

Eurostat's path towards implementation of the European statistics Code of Practice and reflection on its future development

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Summary

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Since the adoption of the European Statistics Code of Practice in 2005, Eurostat co-ordinates the implementation in the European Statistical System and has also the task to monitor compliance with the Code. The corresponding activities and results are well documented, lastly in a Commission report to the European Parliament and to the Council of 2008. However, at the same time and within the same framework Eurostat is responsible for implementing itself the Code of Practice and in 2007 it has undergone a peer review covering institutional and dissemination aspects of the Code. The creation of the European Statistical Governance Advisory Board inter alia to monitor compliance with the Code by Eurostat underlines the importance of this work.

This paper provides an overview on the implementation path of Eurostat so far and looks into the Code's suitability to address the specific profile of Eurostat. To this end it reviews individual principles of the Code of Practice in the light of Eurostat practices and functions and discusses possible options going beyond the current provision of the Code.

1. Eurostat milestones towards its own implementation of the Code of Practice

1.1 Monitoring and reporting Eurostat compliance with the Code of Practice

In response to invitations by the Council on 2 June 2004 and again on 17 February 2005 to strengthen statistical governance with a view to ensuring the independence, integrity and accountability of the National Statistical Institutes and Eurostat, the Commission implemented a strategy which included a Communication and a Recommendation of 25 May 2005 on the independence, integrity and accountability of the national and Community statistical authorities¹ promulgating the European Statistics Code of Practice which had been prepared by the National Statistical Institutes and Eurostat and had been endorsed by the Statistical Programme Committee as a self-regulatory instrument.

To balance this self-regulatory approach with the need for accountability, in the same Recommendation the Commission declared its intent to put into place a reporting system to monitor adherence to the Code within the European Statistical System. The Recommendation recognises the double role of Eurostat as ESS co-ordinator and monitoring body of the implementation of the Code of Practice on the one hand and implementing body on the other, committing itself to observe the Code's principles and standards.

Accordingly, a series of reporting and monitoring tools have been developed and implemented comprising self-assessments, peer reviews and regular cycles of reporting to Eurostat. To complement the approach, the European Parliament and the Council established in 2008 the European Statistical Governance Advisory Board², an external body, with the aim to provide an independent overview of the European Statistical System as regards the implementation of the European Statistics Code of Practice. The Board will prepare an annual report on the implementation of the Code insofar as it relates to Eurostat. This report will include an assessment of the

¹ COM(2005) 217 of 25 May 2005.

² Decision No 235/2008/EC of the EP and of the Council of 11 March 2008 establishing the European Statistical Governance Advisory Board.

implementation of the Code of Practice in the European Statistical System as a whole. Furthermore, the Board advises Eurostat on appropriate measures to facilitate the implementation of the Code; on how to communicate the Code of Practice to users and data providers; and on the updating of the Code. It may also provide advice regarding questions related to user-confidence in European statistics. The Board comprises seven members selected from among experts possessing outstanding competence in the field of statistics. The Board's tasks and membership reflect the underlying objective to enhance the independence, integrity and accountability of Eurostat and the European Statistical System as a whole, thus strengthening users' confidence in European statistics.

So far, monitoring of and reporting on Eurostat compliance with the Code of Practice followed basically the same methodology as the one commonly defined and agreed for the ESS. During the end of 2005 / beginning 2006 Eurostat carried out a comprehensive self-assessment against the principles and indicators of the European Statistics Code of Practice using a questionnaire commonly agreed across the European Statistical System (ESS). To this end an internal Task Force had been created which reported its findings to Eurostat top management. A summary has been published on the Eurostat website and ESS-wide results have been reported to the Economic and Financial Committee in 2006. As part of this self-assessment exercise which lead to the identification of main strengths and weaknesses in the area relevant to the Code, Eurostat adopted a list of improvement actions towards full compliance with the Code.

In October 2007 Eurostat was subject to a peer review. It covered the Eurostat institutional environment and dissemination practices in line with the common ESS CoP peer review methodology. The peer review report, published on the Eurostat website, includes main findings per principle and indicator and a refined list of the Eurostat improvement actions including also recommendations by the peer review team.

The 2008 Eurostat report to the European Parliament and to the Council on implementation of the Code of Practice in the ESS also included information on its own implementation.

