



This module is part of the

# Memobust Handbook

on Methodology of Modern Business Statistics

26 March 2014

# Theme: The European Statistical System

## Contents

- General section ..... 3
  - 1. Summary ..... 3
  - 2. General description..... 3
    - 2.1 Tasks and responsibilities in the ESS..... 3
    - 2.2 Governance and collaborations ..... 4
    - 2.3 Statistical production: status and future directions..... 6
  - 3. Design issues ..... 7
  - 4. Available software tools ..... 7
  - 5. Decision tree of methods ..... 8
  - 6. Glossary..... 8
  - 7. References ..... 8
- Interconnections with other modules..... 9
- Administrative section..... 10

## General section

### 1. Summary

An overview is given of the European Statistical System (ESS) as it operates currently. The way the ESS functions is likely to change in the coming decade, and some recent development directions, especially those related to the ESS.VIP programme are pointed out.

### 2. General description

#### 2.1 Tasks and responsibilities in the ESS

According to the Eurostat website<sup>1</sup> *the European Statistical System is the partnership between the Community Statistical Authority, which is the Commission (Eurostat), and the national statistical institutes (NSIs) and other national authorities responsible in each Member State for the development, production and dissemination of European Statistics. This Partnership also includes the EEA and EFTA countries.* At the time of writing, the ESS consists of the 28 member states of the European Union plus Switzerland, Norway, Iceland and Liechtenstein.

The origins of the ESS can be traced back at least to 1952, when the High Authority of the European Coal and Steel Community established its Statistics Division. In 1959 the Statistical Bureau of the European Community (Eurostat) was established. The current legal basis for the ESS' governance system is laid down in a regulation of the European parliament and Council (EU, 2009). In short, this regulation establishes principles and a governance mechanisms for collaboration between partaking institutes. Below, some specific issues addressed by this regulation are highlighted. In the subsequent subsections we describe current collaboration modalities in the ESS and briefly discuss future directions.

*Statistical Governance.* Eurostat is responsible for development, production and dissemination of European statistics. It is also the sole authority on the area of statistical content, production and quality of European statistical publications. The European Statistical System Committee (ESSC) governs the development, production and dissemination of European Statistics; it consists of representatives from each NSI (usually director generals) and is chaired by Eurostat. In the following subsection the current governance and collaboration mechanisms will be described in a bit more detail. Eurostat is also responsible for preparing the multi-annual European Statistical Programme, which after consulting the ESSC, will be established by the European Parliament and Council. The multi-annual programme, which maximally covers a five-year period, prioritises certain developments. For example, the current programme states that the ESS shall produce updated indicators supporting the targets of Europe 2020 which include, amongst others, targets in the area of employment, energy and climate, and social integration. Besides the multi-annual programme, an annual work programme is presented by Eurostat to the ESSC. The ESSC receives advice on the multi-annual programme from the European Statistical Advisory Committee (ESAC), which is established in a separate resolution (EU, 2008b).

*Statistical principles.* European statistics should be produced in objective and impartial ways; they should be reliable in the sense that they are based on the scientific method; microdata must be treated

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<sup>1</sup> [http://epp.eurostat.europa.eu/portal/page/portal/pgp\\_ess/about\\_ess](http://epp.eurostat.europa.eu/portal/page/portal/pgp_ess/about_ess)

confidentially and production must take place in a cost-effective manner. Minimisation of administrative burden is mentioned in this context as well. The principles are worked out further in the European Statistics Code of Practice (EU, 2011) which is maintained by the ESSC. The implementation of the Code of Practice is monitored by the European Statistical Governance Advisory Board (ESGAB) which is established through another resolution (EU, 2008a).

*Statistical Quality.* Statistics will be judged according to criteria relating to relevance, accuracy, timeliness, punctuality, availability and clarity, comparability, and coherence. Here, Eurostat has the authority to set the norms for these dimensions when regarding European Statistics. It is important to note that this authority pertains to the inner workings of Eurostat and not to those of the NSIs of member states or their products. Therefore, quality demands on statistical products delivered by member states to Eurostat are developed through various forms of collaboration within the ESS; the MEMOBUST project being one example that can be regarded in this context. We will return to this subject in Section 2.3.

