is the most important Eurostat database, and it contains an enormous amount of data covering a variety of economic, social and environmental fields. Freely accessible via the Internet, it contains monthly, quarterly and annual data.

Euroindicators (Eurostat). Contains a selection of the main monthly and quarterly indicators, which is updated in real time. It allows an immediate comparison to be made of current developments in the individual European countries as well as data on the Euro area and the European Union.

Structural indicators (Eurostat). Presents annual data based on a selection of indicators covering five areas of interest: employment; innovation and research; economic reform; social cohesion; the environment and economic conditions, as well as detailed information on their methodological features and on international comparability. It also contains data on the United States and Japan.

Regio (Eurostat). This is the database of reference for sub-national analysis concerning the countries of the European Union. It contains a number of series of historical data of an economic or social nature. The detail given is by region and, in some cases, by province.

Monthly Bulletin (ECB). The statistical appendix to the Monthly Bulletin contains a number of series giving actual monetary and financial data. In addition, the Internet website offers various data sets that contain series of historic data on the Euro area.

3.2. The OECD statistical system

The Organisation for Economic Co-operation and Development was founded in 1961, and its current members are 30 of the world's most developed countries. The aim of the Organisation is to assist in the achievement of sustainable economic development, the improvement in standards of living, and the growth of international trade. Where statistics are concerned, the OECD is active in the economic, social and environmental fields, with a total of over 100 various activities. The OECD plays a part in the development of international standards by producing statistics on a variety of subjects, and compiling and publishing a wide range of statistical data, produced mostly by national authorities (www.oecd.org/statistics), and promoting the gathering in member countries of the statistics needed to produce its analytical reports and draw up guidelines on economic, social and environmental policy. The OECD co-operates in the statistical field with the major non-member countries (Russia, China, Brazil, India and South Africa), various geographical regions (principally Asia and Latin America) and almost all international organisations producing statistical data and metadata.

The organisation of statistical activities at the OECD is based on a “decentralised model”, whereby various statistics are developed both by the Statistics Directorate and by substantive Directorates responsible for analytical studies and policy analyses and recommendations. The Statistics Directorate (STD) was created in 1992 with the mandate: *a*) to improve the supply of relevant and timely statistical information to analysts and policy makers inside and outside the Organisation; *b*) to develop international statistical standards, systems and classifications in collaboration with other international statistical agencies; *c*) to improve co-ordination between the statistical activities of the OECD and those of other agencies; and *d*) to provide a mechanism for co-ordinating statistical activities within the Organisation.

From a substantive point of view, STD is responsible for macroeconomic statistics (national accounts, short-term economic indicators, international trade, etc.) and for some social (*i.e.* labour force) and business statistics. In addition, STD plays a key role in promoting internal co-ordination and co-operation with other international organisations. The majority of other statistical activities are carried out in eight OECD Directorates: Development Co-operation (DCD); Economics (ECO); Education (EDU); Employment, Labour and Social Affairs (ELSA); Environment (ENV); Financial and Enterprise Affairs (DAF); Centre for Tax Policy and Administration (CTP); Public Governance and Territorial Development (GOV); Science, Technology and Industry (STI).

The Information Technology and Network Services (ITN) and the Public Affairs and Communications Directorate (PAC) play an important role in supporting the development, implementation and dissemination of OECD statistics. The former co-operates with STD and other Directorates to develop statistical databases and other IT infrastructures for conducting statistical activities, while the latter is responsible for the dissemination of all OECD products, including statistical data and publications.

The governing board of the OECD is the Council, which comprises the official representatives of member countries and establishes the general policy and priorities of the Organisation in close contact with the Secretary-General. Directorates also

support one or more Committees, which represent national governments and establish work programme priorities in their respective areas of responsibility, evaluate reports prepared by the Secretariat, develop recommendations, etc. To deal with technical or specific issues, Committees establish working parties or task forces. Accordingly, several statistical bodies have been established over time, including the Committee on Statistics, created in 2004.

