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Relations between Statistical Offices and Governments

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Introduction

1. Etymologically speaking, the term *statisticus* denotes a "statesman": the word, used in seventeenth-century legal Latin, engendered the noun "statistician" (in French, *statisticien*) by the early nineteenth century. Despite this common root—and fortunately for both statisticians and statesmen—the two occupations are now clearly distinct, so much so that their respective languages are sometimes too far apart. However, the relations between governments and national statistical institutes (NSIs) are very close, and I am pleased that the topic has been chosen for discussion at the Conference of European Statisticians.

2. My paper focuses on the issue of economic studies and research performed in the official statistical systems. While I have no intention of advocating the French system as a model, I will be making many references to our organization, since it is naturally the one I know best.

3. In their relations with the rest of society—especially the world of politics—statisticians may encounter two types of problems: (1) the statistical object may be handled without the caution and distance that are

sometimes required; (2) the statistical object may be exposed to radical criticism.

4. The first problem is linked to what could be called "over-reification." Statistics is supposed to deal with one-of-a-kind objects—such as unemployment, growth, poverty—that can be perfectly measured by quantitative means. Quantification "reifies" these duly certified objects, i.e., it gives them a life of their own, endowing them with a significance they do not necessarily possess, or leading some interpreters to draw conclusions for which the objects provide inadequate support.

5. The second problem, by contrast, is generated by controversy: statistical instruments are portrayed—occasionally or frequently, depending on the fierceness of the attack—as smokescreens designed to conceal the truth. Such criticisms minimize the significance of statistical constructs by describing them as artificial, or even as being manipulated by hidden interests.

6. How can these difficulties be resolved? In the first two sections, I will outline a two-point position that, in my view, could win a consensus: (1) the statistical institution, as a producer, must enjoy a strong credibility; (2) statistical studies at the "post-production" stage are a necessity. I will then address the more controversial issue of whether NSIs themselves should engage in statistical studies. While there are the advantages of an in-house research and analysis capability, some study areas must be excluded from the NSI's terms of reference in order to avoid an excessive closeness to the political sphere. I will also emphasize that the French system, with its fairly strong "internalization" of research and analysis capabilities, is hard to copy elsewhere and thus should not be taken as a model. In the closing section, which deals with international organizations, I will therefore argue not in favor of expanding in-house study units, but in favor of a fuller dialogue with external analysts and users.

I. The statistical institution must be credible

7. The main precondition for solving the problems outlined above is that the credibility of the statistical institution as information-producer must be firmly established—in other words, the institution must be acknowledged as independent and competent. This credibility, in turn, requires a long record of compliance with institutional rules and—since not everything can be codified—with certain practices. The French system's credibility is rooted in a history that may be summed up in four points:

(1) Statistical confidentiality, which in France is protected by law. Access to individual data on enterprises is controlled by a "Committee on Statistical Confidentiality," chaired by a magistrate. Individual data on people are protected for a century after their collection. A law passed in 1978 also protects individuals from improper use of computer processing of personal data.

(2) Rules of statistical data dissemination. These are strictly defined, and the data publication schedules are released well in advance, which helps avert potential pressures. The IMF has played a vital role in securing recognition of the usefulness of these rules.

(3) The NSI's professional independence, which hinges on several distinctive features of the system, discussed below. It also rests on an extensive capability and autonomy in the publishing field: INSEE is not required to submit its publications to the political authorities for prior approval.

(4) France focused at a very early stage on the need for close involvement of users and on the need to turn statistical production into a collective enterprise involving all of society. For example, the law requires that the entire program of the French statistical system be submitted each year to a "National Council for Statistical Information" (CNIS)—a body set up in 1972, whose members represent all the major forces in French society. The Council also examines the medium-term program. INSEE, in other words, does not single-handedly determine the categories of statistical observation: it is the Council that acts as the forum for defining priorities. The emphasis on dialogue with users enhances the French system's adaptability.

8. The planning of statistical operations via an exchange of views between statisticians and users—in the broadest sense of the term—is an alternative to intervention by lawmakers. Indeed, while the French system does, of course, rely on some codification, hardly any of these rules are defined by the legislative. In the past few years, however, legislation has made a strong comeback in the shape of European Community regulations, which are legally binding. This revival has had an impact not only on the broad options (such as work programs, directives, and framework regulations), but also on highly specific technical aspects.

9. All these factors help establish the credibility of the statistical institution as a production agency.

II. The need for "post-production" statistical studies

10. One approach for solving the two problems I mentioned in my introduction is to view the conventions defining statistical objects as being indeed congruent with reality, but only if the objects withstand the tests and attacks that could demolish them. Here, research and analysis serve a crucial purpose. Research studies are "challengeable"—i.e., they can be subjected to discussion and criticism. For this very reason, they can be used to demonstrate that a statistical object holds up well to scrutiny, or to expose the deceptiveness of an object that displayed all the appearances of truth. Research and analysis can thus lead to the definition of new statistical concepts.

