

The Recommendation of the OECD Council on Good Statistical Practice

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Abstract

This paper presents the Recommendation on Good Statistical Practice adopted in November 2015 by the Council of the Organisation for Economic Development and Cooperation (OECD). The Recommendation is intended to provide a common reference to assess the quality of national statistical system and official statistics, which are fundamental for OECD statistical and analytical works. In addition, the Recommendation will also be the main instrument for the assessment of statistical systems of accession countries. It aims to complement existing code of practice and international standards currently applied by OECD Member countries, but also to be more specifically relevant for OECD statistical activities, for example in including good practices on the use of new sources of statistical information, or on the coordination of the statistical system.

Keywords: (1-5 words), legal and institutional framework, quality, official statistics.

1. Introduction

The Organisation for Economic Cooperation and Development (OECD) is an inter-governmental organisation whose mission is to promote policies that will improve the economic and social well-being of people around the world. The OECD is renowned for its statistics and has been at the forefront of global innovations in statistical methods, systems and dissemination for over half a century. While the OECD groups 34 member countries, it

¹ The opinions expressed in this paper are the sole responsibility of the author and do not necessarily reflect those of the OECD or governments of its member countries.

provides a forum where government can exchange on their experiences and identify good practices to solve common problems. In this context, official statistics play an essential role in the development of evidence-based analyses which in turn, require high quality statistics. As a consequence, the quality of the analytical work and statistical publications provided by the Organisation largely depends on the quality of official statistics produced and transmitted by countries.

Reflecting this growing strategic importance of the quality as essential for an evidence based organisation, the Council of the OECD adopted the first OECD legal instrument as regards statistics in November 2015, i.e. the Recommendation on Good Statistical Practice, which became immediately applicable, which represents the political will of OECD member countries as regards the quality of official statistics.

This paper presents the Recommendation, its structure and the rationale for its development, as well as the tools envisaged for assisting member countries in its implementation.

2. A brief history of the concept of quality in the area of official statistics

Before emerging in statistical debates in Europe in the 1990s, the concept of quality was implemented from a long time in non-statistical areas, notably in manufacturing industries, where processes and outputs were systematically controlled according to a list of criterion related to quality. In 1985, W. Edwards Deming, an American statistician who made significant contributions in the areas of sampling procedures, notably in the area of labour market statistics, emphasized the need for a code of statistical practice. In his seminal contribution *Declaration on Professional Ethics*, he described a set of professional values and ethical principles derived from the “contractual” responsibilities of the statistician:

“The statistician requires certain principles of practice for effective use of statistical knowledge. Knowledge of statistical theory is necessary but not sufficient. Statistical theory does not provide a roadmap toward effective use of itself.” (Deming, 1965, p. 1883)

The quality dimensions were extended over time and progressively moved to a user’s perspective and integrated dimensions related to the management of statistical activities.

Indeed the concept of Total Quality Management was imported from the manufacturing sector into official statistics in the 1990s, notably by the US, the UK, Japan, and the Scandinavian countries. In the manufacturing sector, the quality is associated with an operational framework and the performance is measured and systematically controlled. In the area of official statistics, this role will progressively be devoted to the codes of practice. This transfer was recognised internationally when the Council of the International Statistical Institute adopted in July 2010 the same declaration at its Centenary Celebration in Reykjavik.

Thus in addition to the specific dimensions related to the work of statisticians, such as the measurement of errors, closely linked to accuracy, or measurement of coherence, quality dimensions related to user's perspective (ex. relevance, timeliness, presentation of data, etc.), and to the management of statistical processes (quality management) in the production and dissemination of official statistics became increasingly important for national statistical offices. This development of new quality dimensions was sometimes implemented along with a presentation of the national statistical offices as agencies responsible for providing users, or clients, with statistical products and services. In this context, international guidelines promote quality dimensions covering the processes of collection, production and dissemination of official statistics in accordance with international standards.