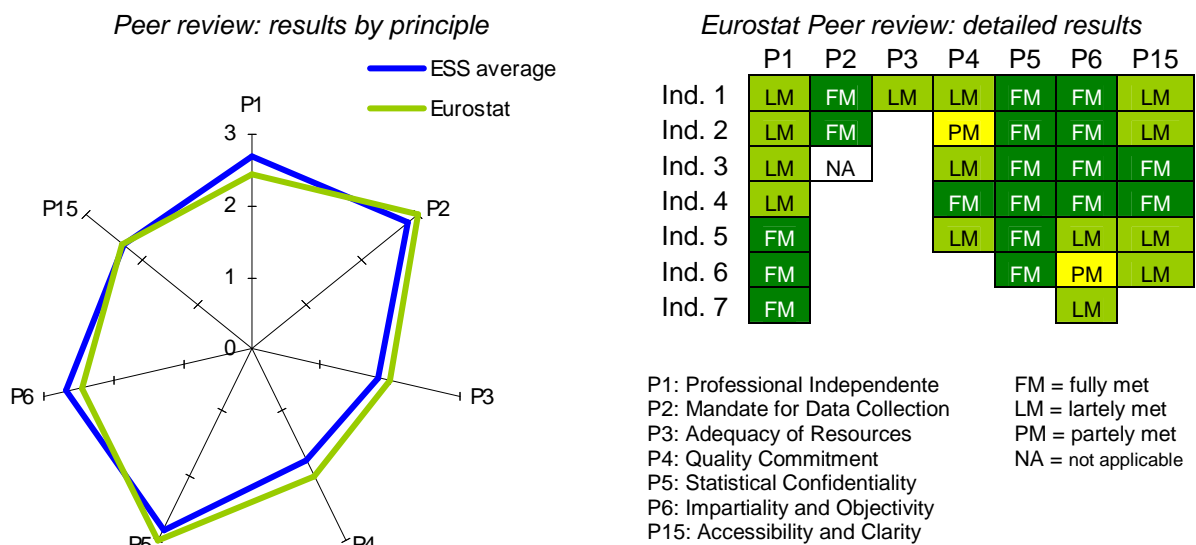
As a basis for further communication about the Code to users of European Statistics, including an implementation report to the EP/Council on implementation of the Code in the European Statistical System, Eurostat has dedicated a section on its website to the [European Statistics Code of Practice](#)³ and issued a brochure in three languages which has been widely distributed.

1.2 Eurostat compliance status and improvement actions

Below a summary of Eurostat compliance with the Code is given based on the findings of the self-assessment and – where applicable of the Eurostat peer review. This paragraph also reviews some important Eurostat implementation steps.

³ <http://ec.europa.eu/eurostat/quality>

Graph 1: Summary ratings by the peer review team of Eurostat compliance with selected indicators



1.2.1 Institutional Environment

With regard to its institutional environment, Eurostat seems to be well covered for many of the Code's indicators. In particular its confidentiality regime in place and its mandate for data collection have been found to be in line with the benchmarking indicators suggested by the Code. Necessary improvements mainly addressed issues concerning the adequacy of Eurostat human resources or were related to the entry into force of the new Regulation on European statistics.⁴

Objectivity of Eurostat and regularly updated information on methods and procedures are appreciated by most of Eurostat users. To further strengthen transparency and to promote perception of Eurostat's objectivity, Eurostat envisages to extend its release calendar to include all important releases and to consider the possibilities of own press conferences on statistical matters. All stakeholders noted in the framework of the Eurostat peer review that significant improvements have been achieved in Eurostat's work and its standing within the European Statistical System over the last years and they were looking to Eurostat to provide even more statistical leadership, in terms of high value added work such as enhanced statistical analysis and more feedback to users and NSIs on data quality issues. In order to arrive at ESS-wide solutions, these and related issues will be developed jointly within the ESS.

The peer review team noted the widely recognised Eurostat leadership role in developing and promoting policies for quality across the ESS rooted in its strong quality commitment. At the same time Eurostat is implementing its own quality assurance framework supported by a comprehensive set of guidelines.

An important milestone in Eurostat implementation of Principle 6 (Impartiality and Objectivity) of the Code of Practice was the adoption and release of the Eurostat protocol on impartial access to Eurostat data for users⁵. It guarantees free of charge public access as early as possible after Eurostat statistics have been compiled and sets out strict conditions and procedures for granting pre-release access.

⁴ Regulation (EC) No 223/2009 of the EP and of the Council of 11 March 2009 on European statistics.