11. As specifically regards the relations between statistics and politics, the researcher or analyst acts as a mediator in two ways. First, he or she

provides the political decision-maker with an explanation of statistical objects, the conventions on which the objects are based, and the necessary limits on their interpretation. This helps clear up misunderstandings and misperceptions. Second, researchers and analysts help statisticians tailor their output more closely to user needs and to improve its relevance, forestalling potential criticism.

12. Statistical studies "downstream" from the production stage are therefore a necessity. In stressing the importance of the researcher or analyst as a mediator, I have not yet addressed the issue of precisely where research departments should be located. That is the topic of the next section.

III. Statistical studies in an NSI: the debate for and against

13. Producing statistics is regarded as one of the State's sovereign functions, and in every country there is a public agency with a monopoly in the field. The theoretical argument for such an agency is that statistics is a public good of value to the entire community—a good whose access cannot be confined to selected groups, and whose production entails high fixed costs.

14. Do the same arguments apply to statistical studies? The theory of public goods is more effective here for excluding certain types of study (such as market research) that clearly do not concern the entire community. By contrast, the theoretical legitimacy of including studies is shakier. The most one can argue is that studies addressing areas of general, collective interest and involving high unit costs should be undertaken by a public agency. Moreover, some statistical productions are not truly relevant unless they serve as inputs for research or analysis. This category of output consists of what could be described as "intermediate productions" (such as panel data or certain kinds of microeconomic statistics) that might not necessarily be financed by a market mechanism. Overall, however, the theory of public goods does not offer a clear-cut answer. Experience shows that governments settle the issue in different ways, even in the case of studies that could qualify as a public good: in some countries, the NSI will team up with non-governmental research agencies; in other countries, the study will be commissioned from a public agency other than the NSI; elsewhere, the NSI may be chosen as the most competent entity.

15. The objections to maintaining research and analysis capabilities in the producer institutions are well known. We can list four:

(1) Since research work is often more highly regarded, production activities may be downgraded, impairing their quality—which, in turn, will affect the quality of the studies based on those same statistics.

(2) Unlike statistical production, research and analysis do not always result from "transparent" applications of well-defined procedures.

(3) The choice of study topics may be determined by fashion effects or be overly dependent on developments in the news. In other words, statistical productions and studies do not move in the same time frames.

(4) Most important, some studies may be suspected of offering an over-optimistic assessment of a government measure. Even more insidiously, the statistical system itself may be suspected of self-censorship in its analyses. I shall return to this crucial issue.

16. To counter these arguments, we can point out the natural synergy that exists between research departments and statisticians operating in the same organization. The common "culture" that inevitably develops among members of the same institution promotes the exchange of views. It also gives a greater spontaneity to criticisms—whether they bear on the relevance of concepts or the precision of data—and it ensures that such criticisms will be better accepted. Analysis and research give statisticians a better idea of the strategic orientations that will be needed in tomorrow's statistical investments. These synergies are especially strong when the system's career management practices allow—indeed encourage—personnel to alternate between research assignments and production-related positions.

17. Analysis and research—particularly in the field of enterprise statistics—help establish a partnership or exchange between the field worker and the survey respondent, by providing the latter with the findings that demonstrate the usefulness of the survey. In a way, statistical studies are a "service" that offsets the "cost" to the respondent of filling out the survey form. They also give the NSI a higher profile and broaden the impact of its publications, especially because they supply the media with the tools for reading and interpreting the institute's productions.

18. Statistical studies are a means to develop centers of excellence. They can set virtuous circles in motion. The analytical effort promotes an improvement in statistical quality, which, in turn, makes the studies more relevant. By providing a better understanding of the data and their robustness, analysis allows a better adaptation of statistical studies to their source material. In all probability, there does exist a "critical mass" below which an NSI will find it hard to engage in research and analysis. But this does not necessarily mean that a modest-sized NSI will be unable to do so. It will simply have to be more selective, so as to clearly define the centers of excellence it wants to build up.

19. Thus far, I have discussed the advantages of an in-house statistical-studies capability for the NSI itself. This "internalization" also changes the institute's relationship with the political sphere—sometimes for the better. The mediating role of research staff can be strengthened if they work more closely with statisticians than with politicians, because this proximity deepens the researcher's knowledge of the instruments and conventions employed by statisticians in their efforts to describe economic and social reality. By contrast, if the researcher is closer to the politician, the politician's conceptual framework may be inadequately conveyed to the statistician. In the relations between statisticians and politicians, there is an equal need to avoid excessive closeness—I shall return to this point later—and excessive distance. The exchanges with the political world may even benefit indirectly from the synergy and quality-improvement effects I mentioned earlier.