3. Complementing existing international guidelines

The Recommendation on Good Statistical Practice does not aim at replacing or substituting existing international and national guidelines. Rather, it has been developed to complement existing guidelines and it has been adapted to the specific needs and the composition of the OECD membership, i.e. a mix of European Union member states with statistical systems, broadly harmonised, including the European Statistical System, and a set of non-European

countries² with heterogeneous national statistical systems, either institutionally decentralised, such as in the United States, or centralised, such as in Australia.

In addition, the OECD conducted since 2007 statistical reviews in the context of the accession of new members and assessed the legal and institutional framework of Chile, Colombia, Estonia, Israel, Latvia, the Russian Federation, and Slovenia. Costa Rica and Lithuania being currently candidates for becoming member of the OECD, similar reviews of their national statistical systems and official statistics have been undertaken. An evaluation of the legal and institutional framework for official statistics of some non-member countries is also possible, as it is currently the case with Peru, in accordance with a global partnership.

During the preparation process of the Recommendation, a stock taking exercise of the existing international guidelines was undertaken. Four main references in existing international guidelines were identified as relevant for OECD member countries: (i) the UN Fundamental Principles for Official Statistics; (ii) the European Code of Practice for Official Statistics; (iii) the IMF'SDDS; and (iv) the Code of Practice in Statistics for Latin America and the Caribbean.

3.1. The United Nations Fundamental Principles for Official Statistics

The UN Fundamental Principles for Official Statistics were initially adopted by the United Nations in 1994 with the aim to inform the organisation, collection and dissemination of official statistics across UN member countries. The ten principles were amended at the sixty-eight session of the General Assembly on 29 January 2014, with the aim to strengthen their effective implementation. The ten principles were initially developed by the UNECE in the late 1980s during the economic and political transition in East and Central European countries, which involved a radical reshape of the National Statistical System in these countries. In this context, the UN Fundamental Principles for Official Statistics states the universal importance

² Australia, Chile, Israel, Japan, Korea, Mexico, New Zealand, Norway, Switzerland, Turkey, and the United States.

of reliable official statistics, produced according to professional and scientific standards. In 2011, the General Assembly confirmed the relevance and usefulness of the UN Fundamental Principles for Official Statistics but recommended the development of guidelines for their effective implementation and in 2014 a first draft was released with the aim to strengthen the effective implementation of the principles.

However, the UN Fundamental Principles for Official Statistics offer too little specificity to be instrumental in the evaluation of National Statistical Systems of OECD member countries and accession countries.

3.2. The European Code of Practice for Official Statistics

The European Code of Practice for Official Statistics, introduced in 2005 and revised in 2011, is a very important step towards the effective implementation of principles and practices as regards the quality of official statistics produced and disseminated within the European Statistical System. The code features fifteen principles associated with indicators of good practice. The principles cover the statistical environment, the statistical production processes and the output of statistics and are consistent with the UN Fundamental Principles for Official Statistics but offer a greater specificity. While they are relevant and applicable to a significant part of OECD member countries, they cannot be used as reference for non-European OECD member countries or for non-member countries. In addition, some important dimensions for the OECD statistics were not included in the European Code of Practice for Official Statistics, such as the legal provision as regards the co-ordination of the statistical activities within the National Statistical System, as for example, and the need for a designated co-ordinating entity in the National Statistical System.

The implementation of ten principles of the European Code of Practice for Official Statistics is ensured by using the Peer Reviews conducted under the auspices of Eurostat but also by the

methods, activities and tools designed in the Quality Assurance Framework of the European Statistical System.³

3.3. The Code of Practice in Statistics in Latin America and the Caribbean

The Code of Practice in Statistics in Latin America and the Caribbean was released in 2011 by the Statistical Conference of the Americas at the Economic Commission for Latin America (ECLAC). The code endorses seven-teen principles, along with compliance criteria and the consistency with the European Code of Practice for Official Statistics is reinforced even further by including themes such as international cooperation or international comparability of statistics.

