

The 2014/2015 European Peer Reviews – facilitating for statistical cooperation in the Nordic countries

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Abstract

In 2014-2015 Eurostat conducted peer reviews in all EU member states and EFTA countries based on the European Statistics Code of Practice. For the Nordic countries the result can be looked upon in the light of their similarities in both the development of their societies and their statistical systems. They all have register-based statistical systems, and they have had a formalized Nordic statistical cooperation since 1889. Several of the recommendations from the peer reviews and the planned actions are similar in the Nordic countries. The paper investigates similar recommendations and challenges pointed at in the peer reviews to see where the Nordic countries could increase cooperation benefitting from an already strong collaboration.

Keywords: peer review, official statistics, administrative registers, coordination

1. Introduction

In 2014-2015 Eurostat conducted peer reviews in all EU member states and EFTA countries based on the European Statistics Code of Practice (CoP). National Statistical Institutes (NSIs) and National Statistical Systems (NSSs) were evaluated based on self-assessment and visits from peers. The reviews resulted in a list of recommendations and corresponding action plans from all the countries.

For the Nordic countries the result can be looked upon in the light of their similarities in both the development of their societies and their statistical systems. They all have register-based statistical systems, and there has been a formalized Nordic statistical cooperation since 1889.

Overall, peer reviewers found a high level of compliance with the principles of the Code of Practice in the Nordic countries, not least with regards to professional independence as well as quality and cost effectiveness due to the advanced use of administrative records in the statistics production. But the peer review also shows, that the Nordic countries are facing some of the same challenges in

moving forward the implementation of the Code of Practice. Notably with regards to a number of ‘institutional’ issues, several of the recommendations from the peer reviews are similar in the Nordic countries.

The paper investigates those similar recommendations and challenges pointed at in the peer reviews, and outlines some of the planned actions of the Nordic countries to see where we could increase or benefit from our already strong cooperation. The issues concern:

- formalising the NSS, including the definition of ‘Official statistics’;
- ensuring quality management across the NSS and;
- formalising cooperation with administrative data providers.

The paper concludes by highlighting a number of key questions for the Nordic and wider ESS community, as well as proposing specific domains/projects for further cooperation, knowledge-sharing and mutual inspiration within the Nordic countries to address common challenges.

2. Formalizing national statistical systems and strengthening the coordination role of the NSI

2.1. Coordination and national Statistics Act

The revised EU Statistics Act (2015/759) obliges NSIs to coordinate work of other national authorities (ONAs) responsible for production and distribution of European statistics (Article 5). Liabilities of NSIs stretch rather deep into the quality and methodologies of the whole NSS. The principles of the CoP have no straight implications on the coordination of the NSS, but the new obligations of the EU Statistics Act can be recognized in the peer review recommendations given to the Nordic Countries.

The Statistical Systems of the five Nordic countries differ by the degree of centralization. Norway, Denmark and Iceland all have rather centralized Statistical Systems, Sweden applies a decentralized model and Finland a medium choice. However, the degree of centralization of the NSS is not a key factor for a successful execution of the CoP. More important, given the Peer Review recommendations, is a strong position of the NSI defined by the national statistical legislation and recognized by other producers of Official Statistics.

The Peer Reviews of Norway, Denmark and Sweden recommend strengthening/promoting a greater coordination role of the NSI by amending the existing national Statistics Laws. Especially in the case of Denmark (centralized system) and Sweden (decentralized), where the independent position of other governmental producers of statistics does not support the coordination role of the NSI.

In Finland the coordination role of the NSI is phrased in the Statistics Act. The strong role of the NSI is also recognized by other national statistical authorities, though the statistical system is less centralized than in Norway and Denmark.

DENMARK	4. The role of Statistics Denmark as the coordinator of the production of official statistics should be laid down in the new legislation (European statistics Code of Practice, Principle 1).
ICELAND	5. A plan for the National Statistical System (clearly identifying European Statistics) should be developed and published, and progress reported regularly. (European statistics Code of Practice, all Principles and Coordination.)
NORWAY	4. The responsible authorities should amend the statistical legislation to strengthen Statistics Norway's coordination role. (European statistics Code of Practice, Principles 4 and 11, coordination.) 7. Statistics Norway should strengthen its coordination of the Other National Authorities producing European statistics in planning and monitoring European statistics actions. (European statistics Code of Practice, indicators 4.1 and 4.2.)
SWEDEN	4. The structure and legal basis of the current national statistical system, with many legally mandated and independent small statistical authorities with limited statistical resources, should be reviewed in order to promote greater planning and coordination. (European statistics Code of Practice, Principles 1, 5, 10, 14, 15)

Table 1. Peer review recommendations for Nordic countries on 'Coordination'

Most of the Nordic countries are presently at the stage of revising their national Statistics Acts urged by the recommendations of the Peer Reviews and changes made in the EU Act with the aim of strengthening, amongst other issues, the coordinating role of the NSI.

