

Independence for statistics: A consultation document

H M Treasury – March 2006

Pre-amble:

Further to the recent publication of the above document, I, personally, only wish to comment on the matters of the **independence** and **integrity** of a national statistical agency, such as the Office for National Statistics (ONS) in the UK.

Independence:

The matter of **independence** has been widely promulgated by the United Nation's Statistics Office for many years in its various editions of its *Handbook of Statistical Organizations*. The consultation document recognizes this fact (see section 4.1) by suggesting that 'strengthening the existing arrangements by entrenching independence in legislation'. The **independence** of a country's statistical office is coupled with both **trust** in and the **integrity** of official statistics. Demonstratively the UN in the introduction to its afore-mentioned publication stresses that "*in order for the public to trust official statistics, a statistical agency must have a set of fundamental values and principles that earn the respect of the public. These include independence, relevance and credibility as well as respect for the rights of respondents.*"

In all editions of the publication the UN, in fact, devotes two complete paragraphs to the matter of **independence** (see below). These points seem to have been completely disregarded by consecutive governments in the UK, as without this independence the output of the UK's statistical agency is not trusted by the public to a large extent and to a lesser extent by industry. The UN Statistical Office states in Section A5/6 "*A widely acknowledged position of independence is necessary for a statistical agency to have credibility and to carry out its function to provide an unhindered flow of useful, high-quality information for the public and policy makers. Without the credibility that comes from a strong degree of independence, users may lose trust in the accuracy and objectivity of agency data, and data providers may become less willing to cooperate with agency requests. In essence, a statistical agency should be distinct from those parts of the Government that carry out enforcement and policy-making activities. It should be impartial and avoid even the appearance that its collection, analysis and reporting processes might be manipulated for political purposes or that individually identifiable data might be turned over for administrative, regulatory or enforcement purposes.*"

Consequently for a statistical agency to operate from a strong position of **independence**, especially from Government, it is imperative that its objectives are fixed and overseen by an independent body (see later) and its priorities agreed between such a body and the chief statistician of the statistical agency.

Integrity:

In the consultation document under section 4.3 it states that one of the key principles is that 'statistics should have high integrity, that is, to be free from political interference'. This fact is ably stressed by the UN statistics Office in that "*A statistical agency's stock in trade is the recognition of its name and the **un-impeachability** of the attributes associated with that name. Thus, the agency must be perceived to have the legal basis to intrude on the privacy of individuals, enterprises and institutions; the integrity not to part under any circumstances with the individual information, which it collects in the course of its activities; the competence to use that information in order to derive the best possible estimates of aggregate measures; and the sense of responsibility to ensure that those measures are useful to the Government and to the public at large. These attributes stem from pride and respect for the agency image, and sufficient legal competence to ensure that the agency works well within lawful boundaries.*"

Over the past few decades there has been a public perception that the Government in power that Ministers and often their officials, who have early access to official statistics prior to their release, manipulate the such data prior to its release to the benefit of the Government in power. Nevertheless, even though in the UK there is a Protocol on this matter, this still does not instill public confidence in officially released statistics. Consequently, it may now be time, given a future independent statistical office in the UK to change the dates of data release to a Friday evening or Saturday morning. Such a move as this would mean that Ministers and their officials would have at least 48 hours to prepare their comments for the Press and public on the Monday following, so that there will then be **NO** need for pre-release. This arrangement will dramatically improve the **integrity** of official statistics in a very short time and also in the public eye. This point of **impartiality**, which is one of the main attributes of integrity, has been ably stressed in the Fundamental Principles of Official Statistics (Conference of African Planners, Statisticians and Demographers – Addis Ababa, March 1994): "*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 honor citizens' entitlement to public information.*"

The Office for National Statistics (ONS):

To achieve the independence of the ONS together with a very high degree of integrity it will obviously be necessary to restructure the levels of reporting for the ONS in the UK and its accountability. The National Statistician will need to report and be accountable to a Statistics Committee of the House of Commons representing all parties, which itself will be responsible to Parliament. By this means and given the proposal (see section 4.17) to set up a Statistics Board, some of the objectives of the Board are suggested to be 'to ensure the quality and **integrity** of the National Statistics system, by developing and maintaining the code of practice, and assessing National Statistics against the code'. This

is obviously an important proposal in order to form the basis of trust in National Statistics.

This Statistics Board needs to be independent, with a non-executive Chair (section 4.31) and would be responsible for the National Statistics Office. Furthermore the Statistics Board would need to have a broader role in ensuring quality and **integrity** across the system (section 4.16), given that the ONS will be established as a Non-Ministerial Department (NMD). Consequently the new Statistics Board, which will oversee the work of the ONS, will ultimately have executive responsibility for the ONS. The embryonic form of the Statistics Board can already be seen in the current Statistics Commission, which the Board can supercede.

Conclusions:

As can be seen from the foregoing, **independence** and **integrity** go hand in hand and will, with no pre-release to Government and its representatives of official statistics, renew and strengthen trust in official statistics by the public and industry. Such official statistics will have been produced by the qualified statisticians at an impartial ONS, independent of the Government in power, and not be perceived to have been manipulated by the Government to its own benefit. Hopefully, within a short period of time from the setting up of an independent ONS, public trust in official statistics will increase greatly, given the knowledge that they are being produced by an independent ONS, which operates on the basis of both integrity and impartiality. The operation of the ONS in future should be overseen by an independent Statistics Board and be accountable to an all party Statistics Committee of the House of Commons (reporting to Parliament). By this means then the mechanisms will be in place to generate an independent system for National Statistics in the UK with an underlying base of impartiality and integrity, which will restore the public's trust in official statistics.

Philip J Watson BA (Econ), C.Stat

[former Chief Statistician, International Rubber Study Group, 1979-2002]

30 March, 2006