⁵ <http://ec.europa.eu/eurostat/quality>

1.2.2 Statistical processes

Implementation of the Eurostat Quality Assurance Framework (QAF) is foremost process-oriented based on a systematic approach, involving external users for major processes. The implementation plan envisages a screening of all Eurostat statistical processes over a 3-years period. For all these quality assessments the comprehensive Eurostat Statistical Process Assessment Checklist is used, yielding a list of improvement actions which is regularly followed-up. The quality assessments also serve the identification and Eurostat-wide promotion of good practices. At the same time they foster more systematically feeding of information on quality into the strategic planning process. Regular compilation of quality performance indicators by the end of 2009 will further complete the picture.

To address the heterogeneity of procedures and processes prevailing between Eurostat statistical production domains, identified as an area for improvement in the Eurostat CoP self-assessment, Eurostat has developed a vision towards streamlining its processes and has started to re-orient its production work towards uniform methodological tools and IT applications. Other improvements relate to investing in an increased knowledge transfer with the research community as well as activities pursued jointly with the ESS like e.g. with regard to the reduction of response burden, including EU-sampling in selected areas.

1.2.3 Statistical output

With regard to the questions on accessibility and clarity of its output, Eurostat features rather well compared to the indicators of the Code of Practice and its renewed website allowing for free access to Eurostat data is only one aspect. In this area, however, the peer review called for more user-friendliness and improvements with regard to responding to needs for supplementary data analysis. Further improvements of the Eurostat website which now incorporates new features improving accessibility and further processing of data address these needs. At the same time improving timeliness and coherence as well as to consult users of statistics on a systematic basis can be considered continuous challenges for Eurostat and are to be reviewed on an ongoing basis.

Eurostat quality reporting, based on Member State quality reporting, takes various forms depending on the purpose and specificities of the statistical domain. In 2008 the ESS Standard for Quality Reports and ESS Handbook for Quality Reports (Eurostat 2008) have become available which update existing standards, aligning them with the requirements of the Code of Practice. Article 12 on Quality of the new Regulation on European Statistics will foster comparability of Eurostat and ESS quality reporting based on the Principles of the Code. It explicitly calls upon Eurostat to assess and report on the quality of European statistics, even when this has not been required by the respective sectoral legislation.

2 The specific role of Eurostat

In assessing implementing of the Code of Practice, the common ESS-wide approach applied also by Eurostat has worked well to identify the challenges and opportunities related to the implementation of the Code for Eurostat. However, with regard to Eurostat implementation of the Code, a review of the content of the Code's indicators and principles exposes certain limitations in terms of their applicability to Eurostat as well as ethical and practical challenges concerning issues which are not covered by the Code. They either relate to Eurostat's special roles as an intermediare and provider of European statistics rather than collecting data or stem from certain administrative functions of Eurostat. Below they are reviewed in more detail.

2.1 Eurostat special circumstances influencing the applicability of the Code of Practice

A number of indicators of the Code of Practice can be considered not applicable to Eurostat. Accordingly, Eurostat has excluded them from its CoP self-assessment. They are listed in Box 1 and reviewed below.

Box 1 Indicators not considered applicable for Eurostat and excluded from the Eurostat self-assessment

Principle 2:

Mandate for data collection

2.3 On the basis of a legal act, the statistical authority may compel response to statistical surveys.

Principle 7:

Sound Methodology

7.1 The overall methodological framework of the statistical authority follows European and other international standards, guidelines and good practices.

7.4 Detailed concordance exists between national classifications and sectorisation systems and the corresponding European systems.

Principle 8:

Appropriate Statistical procedures

8.2 In the case of statistical surveys, questionnaires are systematically tested prior to data collection.

8.3 Survey designs, sample selections and sample weights are well based and regularly reviewed, revised or updated as required.

8.4 Field operations, data entry and coding are routinely monitored and revised as required.

8.5 Appropriate editing and imputation computer systems are used and regularly reviewed, revised or updated as required.

Principle 9:

Non-Excessive Burden on Respondents

9.3 The information sought from businesses is, as far as possible, readily available from their accounts and electronic means are used where possible to facilitate its return.

9.4 Best estimates and approximations are accepted when exact details are not readily available.

Principle 14:

Coherence and Comparability

14.3 Statistics are compiled on the basis of common standards with respect to scope, definitions, units and classifications in the different surveys and sources.

14.5 Cross-national comparability of the data is ensured through periodical exchanges between the European statistical system and other statistical systems; methodological studies are carried out in close cooperation between the Member States and Eurostat.

