European statistics: professional independence of national statistical authorities

2012/0084(COD) - 17/04/2012 - Legislative proposal

PURPOSE: to amend Regulation (EC) No 223/2009 on European statistics in order to strengthen the professional independence of national statistical authorities.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: recent economic developments have once again demonstrated the need to further strengthen the credibility of statistics. Reliability of statistical data in terms of technical quality-assessment criteria is a pre-requisite in order to ensure the trust of users. But equally important is the credibility of the institutions producing statistics. In this context, the professional independence of statistical authorities must receive particular attention and be guaranteed by law.

The Commission recognised this in its Communication <u>'Towards robust quality management</u> for <u>European Statistics</u>' where it indicated the need to strengthen the governance of the European Statistical System (ESS) by securing unconditional application of the principle of professional independence of National Statistical Institutes (NSIs), by clarifying their coordinating role in the national statistical systems and by enhancing the use of administrative data for statistical purposes. Furthermore, it was proposed that 'Commitments on Confidence in Statistics' (CoC) be established in order to make national governments aware of their role in, and co-responsibility for, ensuring the credibility of official statistics by respecting the independence of NSIs. According to the Communication, all these measures should be introduced by an amendment of Regulation (EC) No 223/2009. Moreover, the European Statistics Code of Practice should be revised accordingly.

The key relevance of the principle of professional independence of NSIs was also explicitly recognised by the European Parliament and the Council in the legislative 'six-pack' on enhanced economic governance, which entered into force in December 2011. It specified that the professional independence of national statistical authorities requires transparent recruitment and dismissal processes based solely on professional criteria. Moreover, on 13 March 2012 the European Parliament adopted a <u>resolution</u> calling on the Commission to rapidly implement measures to improve quality-management and governance in European statistics.

IMPACT ASSESSMENT: no impact assessment was undertaken. The proposal largely builds on the final conclusions and recommendations of the ESS 'Task Force on the revision of Regulation (EC) No 223 /2009 and on Commitments on Confidence in Statistics', which met several times in 2011.

LEGAL BASIS: Article 338(1) of the Treaty on the Functioning of the European Union.

CONTENT: the proposal calls for a revision of the current basic legal framework for European statistics, adapting it to meet the policy needs and challenges created for European statistics by recent developments in the global economy. The main goal is to further strengthen governance in the European Statistical System in order to safeguard its high credibility and to respond adequately to data needs resulting from the enhanced economic-policy coordination in the European Union.

Professional independence of national statistical authorities: the proposal refers explicitly to the Heads of NSIs as persons whose independence in performing their duties is a pre-condition for establishing the independence of the respective institutions. To that end, it is indispensable that **Heads of NSIs have the**

freedom to decide on processes, statistical methods, standards and procedures, and on the content and timing of statistical releases and publications for all European statistics. They must be also forbidden from seeking, and protected from receiving, instructions from national governments and other institutions. Moreover, Heads of NSIs should be granted considerable autonomy in deciding on the internal management of the statistical office and allowed to publicly comment on the budget allocated to the NSI in the context of statistical tasks to be performed. Furthermore, there must exist transparent and legally binding rules for the appointment, transfer and dismissal of Heads of NSI, based solely on professional criteria.

However, Heads of NSIs should not only enjoy broad autonomy, they should also be accountable for the results the NSIs provide both in terms of statistical output and budget execution. Accordingly, they should present an annual report on the statistical activities and the financial situation of the respective authority.

Commitments on Confidence in Statistics: the proposal also includes the establishment of 'Commitments on Confidence in Statistics'. These declarations of respect of the European Statistics Code of Practice, and notably of the principle of independence of NSIs, aim at strengthening statistical governance in the EU and safeguarding the credibility of European statistics. According to the proposal, they should be signed by the governments of all Member States and counter-signed by the Commission, both at the highest applicable level. Each CoC is intended to be drafted individually by the Member State concerned and to contain country-specific improvement actions. The actual implementation of these actions would be monitored by Eurostat as part of the already established regular assessment of Member States' compliance with the European Statistics Code of Practice.

The role of the NSIs: the coordinating role of NSIs in the national statistical systems is clarified by the proposal and explicit references to institutions and functions to be coordinated have been added. In addition, the proposal contains further amendments.

Administrative data: the proposal aims to establish a legal framework for more extensive use of administrative data sources for the production of European statistics without increasing the burden on respondents, NSIs and other national authorities. According to the proposal, NSIs should be involved, to the extent necessary, in decisions on the design, development and discontinuation of administrative records, which could be used in the production of statistical data. They should also coordinate relevant standardisation activities and receive metadata on administrative data extracted for statistical purposes. Free and timely access to administrative records should be granted to NSIs, other national authorities and Eurostat, but only within their own respective public administrative system and to the extent necessary for the development, production and dissemination of European statistics.

Eurostat: the proposal incorporates the need to adequately secure the independent position of Eurostat at Union level in the same way as is proposed for NSIs at national level. It is crucial for the credibility of the entire European Statistical System and was strongly emphasised by a vast majority of the Member States in the preceding stakeholder consultation.

Programming period: in order to simplify budget planning for statistical activities and to make it more stable, the programming period of the European statistical programme was brought into line with the Union's multi-annual financial framework.

BUDGETARY IMPLICATIONS: The proposal is expected to have no resource impact within the ESS. On the contrary, it is meant to simplify and improve coordination and collaboration within the system, thus ultimately leading to more efficient production of European statistics and to a reduced burden on respondents.

The human resources required within the Commission will be met by staff from the Directorate General who are already assigned to management of the legal act concerned and/or have been redeployed within the Directorate General.

DELEGATED POWERS : the Commission will have the power to adopt delegated acts in accordance with Article 290 of the Treaty.