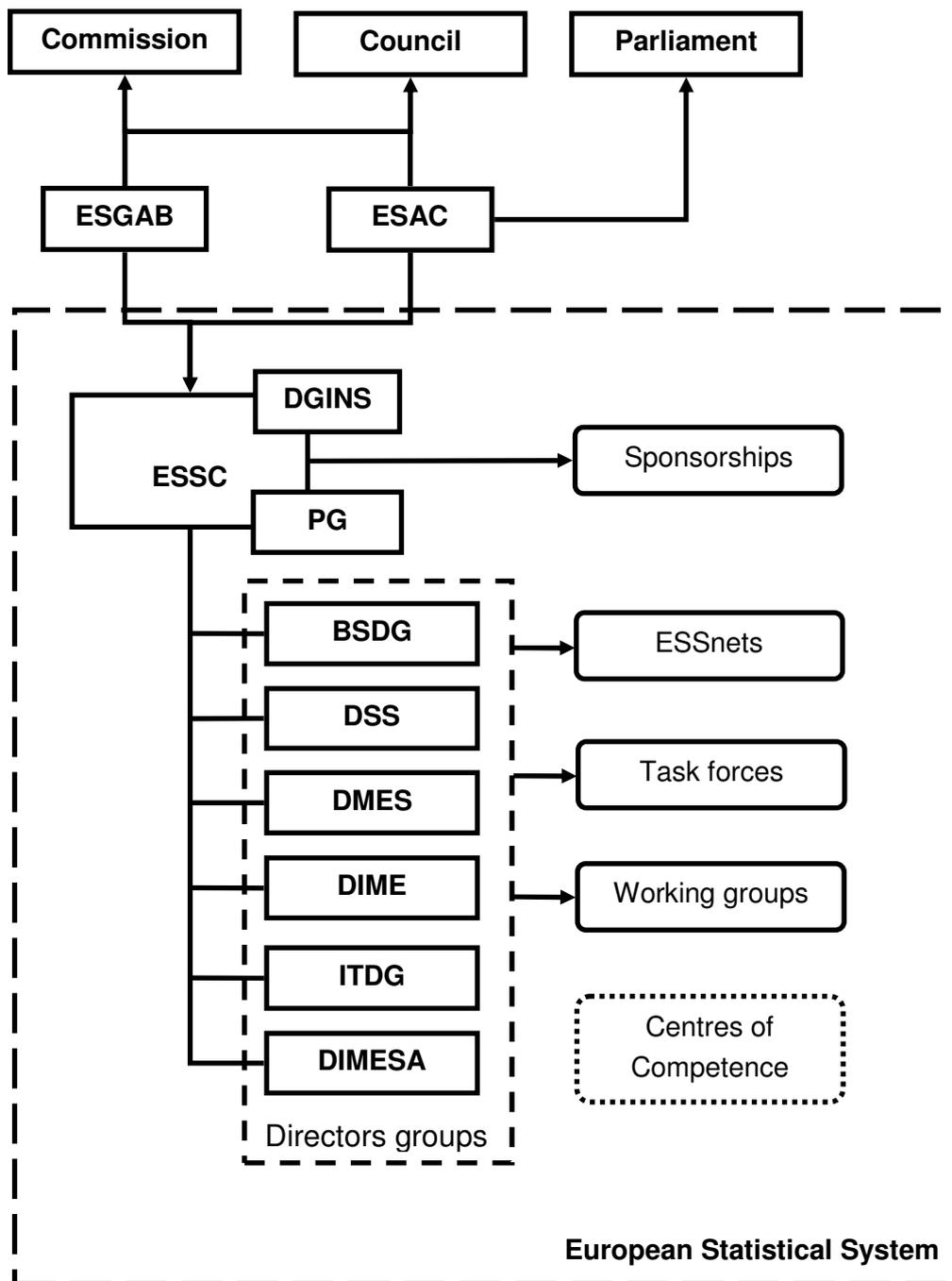
*European Collaboration.* The regulation provides the option to set up (temporary) collaboration networks on specific statistical topics, provided that the results of such a collaboration are made available to the whole ESS. The regulation also provides the option for a “European approach to statistics” when this either improves quality on a European scale, improves cost-effectiveness or reduces administrative burden.