2.1.1 Eurostat special functions in the ESS

Several indicators (2.3, 8.2-5, 9.3-4) relate to the data collection function of a statistical institute and would thus be relevant for Eurostat only in so far as it directly surveyed statistical units. This has not been the case so far. While there is a broad understanding that European statistics should be produced jointly drawing upon the partnership between Eurostat and national data providers, Articles 14 and 16 of the new Regulation on European statistics envisage under certain circumstances and conditions an alternative European approach. With a view to increase ESS efficiency and reduce burden on respondents, this could result in a re-positioning of Eurostat as a producer of European statistics, emphasizing Eurostat competence with regard to development and application of appropriate statistical procedures, like e.g. European sampling. In so far, the relevant quality framework referred to by the Code could gain importance in the future. Nevertheless, applicability of these indicators of the Code to Eurostat will remain rather limited compared to National Statistical Institutes or e.g. the European Central Bank Statistics function, which by Article 5 of the ECB Statute has the competence to collect necessary statistical information itself directly from economic agents.

Another group of indicators (7.1, 7.4, 9.3, 14.3-4) deal with application of common standards by statistical authorities. These indicators do not address Eurostat directly. However, application by Eurostat could be interpreted in an indirect way, calling upon Eurostat to foster the development of and statistical authority's adherence to standards and good practices as well as co-operation with other statistical systems. At the same time they could be applied to Eurostat *mutatis mutandis* within the international statistical system, requiring Eurostat to pay attention e.g. to corresponding international standards at UN level in developing European classifications systems. Given the rather indirect character of either interpretation, a more straightforward approach of the Code could be desirable, recognising the central role of Eurostat within the system.

Finally, exploitation of administrative sources for statistical purposes remains an issue to be tackled by Eurostat. As Indicator 2.2 of the Code of Practice refers to national legislation only a more explicit recognition of Eurostat's potential role could be helpful.

2.1.2 European legislation limiting the Code's applicability

A related although different issue concerns European statistical legislation laying down details on methods, standards and procedures. While necessary for harmonising European statistics and thus achieving a high degree of comparability and coherence, detailed legislation a priori limits the respective room of manoeuvre for the statistical authority. It can thus be interpreted as impinging on compliance with indicator 1.4 of the Code of Practice as the indicator requires the head of the statistical authority to have the sole responsibility for deciding on statistical methods, standards and procedures and on the content and timing of statistical releases. This was also mentioned in the Eurostat Peer Review but had not been taken into account in the peer review team's assessment of the indicator. One may argue that details fixed by the legislator affect the indicator's applicability rather than the statistical authority's compliance, thus exempting those statistical areas from the indicator which are subject to such detailed (European) legislation. And indeed the national statistical institutes Code of Practice peer reviews revealed a broad consensus that compliance with this indicator has not been affected by European law-making. However, a pure interpretation of the Code would call for a restrained legislative strategy, aiming at framework Regulations which leave the choice of the methods, standards and procedures to the statisticians, where necessary, harmonised through Commission Regulations.

Another case where legislation limits the application of the Code relates to certain administrative tasks conferred upon Eurostat based on legal provisions relating to non-statistical functions of Eurostat such as in the areas of the Excessive Deficit Procedure, own resources and remunerations and pensions. Consequently these tasks do not only fall outside the scope of the Code but also outside European statistics. Given the potential of these tasks to influence public perceptions, notably of integrity and independence of Eurostat, their specific character and the fact that they are exempted from the Code, call for special communication efforts, including in the Code itself.

2.2 Challenges relating to issues not covered in Code of Practice

Below a range of challenges are addressed which relate to Eurostat and sometimes ESS-wide issues that are relevant in this context but not covered in the Code of Practice.

2.2.1 Eurostat special functions in the ESS

While indicator 14.5 addresses the need for international co-operation, the Code does not address inter-ESS co-operation and co-ordination towards harmonising outputs and processes and towards the system's cohesion, nor Eurostat's key role to facilitate these processes. Especially when it comes to all forms of co-operation not governed by legislation or not considered desirable to be governed by legislation as they deeply touch upon issues that would not pass the subsidiarity test required for European legal measures to be taken, guidance by the Code of Practice as a self-regulatory instrument would pave their implementation way. This could hold for activities resulting from ESS-Nets, developing system-wide solutions involving inter alia areas like statistical infrastructure or a re-design of the system architecture itself.