OECD statisticians are committed to implementing the “Principles for Statistical Activities Carried out by International Organisations” prepared in 2006 by the Committee for Co-ordination of Statistical Activities (CCSA). In addition, OECD statisticians are committed to carry out their work according to the International Statistical Institute’s declaration on professional ethics. The actual implementation of these principles and quality dimensions described in the “Quality Framework for OECD Statistics” (see Chapter 5) is undertaken through the guidelines and procedures provided in the Framework for all OECD statistical activities.

To face new challenges, such as the evolution of the international statistical system and especially the increase and diversification of users’ needs, the OECD Statistics Strategy was launched in 2001, with the ultimate goal of improving the overall quality of OECD statistics. Since then, several initiatives have been undertaken to address technical, managerial and organisational issues. Especially important here have been increases in the efficiency of OECD statistical activities and on-line access to OECD statistics, in the context of the OECD Publishing Policy. For example, the OECD Statistics Portal, which provides users with access to selected statistics and methodological publications produced by the Organisation, is by far the most accessed theme of the OECD web site, with a high growth over the last few years. A similar picture emerges when looking at the number of visits to statistical databases available in *SourceOECD*, the OECD e-library through which all OECD products are made available to registered users. The number of institutions with access to all statistical publications and databases via *SourceOECD* also rose to 800. This means that over 10 million academics, students, government officials, researchers and corporate users now have unrestricted access to all databases via *SourceOECD*.

3.3. The European Statistical System and the European System of Central Banks

The European institutions play an increasingly important role in international statistics, especially the European Commission and the European Central Bank. The process of European integration began in the 1950s and advanced progressively over the next 30 years, to be re-launched in the 1990s with the construction of the European Union, and most recently extended from 2004 with the accession of 12 new member countries. Integration has had a significant influence on the statistical activities of the European countries, producing major changes both in the internal organisation of the Commission, and in its relations with the national statistical authorities.

First among the European institutions in the field of statistics is the Statistical Office of the European Communities (Eurostat), one of the Directorates General into which

the Commission is broken down. Eurostat gathers and disseminates large quantities of data produced by the national statistical institutes and various other public bodies (www.ec.europa.eu). Eurostat also supervises the production of “Community statistics” according to agreed upon definitions and classifications, coordinating the other Directorates General of the European Commission active in the statistical field.

To underline the importance that the European Community attaches to rules on the statistical function, one need only recall that the Treaty of Amsterdam (Art. 285) provides that:

“Without prejudice to Article 5 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank, the Council, acting in accordance with the procedure referred to in Article 189b, shall adopt measures for the production of statistics where necessary for the performance of the activities of the Community.

The production of Community statistics shall conform to impartiality, reliability, objectivity, scientific independence, cost-effectiveness and statistical confidentiality; it shall not entail excessive burdens on economic operators.”

In the European Union, the principle of “subsidiarity” also operates in the field of statistics, which means that a national function may be transferred to the European level only when this is absolutely necessary to achieve the desired result, or if by so doing, the result could be achieved more efficiently. The need to have access to statistical data that are fully comparable between the member states has meant that the concepts, definitions and classifications used in the production of Community statistics are increasingly frequently laid down in norms (Regulations, Decisions and Directives) adopted by the European Council, the European Parliament or the European Commission, while national statistical institutes (or other public bodies, such as ministries and public sector entities) are called upon to produce the data required by autonomously managing the organisational, financial and methodological aspects. For example, these national bodies are normally free to use either an administrative source or carry out a statistical survey in order to provide a specific item of data, provided the ultimate characteristics of the statistics produced correspond to those laid down at European level. In other words, the production of European statistics is based on the principle of harmonisation of the output and not of the input. There are certain exceptions to this, such as data for consumer prices or the labour force, for which data-gathering procedures are very carefully specified in legislation.