2.2. "Official Statistics"

In the light of the Peer Review recommendations one of the key factors in formalizing a National Statistical System is the concept of "Official Statistics". Recommendations for Denmark, Norway and Sweden suggest, that a clarification of the contents of "Official Statistics" should be made. For Iceland and Finland no recommendations were given on this item.

The EU Statistics Act or the CoP does not give any support on defining the concept and contents of "Official Statistics". ESS statistics are statistics, which are mentioned in the ESS Work Program. In principle all the ESS statistics could be specified as "Official Statistics", but in practice "Official Statistics" are left to be defined at the national level. On the basis of different national practices, the relation of the concepts of ESS statistics and national "Official Statistics" is different (often unclear) in different Nordic countries.

In Sweden, according to the Statistics Act, official statistics should be marked as Official Statistics of Sweden (or with a symbol) when made available. In practice it is up to the independent authorities individually to define which product belong to the family of official statistics and which not.

In Finland, in case of a strong coordination role of the NSI, the decision on inclusion (or exclusion) of a statistical product to the group of “Official Statistics” is made officially in the Advisory Board of Official Statistics of Finland (chaired by the NSI).

In Norway and Denmark there is no brand or label of “Official Statistics”, though some “work” definition¹ might be used. For Norway reviewers recommended that the definition of national “Official Statistics” should be included in the national Statistics Act, while in Denmark reviewers only specified that Statistics Denmark should arrange for such a definition.

In their recommendations to clarify the concepts and contents of “Official Statistics”, peer reviewers do not explicitly define what this clarification should include.

In Denmark a national consultation process with ONAs has been carried out based on an ‘Action plan for Official Statistics’ issued by Statistics Denmark². The consultation has shown that defining ‘Official Statistics’ is in itself challenging and that there are many grey areas. Danish governmental agencies produce (and publish) a variety of data and numbers for a variety of purposes, although mainly for administrative purposes and for supporting policy development: Which of these should be characterized as official statistics? Or even as statistics? And should all statistics produced by governmental authorities be termed ‘Official’ or only those complying with certain quality standards? How to proceed in clarifying ‘Official Statistics’, could be an area of common interest for the Nordic countries.

2.3. Other tools to formalize the National Statistical System

The Peer Reviews of the Nordic countries include several other recommendations (in addition to those covered above) to increase formalization of the NSS, which all have the general aim to strengthen the role of the NSI as the Focal Point of the Statistical System.

The given recommendations range from establishing well-functioning quality assurance in the NSS, - including development of national guidelines and periodic reviews of compliance with the quality criterion (more on this below) - to more specific actions of cost-effective data collection methods (Sweden), establishing common dissemination portal (Denmark, Finland, Sweden), control of data delivery and cooperation with Eurostat (Norway) and user satisfaction surveys. Building of capacity

¹ In Norway: <http://www.ssb.no/en/omssb/om-oss/vaar-virksomhet/offisiell-statistikk>

² ‘Handlingsplan for officiel statistik’ (in Danish only): <http://dst.dk/-/media/Kontorer/XX-Direktionssekretariatet/Handlingsplan-for-officiel-statistik.pdf?la=da>

by training and fluent transfer of knowledge for all actors of the NSS are all seen in Peer Reviews as part of the strengthened role of the NSI.

3. Quality management across the NSS – ensuring the brand of Official Statistics

The issue of coordination and of defining ‘Official Statistics’ is closely linked to that of quality assurance within the NSS. Across the Nordic countries (except for Iceland), peer reviewers pointed to the need to extend quality management *beyond* the NSI and to establish well-functioning procedures to ensure the quality of *all* official statistics.

3.1. Which quality standards for official statistics?

In the case of both Norway and Denmark, peer reviewers called for a clarification of the term official statistics (as mentioned above) and emphasized that this should include a set of quality criteria to which these statistics should comply. In both cases, reviewers recommended that the European CoP should be used as the overarching quality standard for official statistics, whether national or European, ensuring one standard for official statistics serving both national and European purposes.