*Collaboration with other bodies.* Eurostat and the ESS shall seek collaboration with the other European Statistical Bodies, in particular the European System of Central Banks (ESCB), and especially where collaboration can reduce administrative burden. The regulation also explicitly provides for the option of exchanging (confidential) data between these bodies. An example of a collaboration between a statistical agency and a central bank is the development of the JDemetra+ software for seasonal adjustment. This software has been built in a collaboration between Eurostat and the Central bank of Belgium.

*Confidentiality.* The regulation provides extensive articles that guarantee confidential treatment of statistical (micro-)data. It establishes who may access confidential data and how they may be used (scientific, or for statistical purposes only). Also, members of the ESS are required to take measures to make violation of confidentiality punishable.

## 2.2 Governance and collaborations

Figure 1 gives an overview of the European Statistical System’s governance structure and collaboration mechanisms. The ESSC, consisting of Directors General of all participating member states functions as “daily management” and meets four times each year. ESSC meetings are prepared by the Partnership Group (PG). The PG consists of the DG and vice DG of Eurostat, an elected chairman from the member states, the chairman of the previous and the next period, and five other, chosen DGs of other member states. The DGINS meeting is an annual conference of all Directors General of the participating and candidate member states that is used to discuss organisational and thematic (statistical) current topics. For example, in 2012 the main themes were “green economy” and “geospatial statistics”, in 2013 the subjects are “new round of peer review” and “big data”.



*Figure 1. The European Statistical System and its relation to governing bodies of the European union.*

As stated above, the ESSC is responsible for the multi-annual programme. The European Statistical Advisory Committee (ESAC) advises the ESSC on the content of this programme and reports directly to the European Commission, Council and Parliament. The European Statistical Governance Advisory Board (ESGAB) reports to the European Commission and the Council and guards of the implementation of the Statistical Code of Practice, for example, by organising peer reviews.

For specific strategic subjects or tasks, the ESSC can appoint a *Sponsorship*. A sponsorship consists of a delegation of several member states, usually at DG-level, which perform a specific task, for a fixed period of time. For example, in the period 2011-2013 the *Sponsorship on Standardisation* has investigated methods for improving standardisation processes within the ESS. This has eventually led to an ESSnet on standardisation (2012-2014).

Under the ESSC there are six director's groups governing various subjects related to the production of statistics on a strategic level. These are the Business Statistics Directors Group (BSDG), Directors of Social Statistics (DSS), Directors of Macro-Economic Statistics (DMES), Directors of Methodology (DIME), IT Directors Group (ITDG) and Directors' Meetings of Environmental Statistics and Accounts (DIMESA). Some director's groups have a subgroup preparing the plenary meeting (not in Figure 1). For example, the DIME plenary meeting is prepared by DIME-Steering Group meetings, where the steering group has about ten members. The directors groups are mandated by, and report to the ESSC and govern ESS-activities where actual (statistical) development is done. There are several ways in which such activities can take place, some of the most common ones are stated below.

*ESSnets* are projects, subsidised by the Commission (Eurostat), performed by NSIs developing products to be used by the whole statistical system. This MEMOBUST handbook, for example, is the product of an ESSnet. ESSnets typically have duration of 2-4 years and can have a substantial amount of staff working on them from various member states.

*Task Forces*, consisting usually of a few experts from various NSIs, can be appointed to perform a specific task. One recent example is a Task Force which developed a Quality Assurance Framework for the ESS (Nov 2011-June 2012). Task forces need not be limited to members of the ESS and can involve experts from other organisations like the OECD or ESCB.

*Working groups* are collaborations between subject matter experts which are usually of a more permanent character. For example, the Working Group on harmonisation of consumer and price indices started in 1993 and still exists now. Working Groups need not be limited to the ESS but may involve experts from outside the ESS, such as with the SDMX technical working group which consists of members from NSIs, Central Banks, the OECD and the World Bank. In many cases, working groups report to one or more of the Director's Meetings.

*Centres of Competence*. These do not exist right now, but there is currently a strong interest in developing them. Competence Centres will likely to serve a role providing (methodological, subject-matter) knowledge and expertise across NSIs and Eurostat within the ESS. Modalities for financing, governance, tasks and mode of operation are at the time of writing being discussed in various Directors Groups.

### 2.3 *Statistical production: status and future directions*

Currently, most European statistics are compiled by Eurostat based on aggregate figures delivered by members of the ESS and other partners (ESTAT, 2009). This means that the statistical production systems of Eurostat and other institutes are completely separated. Harmonisation of statistical concepts, methods and processes is established via both formal and informal, consensus-driven routes.