Other issues not covered by the Code of Practice have been enumerated in the UN Principles governing international statistical activities⁶ which have been developed in the framework of the UN Committee for the Coordination of Statistical Activities bringing together international and supranational organizations providing official statistics. They apply to Eurostat in its special functions in the ESS – akin to international agencies responsible for the compilation of statistics like the UN or OECD and are all, in one way or another, already implemented. Some are, given the existence of the ESS, irrelevant or redundant (like advising countries on implementing issues or developing and using professional codes of conduct), or go slightly beyond what is requested by the Code of Practice (like

⁶ <http://unstats.un.org>

e.g. ensuring free public accessibility of key statistics). As both sets of principles are derived from the UN Fundamental Principles of Official Statistics⁷, some convergence in the future could be considered.

2.2.2 Towards a quality framework for all European official statistics

The European statistics Code of Practice addresses the statistical authorities at national and Community level in charge of producing and disseminating European Statistics. This group includes Eurostat as well as national statistical institutes and other national authorities, referred to in the Regulation on European statistics as the European Statistical System. Governed by a different legal framework, national central banks and the European central bank do not take part in the implementation and monitoring of the Code, although in some countries national central banks are responsible for certain parts of European statistics. Furthermore, the differences between the underlying governance structures of ESS members and members of the European System of Central Banks become blurred given the commonalities in providing and disseminating official statistics, if they are not ignored altogether by most users. In so far, there is certain interdependence between these actors in terms of users' perception of their credibility and quality assurance procedures employed. This underlines the importance of a close co-operation between all actors in the matters covered by the Code of Practice. The forthcoming amended Regulation concerning the collection of statistical information by the European Central Bank which will include a codification of the main statistical principles taking into account the Code of Practice, already point the direction. As a further step a joint Eurostat – European Central Bank quality declaration could be envisaged. This would mark an even deeper co-operation providing a common quality framework for all European official statistics and safeguards of the institutional environment rooted in the Code of Practice's principles.

Other providers of official statistics at European level, a priori are not members of the European Statistical System pursuant to Article 6 in combination with Article 11 of the Regulation on European statistics. At the same time in line with Article 1 of the Regulation they may be providers of European statistics and thus fall under the scope of the Code of Practice. In so far the situation at European level is different from national statistical systems, where the national statistical law regularly covers all actors responsible for official statistics. Some providers of official statistics at European level commit themselves to adhering to the principles of the Code, like e.g. the European Environment Agency. However, exploitation of the Code of Practice's potential to serve as a common umbrella for further providers of official statistics at European level remains to be exploited and Eurostat co-operation and co-ordination will need to be extended.

2.2.3 Where does professional independence start?

An important challenge for statisticians results from the use of statistics as a direct basis for administrative decisions. On the one hand it creates a strong rationale for the existence of the underlying statistics and boosts their EU-wide harmonisation and related quality work; it also comes along with a high degree of visibility and underlines statistics' relevance. On the other hand it inevitably involves a potential for a certain tension between Eurostat (or any other statistical authorities involved) and the environment affected by the consequences of the decision. In so far a strong demand for data quality meeting the highest standards could go hand in hand with certain pressures to apply rules in a flexible manner in light of possible political consequences. The European Statistical Governance Advisory Board could play an important role in communicating that statistics have been developed, produced and disseminated in compliance with the Code, especially when their impact is large and the involved technical considerations so complex that they require the utmost users' confidence.

Similarly, Eurostat or Eurostat with a group of peers could play a stronger role vis à vis national statistical authorities in assuring the quality of statistics, where deemed important. While this has already been practiced, it is more of ad hoc nature and could benefit from a more systematic approach rooted e.g. in the Code of Practice.

The Code defines professional independence as the sole responsibility of statisticians for deciding on statistical methods, standards, procedures, and the content and timing of statistical releases. According to the UN Fundamental Principles of Official Statistics, the statistical agencies need to decide according to strictly professional considerations, including scientific principles and professional

⁷ <http://unstats.un.org>

ethics, on the methods and procedures for the collection, processing, storage and presentation of statistical data. Statisticians use conventions to measure phenomena. These conventions stem from paradigms providing a theoretical framework. Conventions have to be agreed upon and shared. How are conventions developed? This crucial question is not explicitly covered by the Code of Practice. One may argue that as conventions are based on an agreement between users and producers this conceptual stage does not fall under the professional independence of statisticians. However, the borderline between conventions and methods could be blurred in some cases. In official statistics conventions have to be made public (e.g. a UN Standard). In European statistics conventions are often fixed by legislation in the form of Eurostat decisions.

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