In Denmark, a national consultation with ONAs (described above) has showed that the European CoP is seen by many ONAs to be too comprehensive and not compatible with their organizational reality since in most cases, statistics production constitutes only a minor part of their organizational portfolio. However, since the CoP already applies for all European statistics, there are obvious advantages in applying the CoP as the standard for all official statistics. The challenge therefore lies in translating the CoP into a set of national guidelines, which are both reasonable and applicable to ONAs.

A first version of such quality guidelines has been developed and disseminated by Statistics Denmark in spring 2016. The aim is to *both* provide ONAs with a useful tool for working with quality *and* to establish a basis for evaluation (monitoring) of the statistics produced by ONAs. For the moment the guidelines only apply to European Statistics (in line with the requirements of the new law on European Statistics). However, the idea is that they could be extended to apply also for national statistics as recommended by peer reviewers (possibly as a part of the current revision of the Danish Statistics Act). The guidelines will be evaluated in 2018. The experiences from implementing the national quality guidelines in Denmark could be beneficial to the other Nordic countries.

3.2. Monitoring and enforcing quality standards across the NSS

In Finland and Sweden, official statistics are already subject to specific quality criteria, which are compatible with the criteria of the CoP. However, according to reviewers, the enforcement of these criteria could be improved. In Sweden, the quality criteria for official statistics are included in the statistical law, but the law does not include any provisions on how to implement or review the quality criteria. As mentioned above, the statistical authorities decide themselves on which statistics to be made “Official Statistics” according to their areas of responsibility and hence reviewers recommended that a mechanism should be put in place to review the quality of official statistics to ensure that they live up to the standards of the “Official Statistics of Sweden” label.

DENMARK	6. Statistics Denmark should produce national guidelines, in line with European quality standards, for the development, production and dissemination of official statistics (European statistics Code of Practice, Principle 4 and indicator 1.4). 7. Statistics Denmark should arrange periodic reviews of the compliance of official statistics with the national quality guidelines, and should issue a quality label when conditions are met (European statistics Code of Practice, Principle 4 and indicator 1.4).
FINLAND	18. Statistics Finland should promote the practice of systematic quality audits by Other National Authorities, and foster the participation of external reviewers in the auditing process (European statistics Code of Practice, Principle 4).
SWEDEN	3. Standard mechanisms and procedures should be put in place to review the quality of official statistics and thus certify whether the different products comply with the label “Official Statistics of Sweden”. (European statistics Code of Practice, Principles 4, 6, 7, 11, 12, 13, 14, 15.)

Table 2. Peer review recommendations for Nordic countries on 'Quality assurance in the NSS'

In Finland, the advisory Board of Official Statistics approves the establishment of new official statistics and monitor compliance with the criteria as described above. However, peer reviewers recommended that Statistics Finland should promote the practice of systematic quality audits in ONAs and should foster the participation of external reviewers in the auditing process.

Also in Denmark, reviewers recommended that Statistics Denmark should arrange periodic reviews of the compliance of official statistics with the national quality guidelines and issue a quality stamp when conditions are met. Statistics Denmark is planning to monitor the national quality guidelines for European statistics, described above, through a yearly self-evaluation process resulting in a qualitative report for each ONA and one for the Danish NSS as a whole. 2016 will be the first year of this monitoring. Moreover, the plan is to initiate quality audits in ONAs from 2017 with the aim to evaluate compliance with the guidelines³. This procedure could be extended to cover also national statistics, if and when the institutional conditions are established.

³ The plan is that audits will be conducted by a team consisting of reviewers from both Statistics Denmark and from other ONAs.

In Finland, the process for establishing quality reviews in ONAs is already under way. Statistics Finland has organised training courses on internal auditing for the organisations of the NSS, several agencies have previously carried out self-assessments and two organisations have carried out audits themselves. The auditing process has now been widened with external reviewers (two pilots) and in both cases the pilot organizations have been very satisfied with the experience - although the process is a bit burdensome it has been found to be very rewarding. The plan is to further widen the network of reviewers. Other Nordic countries could benefit from the Finish experiences.

4. Formalizing cooperation with administrative data providers

4.1. Accessing administrative registers

The Nordic statistical model is vastly based on the use of administrative registers. For the NSIs and the register-owners cooperation and granting access has been more or less taken for granted. This has led to cost-effective statistical production and great possibilities for the development of statistics.