The drafting of legislation in the field of statistics is a long and complex process, sometimes too long to satisfy the ends for which it is required. In practice, once a new need for information has been identified, Eurostat draws up, using its own theme-based working groups (in which the representatives of the national statistical institutes take part), the text of a regulation that identifies the variables to be passed on to Eurostat on behalf of the member states, the timetable for transmission, the definitions and classifications to be adopted, etc. Once the text is ready, it is sent to the Statistical Programme Committee (SPC), in which the countries are represented

by the presidents or directors general of their national statistical institutes. After the SPC has given its approval, Eurostat forwards the proposal to the European Council and the European Parliament, which are obliged to reach agreement on a final text based on what is known as the “co-decision” procedure.

In the most hotly disputed cases, it can take several years for the entire decision process to be completed, while continuing growth in demand for the information calls for a rapid response on the part of the producers. This is why in some cases the European Commission (most of all the Directorates General in charge of specific policies) prefers to turn to private-sector institutions to gather statistics on an *ad hoc* basis, rather than to embark upon a decision-making process that is complex and potentially long. On the other hand, precisely in order to speed up the legislative process, there is a tendency for only very general legislative texts to be subjected to the approval procedure described above, thus leaving it to the European Commission alone (without involving the Council or the Parliament) to do the work of approving, in collaboration with the SPC, documents covering mostly technical or detailed aspects.

Much of the work of Eurostat is directed at verifying the quality of the statistics submitted by the member states, which are obligated to follow Eurostat recommendations for improving the comparability and quality of the data. In the event this is not done, Eurostat (in its capacity as part of the European Commission) can institute proceedings for breach before the European Court of Justice to oblige the country to adopt the measures requested.

The second pillar of European statistics is the European Central Bank (ECB) and the European System of Central Banks (ESCB or Eurosystem), comprising the ECB itself and the national central banks. In the statistical field, the ESCB has powers analogous to those of the European Commission, and thus the production of information on monetary and financial phenomena in the area of the European Monetary Union, too, is mostly defined through special regulations and other legal instruments. The ECB, through its Statistics Directorate General, fulfils the role of gathering and publishing monetary and financial statistics and balance of payments statistics, drawn not only from the euro area as a whole, but also from individual countries. The “systemic” perspective that typifies statistical activities within the European Commission has thus come to be used as well in the ESCB, though the latter has faster decision-making processes and more flexible resources than the European Statistical System.

Despite the numerous advances of the past decade, and the good coordination that exists between the ESCB and the European Statistical System, maintained by Eurostat and the Statistical Directorate General of the ECB, it has to be said that the two “systems” appear very different, and function at quite different speeds. In the case of the European Statistical System, the key organisation (Eurostat) is one of the Directorates General of the European Commission and does not have the same full autonomy and independence (including for its budget) as the European Central Bank. On the other hand, the national statistical institutes (in contrast with the national central banks) are under the legal control of the governments, and their

independence is hardly ever constitutionally guaranteed (as is the case for the ESCB, thanks to the Maastricht Treaty), and their budgets are decided annually by the national political authorities, while Central Banks have their own resources.

To conclude, the development of a true European Statistical System is still encountering some problems. However, it must be acknowledged that the spirit of partnership that exists between Eurostat, national producers of statistics, the European Central Bank and ESCB has resulted in European financing for the development of statistics at Community and national levels, and in the adoption of new technologies. As a result, the position of statistics in the Community has improved considerably over the last 10 years. European statistics have underpinned fundamental political and economic processes, such as the European Monetary Union and the enlargement of the Union to include new countries.

In particular, the requirement for economic information on both structural and short-term aspects that is full, prompt and above all internationally comparable, has given an extraordinary boost to the work of the national statistical systems, with major repercussions in terms of the quality of national statistics and independence of the national statistical institutes. That said, the recent history of European statistics, especially the crisis surrounding erroneous data on the basis of which Greece was allowed to join the European Monetary Union (see Chapter 5), has highlighted the limitations of the current situation.