3.4. The IMF's Special Data Dissemination Standard

The International Monetary Fund (IMF) proposes a different approach with the Special Data Dissemination Standards (SDDS), defined as a “global benchmark for disseminating macroeconomic data to the public”. By subscribing to the SDDS, countries commit to disseminate a set of macroeconomic statistics produced according to certain quality criteria; alongside with relevant methodological information presented in a standardised and easily comprehensible form. This approach focusses on the standardisation of methods and dissemination of metadata and then differs from those of the code of practice and the OECD Recommendation.

In complement to the SDDS, the IMF prepares and publishes the Reports of Observance of Standards and Codes (ROSCs) at the request of the member country. The reports summarize the extent to which countries observe and implement a set of internationally recognized standards and codes in some areas including accounting; auditing; anti-money laundering and countering the financing of terrorism (AML/CFT); banking supervision; corporate governance; data dissemination; fiscal transparency; insolvency and creditor rights; insurance

³ http://stat.fi/org/periaatteet/qaf_2012_en.pdf

supervision; monetary and financial policy transparency; payments systems; and securities regulation; etc. The objective of the report focusses on investigating the risk involved at the level of the main macroeconomic indicators, and thus differs from the purpose of the Recommendation.

4. The Recommendation of the OECD Council on Good Statistical Practice

In this context, several OECD member countries have expressed a demand for the development of a legal instrument on the quality of official statistics. They have considered that the experience acquired in evaluating the legal and institutional framework for official statistics in candidate countries for membership would be valuable for the development of this instrument. Indeed, the thorough assessments of the legal and institutional framework involved evaluating the statistical legislation, but also analysing whether the national statistical system operates efficiently, i.e. evaluating their institutional structures, the functions of the different actors within the system, their respective competences, their relationships and responsibilities.

The development of the recommendation was subject to an extensive consultation procedure with OECD member countries. A draft version was approved by the Committee on Statistics and Statistical Policy in June 2015.

4.1. The structure of the Recommendation.

In terms of scope, the Recommendation is very much in line with the UN Fundamental Principles for Official Statistics and the European Code of Practice for Official Statistics. In terms of presentation, the Recommendation is very similar to the European Code of Practice for Official Statistics. In both instruments, principles or recommendations are presented with indicators of good practices, which are sometimes common. The main difference relate on dimension more specifically relevant in OECD member countries such as the co-ordination of statistical activities or the provision of statistical information to the organisation, and to the consideration of innovative sources and methods for the production of official statistics.

The Recommendation of the OECD Council on Good Statistical Practice is composed of twelve recommendations to capture the legal and institutional framework for official statistics and the resources enabling National Statistical System to function in the first place (recommendations one to five), to establish commitment for quality as regards methods and process for production of official statistics (recommendations six to eight); to disseminate official statistics (recommendation nine); to encourage the coo-ordination of statistical activities within the National Statistical System and the international statistical co-operation (recommendations ten and eleven) and top look ahead and embrace statistical innovation (recommendation twelve).

At each of the twelve recommendations is associated a non-exhaustive list of indicative good practices based on existing national and international guidelines, and on the OECD experience in assessing the legal and institutional framework for official statistics in candidate countries in the context of the process of their accession to the Organisation. The main purpose of these good practices is to provide an indication of the degree of implementation of the recommendation. For example, if a sizeable part of the good practices associated with a recommendation has been put in place, this provides an indication that this recommendation is implemented in the country. In addition, whenever a recommendation would not be fully implemented, the related good practices offer guidance on how to fully implement this recommendation in the future.

A clear legal and institutional framework for official statistics is recommended (recommendation 1) and should provide details on the organisation of the National Statistical System, including information on the legal status, functions, relationships, rights and responsibilities and the role of the National Statistics Office and the other producers of official statistics operating within the National Statistical System. An important dimension of this Recommendation deals with the clear mandate for the producers of official statistics to collect data for statistical purposes. This mandate should empower the producers of official statistics to collect information from individuals, businesses and administrative sources. In a number of OECD member countries, this mandate includes an obligation for the respondents to provide information, at least for the population and housing censuses.