20. For the moment, therefore, I shall draw a second conclusion. An in-house analysis and research capability is beneficial to the NSI as well as to the relations between statisticians and politicians. However, that capability may bring statisticians and politicians too close together, undermining the independence of the former. Some areas of study should therefore be excluded from the NSI's terms of reference.

IV. The need to draw a boundary in the research field and to open statistical studies to competition

21. Some studies—which I will describe, for lack of a better term, as "minimal"—are a vital complement to statistics. Their purpose is to ensure that the statistics will be properly interpreted and used. Let us say right away that all NSIs engage in analysis to varying extents, and do not simply release figures without providing the basic interpretative tools required. But these are prepared immediately "downstream" from the production phase and are not generally referred to as "studies." When we talk about an analysis and research capability in the full sense, we imply that the role of statisticians is not only to produce figures (even with further processing) but to produce information, i.e., numbers whose significance had been properly described. For example, this definition encompasses short-term economic analysis.

22. The purpose of « Information production » may be to provide general information, i.e., information for society as a whole—a definition that obviously includes the entire political community. I would emphasize here that all INSEE studies are intended for publication. They aim to describe economic, demographic, and social phenomena, and they derive their legitimacy from their scientific character. Should an NSI go beyond this public-information mission?

23. One option for the NSI is forecasting. INSEE's forecasts are confined to the very short term (six months). Two-year macroeconomic forecasts are prepared by the Direction de la Prévision, the forecasting directorate of the Ministry of the Economy, Finance, and Industry. I would like to comment briefly on this distinction, which clearly illustrates one of the boundaries we do not intend to cross in our studies. The six-month horizon is a period in which macroeconomic behavior and performance can be affected only minimally by future official decisions—if at all. Forecasting on so short a horizon therefore cannot be regarded as speculation about such decisions and an ex-ante assessment of their impact, whereas this can (and should) be the case when the time horizon recedes. The NSI thus preserves its independence from the political sphere.

24. Another option for the NSI would be to prepare studies in connection with a decision-making process. Examples include (1) using simulations for studies aimed at defining specific measures to be taken within the context of broad policy implementations, and (2) ex-post assessments of the impact of measures taken. One can understand that political decision-makers want to control the initiation of such studies and their possible publication.

25. Some might contend that the frontier between studies for general-information purposes and studies for advisory purposes is not always easy to

draw. Admittedly, many general-information studies generate attention from political authorities or cater to their concerns. Both types of study require similar competences. And some widely disseminated studies can be regarded as exercises in *ex-post* assessment of policy measures.

26. However, the main responsibility in the advisory sphere must lie with the close advisors of political officials or with units specially set up by government authorities for this purpose. Failure to make the proper distinctions would mean that some NSI studies would assess the policy measures recommended in other NSI studies. In particular, if the NSI can supply-at the authorities' request-information of use in simulating or assessing economic-policy measures, the NSI should not agree to-nor, even more categorically, should it offer to-perform the simulation or assessment. It should also avoid carrying out studies that relate too directly to a decision-making process in the economic sphere.

27. Whatever the dividing-line between in-house NSI studies and external studies, the NSI studies need to be put "in competition" with those of non-governmental organizations. The NSI studies must be "challengeable" and, in some cases, open to academic validation. Findings susceptible to political influence would be swiftly condemned as such by the media and research specialists. One can take this argument one step further: the fact that statistical institutes can perform and publish studies regarded as credible and robust helps deter other organizations from publishing tendentious and less transparent studies.

28. Accepting competition obviously involves taking a risk, which we can sum up as follows: a study carried out by an NSI may well lead to debatable findings, even if the producer has not breached any ethical rules. Unintentional errors do exist, even if they remain errors. But if the study is published by a government agency, the error may be suspected of arising from a tendentious interpretation of the facts.

29. There are two possible responses to this. The first is to conclude that the risk is indeed too high and that it is safer for the NSI to restrict itself to uncontroversial studies. Alternatively, if the NSI opts for risk exposure, it must be convinced that the risk itself greatly enhances the precautions that must be taken in the research area. Here again, history plays a role: a long compliance with institutional rules and ethical practices makes the researcher feel vested with and co-responsible for a "brand image" that, in its turn, provides a guarantee for the user.

V. The French system, viewed as a whole, is an application of a logic that would be hard to transfer elsewhere

30. As I stated in the beginning, it is not my aim to advocate a French "model." I am aware that the French organization-and this is true in many fields other than statistical production and studies-is an application of a logic that separates professional independence and administrative independence. France has chosen not to link the two forms of independence

together. In many other countries, the second is regarded as a prerequisite for the first. The French organizational model is thus very hard to copy elsewhere.