The formal side of harmonisation is established by fixing agreements in European regulations. For example, regulation N° 1893/2006 (EU, 2006a) establishes the NACE classification (Rev. 2) of economic activities. The NACE classification itself is referred to in the regulation that establishes the

short-term statistics (EC, 1998; EU, 2005) by specifying, in terms of NACE codes, on which type of activities member states should report. The same regulation also provides details on the type of statistical unit, level of detail, timeliness of data deliveries and so on. The interpretation of these regulations is aided by guidelines such as the *Methodology of short term business statistics* manual (EU, 2006b).

Regulations like the STS regulation and their corresponding guidelines do not establish explicit demands on methodology or the value of statistical quality measures such as confidence intervals. Such issues are mostly covered by in collaborative projects where the consensus on these matters is established. Recent examples include the production of a *handbook on precision requirements and variance estimation for ESS household surveys* (ESTAT, 2013) and the recommendations on the use of administrative data developed in the *AdminData* project (ESS, 2013). The documents produced by the MEMOBUST project should be regarded in this light as well. Such handbooks and documents provide recommendations by field experts, have been subjected to extensive peer review, and are ultimately presented to one or more of the ESS' directors groups for endorsement. In principle, such recommendations can ultimately be upgraded to actual standards, and the recent work of the *Sponsorship on Standardisation* and the ensuing *ESSnet on Standardisation* offer guidelines on when and how to standardise existing common practices and (quasi) standards.

To obtain the data from their suppliers, Eurostat currently uses a “single entry point policy”, meaning that all data deliveries should go through a single access point at Eurostat. The current implementation is provided by the eDAMIS (electronic Data files Administration and Management Information System) software, which data suppliers can use to upload their data to Eurostat.

In 2012, Eurostat unfolded ambitious plans to develop far-reaching integration of statistical production systems in the ESS under the title “ESS.VIP programme”, where VIP stands for Vision Implementation Projects. Here, *Vision* refers to a communication of Eurostat to the European Committee entitled “on the production method of EU statistics: a vision for the next decade” (ESTAT, 2009). In short, in the vision it is argued that the ESS should move away from stove-pipe oriented and separated production systems and replace it with integrated systems where production (software) tools and (micro-)data can be shared and reused securely. Needless to say, such a transition would have a tremendous impact on the way official statistics are produced in the ESS requiring not only changes in current business architecture but possibly policy changes at the political level to allow for the sharing of microdata, for example.

At the time of writing, the scope, governance, financing, and mode of operation of both the ESS.VIP programme and its final products are still being debated by the directors groups and at ESSC level. However, regardless of the outcome, it does seem likely that steps towards further integration will be taken in the future.

### **3. Design issues**

Not applicable

### **4. Available software tools**

Not applicable

## 5. Decision tree of methods

Not applicable

## 6. Glossary

For definitions of terms used in this module, please refer to the separate “Glossary” provided as part of the handbook.

## 7. References

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## **Interconnections with other modules**

**8. Related themes described in other modules**

1. Not applicable

**9. Methods explicitly referred to in this module**

1. Not applicable

**10. Mathematical techniques explicitly referred to in this module**

1. Not applicable

**11. GSBPM phases explicitly referred to in this module**

1. Not applicable

**12. Tools explicitly referred to in this module**

1. Not applicable

**13. Process steps explicitly referred to in this module**

1. Not applicable

## Administrative section

### 14. Module code

General Observations-T-The European Statistical System

### 15. Version history

Version	Date	Description of changes	Author	Institute
0.0.5	20-03-2013	first version	Mark van der Loo	Statistics Netherlands
0.0.6	21-08-2013	update after review	Mark van der Loo	Statistics Netherlands
0.0.7	26-08-2013	references updated to meet requirements	Mark van der Loo	Statistics Netherlands
0.0.8	02-09-2013	updates on references	Mark van der Loo	Statistics Netherlands
0.0.9	16-09-2013	removed double blanks; reference updates	Mark van der Loo	Statistics Netherlands
0.1	30-09-2013	preliminary release		
1.0	26-03-2014	final version within the Memobust project		

### 16. Template version and print date

Template version used	1.0 p 4 d.d. 22-11-2012
Print date	21-3-2014 17:22