However, the Peer Reviews revealed a rather fragmented picture on how this cooperation is organized. Even if formalization is present in most Nordic countries through the law and in some cases through additional agreements, the peer review teams pointed at all countries, except Norway, for further efforts to secure access and the possibility to influence registers needed for the statistical production.

DENMARK	10. Statistics Denmark should complete formal agreements with all providers of administrative data, and any existing arrangements should be reviewed, to ensure that they include provisions regarding advance notification of system changes and the possibility for Statistics Denmark to give its views before such changes are finalised (European statistics Code of Practice, Principle 2 and indicators 8.8, 8.9, and 10.3).
FINLAND	7. The data-sharing agreements between Statistics Finland and administrative data owners should, as far as practicable, take account of the changes that could affect official statistics (European statistics Code of Practice, Principle 2, indicators 8.8, 8.9, and 10.3). 8. Finnish authorities should consider the feasibility of reinforcing the legal framework to take account of the requirements of official statistics. In particular, official statistics should be considered as one of the purposes of the main administrative registers. Reasonable advance notice should be given in the case of proposed system changes, and Statistics Finland should be consulted before changes are finalised (European statistics Code of Practice, indicators 2.2, 8.7, 9.3, 9.4, 9.5, and 10.3).
ICELAND	3. Statistics Iceland should establish thematic/topic based groups of producers of, and contributors to, European (and other official) statistics, including owners of registers and administrative data sources. 10. Statistics Iceland should review formalise and publish all data sharing agreements – and should use this exercise to further enhance its understanding of the quality of administrative data, to explore access to other sources of administrative data, and to provide transparency about flows of data.
SWEDEN	11. The statistical legislation should be amended in order to facilitate the greater use of administrative registers for statistical purposes including: clarifying the right of all statistical authorities to be informed about the development of the registers, and their ability to influence the content of the registers. (European statistics Code of Practice, Principles 9, 10)

Table 3. Peer review recommendations for Nordic countries on 'Formalising use of administrative registers'

In Finland and Norway the NSIs are in principal informed and involved about changes in administrative registers and in Iceland there is an extensive informal involvement. Finland was however recommended to reinforce their law by implementing official statistics as one of the main purposes of the main administrative registers and that the existing agreements should better take this purpose into account. Statistics Finland will by end of 2017 renew the agreements with the approximately 50 identified register owners taking into account that they should be informed when changes in the registers potentially influencing the statistics production are done of which around 30 agreements has already been signed.

4.2. Quality agreements with data providers

Both Denmark and Iceland were recommended to work further on the formalization by establishing agreements with the register owners. In Iceland there has been a strong informal cooperation and involvement of the statistical office that they will formalize through data sharing agreements finalized by 2016. While in Denmark the public authorities are obliged to delivering necessary data within the existing legal framework. However the current legal framework, which is now under revision (spring 2016), does not specify the conditions for data sharing and does not ensure the involvement of Statistics Denmark when changes are made to central registers. There are some agreements in place; but for some important registers, there have been cases of unannounced and significant changes with negative effects on the statistical production. This will be improved by establishing a standard contract to be signed by Statistics Denmark and its counterparts by end of 2016.

For Sweden, the Peer Review pointed to a weakness in the law when it comes to facilitating for the use of administrative registers and practice of involvement when changes are made in the registers. The issue of access was however already brought to Statistics Sweden's attention in an official assessment of Sweden's official statistics from 2012⁴ and measures are currently being taken to implement a standardized agreement between statistical authorities and register owners. As for the legal amendments to ensure a better use of administrative data, this is typically a responsibility beyond the Statistical Authorities. Both recommendations from the Peer Review and the results from the official national assessment on issues related to access to administrative registers has been brought to the attention of the responsible ministry.

⁴ *Vad är officiell statistik? En översyn av statistiksystemet och SCB*, Bengt Westerberg, SOU 2012:83

Statistics Norway started the work on formalization in 2012, and as of 2016, 28 agreements with 30 identified register owners, accounting for 111 register sources, has been signed. The initiative came when internal quality reviews, based on the European Code of Practice, of several statistical products had been conducted and indicated a need to secure input quality from administrative data sources. General agreements on co-operation with external register owners was established and bilaterally rooted in the top management. The agreements follow a standard template and are also followed by a quality report for each register source based on the quality indicators from the Blue-Ets Work Package 4⁵. As of 2016 such quality reports are produced for 101 register sources.