31. Despite its "subjection" to the administrative system, professional independence in France is guaranteed by a set of rules and practices. First, there is the extremely codified procedure for hiring civil servants, notably at management level. In most respects, the status of government employees is highly protected: in practice, it guarantees them a job for life. Government appointments are limited to the very top echelons of the civil service, and are subject to strict guidelines written into the French Constitution of 1958. The French civil service is organized into distinct "corps" (*corps*), often defined by the functional specializations of the government employees who belong to them. The members of each "corps" enjoy specific forms of job protection as well as distinctive promotion and career-management rules. Many government agencies, including INSEE, have their own training school—known as a *grande école* or *école d'application*—whose graduates provide a steady stream of recruits for the agency. Such agencies also have their own inspection staff.

32. This overview illustrates the specificity of the French system. If I were so bold as to venture a recommendation, I would be even less tempted to speak of a French "model," despite all the virtues of professionalism that I see in it. France was a State well before it was a Nation. Administrative functions have therefore been held in high esteem for centuries. The Revolution and the Empire introduced "meritocratic" principles that were strengthened by the later republican regimes. These principles have rationalized the procedures for hiring government employees by making them fairer. But thanks to the enduring aura that surrounds the civil service, the public sector has probably attracted a greater proportion of talented individuals in France than in other countries, where they tend to make their name in the private sector.

33. The French statistical system—in both its production and research/analysis functions—has been shaped by this long history. INSEE—with its *grandes écoles* that bear the stamp of an "engineering culture"—has provided an education generally regarded in France as a benchmark of excellence in statistical studies and economic analysis. However, the Institute may be considered by some observers as having exerted too strong an attraction on researchers. In any event, this attraction strengthens and perpetuates the "internalization" of the research and analysis functions in the official statistical system. As a result, the debate between researchers and analysts—which is very intense, and at times impassioned, between public organizations and even within them—is probably less fertile than the exchanges in other countries between government agencies on the one hand and private research units and the university on the other.

VI. The need for closer ties between international statistical organizations and users

34. In conclusion, I would like to take some of the issues raised in this paper and apply them to international statistics-producing organizations.

35. As I am not advocating the French system as a model, my intention is not to recommend that international statistics-producing organizations should set up a highly developed in-house research and analysis capability. However, I did stress at the outset the central importance of research and analysis in establishing a better relationship between statisticians and users—i.e., in this particular case, the political authorities. I would therefore like to emphasize the need, at the international level, for a far greater dialogue and discussion between statisticians, users, and research organizations.

36. The first reason for this need is that the compilation of aggregated statistics at a supra-national level often leads to trade-offs, notably between completeness and comparability. One example is the construction of harmonized consumer price indices. There comes a time when the legitimate desire for broader coverage clashes with the goal of preserving an adequate comparability. Another example is provided by the indicators that monitor the performance of individual countries on social issues such as the unemployment-to-work transition, the war on poverty, the improvement in educational-attainment levels, and so on. In these cases, we face the following dilemma: either we use indicators drawn from specific national sources, which are suitable to the topic studied but hard to compare from one country to another; or we use "harmonized" supranational indicators, which are comparable by definition but are not well suited to the topic we want to examine. The compilation of harmonized statistics thus gives a special urgency to questions that are both epistemological and technical in nature.

37. The second reason is related to, but somewhat distinct from, the problems set out above. Supranational statistics may lead to projections that differ from national statistics even though they seem to cover the same objects. This may cause problems of interpretation. Worse, the credibility of national statisticians may be undermined by the existence of different—or, at times, divergent—indicators for aggregates that the general public tends to regard as identical, such as the price index and the unemployment rate. Education and explanation are therefore vital to avoid misinterpretations and misunderstandings.

38. Thirdly, most national producers of statistics have a long experience in user relations, if only because the entities that they survey and that enable them to compile data are also the users of those same data. This is especially true of business firms. For statistics that undergo further processing, the users are much harder to identify; all too often, it is assumed that they consist exclusively of public authorities. In a world of steady trade growth and increasing liberalization of capital movements, the needs of a large population of private users should be taken into account.

39. Lastly, international organizations should take up issues that, even if they do not pertain to harmonized statistics, touch upon common concerns of NSIs. The recent controversies over national price indices offer an example of an issue that would have deserved an in-depth and serene examination—and not only the reaction triggered by the publication of the Boskin report.

40. We believe the OECD would be an excellent forum for exchange, dialogue, and debate with users and research entities. I am convinced that, in this area, there is a need to enhance the way the Organization operates.