4.3. Securing quality data from registers

The actions plans from the four countries with recommendations relevant to access to administrative registers all acknowledge that there is a need for securing the right to influence through the law. For those whose laws are already clear on the relations with registers, actions are already implemented or will be so in the near future using formal agreements as a tool.

Register based statistical systems needs to focus on securing quality in input data where the data collection is not done within their controlled environment. Good cooperation with other public institutions is crucial to achieve this. The experience from Norway shows there is a mutual interest to co-operate to gain efficiency among the actors.

To maximize the utility, some of the registers in Norway are subject to *data processing agreements* between the register owner and Statistics Norway where Statistics Norway can feed back factual errors in the register to the register owner⁶ and hence maximize the quality gains for all stakeholders. With increased quality in registers their “market value” rises as they will stay attractive for the producers of statistics (as well as other users) and contribute to reducing response burden on persons and businesses as the necessity of additional sample surveys to confirm results will diminish.

Given that countries comply with the CoP and the national legal framework is sufficiently granting the NSIs access to administrative registers, the approach on how to establish sufficient agreements to fulfil the requirements in the CoP (8.8/8.9) could be a standardized procedure within the Nordic

⁵ *Input data quality in register based statistics – The Norwegian experience*, Coen Hendriks/Statistics Norway/ 2012 Joint Statistical Meetings, San Diego

⁶ This implies that *where this is within the legal boundaries* Statistics Norway can feed back quality issues on a micro-level to the register owners based on information gained when combining two or several registers. Such an agreement is in place with the Norwegian Tax Authority owning the Central Population Register and has thus a positive effect on the input quality for many of the register based household statistics.

countries and the ESS as such. The example from Norway was given the stamp innovate practice in the 2014/2015 peer review and could show examples to be copied by several NSIs across ESS.

5. Conclusions and perspectives for future cooperation

The 2014/2015 peer reviews has shown that the Nordic countries are facing similar challenges when it comes to ‘managing’ the NSS, including defining and ensuring quality of ‘Official Statistics’ and ensuring high quality of those administrative data which are fundamental to the Nordic statistical production model. The Nordic countries are in various stages of addressing these issues and hence might benefit from sharing experiences or even work together to develop common solutions to common challenges.

But how to address these challenges? At an overall level, the results of the peer reviews in the Nordic countries raises a number of key questions relevant also for the wider ESS community:

- Is there a need for a better **definition of the term ‘Official Statistics’** at the European or wider international level⁷? One, which could be used as leverage and help countries defining the concept at the national level? While the concept of official statistics is rather well developed in some ESS member states, others are only just starting to establish a national definition. However, the ESS peer review shows that even in countries where a definition already exists, there is a need for further clarification (also outside the Nordic countries, e.g. Italy).
- How to organise **quality management in the NSS**? Across the Nordic countries, the peer review shows the need to address issues related to quality assurance of *all* Official Statistics in order to move forward CoP implementation. But how should such quality management be organized and what about capacity? If NSIs are to monitor the quality of other institutions this will constitute a heavy administrative burden. Is there political will nationally to support such a task with the financial and legal means necessary?
- How to ensure **high quality input from registers**? Statistics based on registers is already a model for cost-efficient statistics production that many countries are now looking into adopting. It will however only give efficient statistics if the quality is at a sufficient level and measures should hence be in place to secure this. Could we look into standardizing formal agreements with register owners and could such quality cooperation also be beneficial across borders? Will possibly owners of similar registers across borders benefit

⁷ The term ‘Official Statistics’ is used also in the context of the UN fundamental principles and the OECD, but with no specifications of the concept in itself.

from the same quality requirements from the statistical environment? At least would such cooperation, where the tradition for register based statistics is strong, open some possibilities to efficiently produce and quality-assure statistics with cross-border elements such as in the Nordic region?

On the more practical level, Nordic cooperation could be envisaged in the following areas:

- quality guidelines for official statistics;
- tools and methods for monitoring official statistics, including self-assessments and quality reviews pulling on expertise across the NSIs/countries;
- formal agreements with administrative data owners with some common generic elements;
- technical/practical solutions for data processing agreements with administrative data owners;
- a forum for knowledge-sharing on coordination issues in general (e.g. a Nordic network group on coordination).