Professional independence of the producers of official statistics is closely linked to the credibility and trust of public in official statistics. The second recommendation considers that the professional independence of the national statistical authorities is essential for the production and dissemination of official statistics and that the producers of official statistics should be protected from any interference from administrative or private entities. To this aim, the statistical legislations should include explicit provisions ensuring the professional independence of the national statistical authorities. Furthermore, the national statistical office or their Head, should be conferred by law to have an exclusive responsibility to decide on the statistical methods and dissemination (timing and format) of official statistics. At this stage, approximately twenty OECD member countries include such explicit provisions in their statistics law, even if the provision can be drafted in various ways and different terms across countries.

The third recommendation requires ensuring the adequacy of human, financial and technical resources for the production and dissemination of official statistics. Resources allocated for official statistics are essential and should allow the production of a minimum set of data in compliance with international standards, and should permit to the national statistical authorities to meet their commitment to quality. Appropriate financial and human resources should be available in order for national statistical authorities to be able to carry out their functions, as defined in the statistical legislation, and including the co-ordination of statistical activities within the National Statistical System (tenth recommendation). In relation with the adequacy of resources for the production and dissemination of official statistics (third recommendation), this recommendation implicitly recognises the importance of the position of the statistical institution within the administration of the country.

The fourth recommendation requires to protect the privacy of data providers and to guarantee by law the confidentiality of the individual information. This Recommendation is very similar to Principle 5 of the European Code of Practice for Official Statistics.

Administrative sources represent an important potential source of information for statistical purposes. Their use requires that the statistical agency is free to choose the sources of data,

and that this choice is based on sound consideration of quality, timeliness, cost, and burden on respondents. While according to the first recommendation, access and use of administrative records for statistical purposes should be explicitly mentioned in the statistical legislation, and that national statistical authorities should have a clear mandate for data collection, including for administrative data, the fifth recommendation empowers the national statistical authorities with the right to access administrative sources for the production of official statistics. In addition, it promotes to strengthen the co-operation between the national statistical authorities and the owners of administrative records with the aim to increase the quality of these administrative records and their design for statistical purposes.

According to the sixth recommendation, impartiality, objectivity and transparency of official statistics, but also an equal treatment of all users, implying an equal access to data, should be ensured. The collection, production and dissemination of official statistics should respect scientific independence and the statistics should be presented in an objective and transparent manner in which all users are treated equitably.

The seventh recommendation promotes the use of a sound methodology and the commitment to professional standards for the production of official statistics, notably through the implementation of international standards and norms.

According to the eighth recommendation, national statistical authorities commit to the quality of statistical outputs and processes, in line with the key dimensions as defined in national and international quality assessment frameworks, notably the *Quality Framework for OECD Statistical Activities*,⁴ as reviewed in 2011 to better take into account the user's perspective, to propose less burden procedures for the producers of official statistics, and to better reflect technical changes associated with the production and dissemination of official statistics, i.e. (i) relevance; (ii) accuracy; (iii) credibility; (iv) timeliness; (v) accessibility; (vi) interpretability; (vii) coherence and (viii) cost efficiency. Ensuring the compliance with these quality

⁴ <http://www.oecd.org/fr/std/qualityframeworkforoecdstatisticalactivities.htm>

dimensions involves the development of quality management, evaluation plans and reporting processes within the organisation as indicated in the indicative good practices associated to this recommendation.

The ninth recommendation promotes user-friendly access to data and a clear and understandable form for the presentation of official statistics.

The tenth recommendation endorses the national statistical authorities with an important dimension, i.e. the co-ordination of statistical activities within the National Statistical System, through the use of standards concepts and classifications and with the aim to avoid any duplication in the production and dissemination of official statistics. The co-ordinating role of the national statistical authorities should be clearly defined in the statistical legislation (first recommendation). At this stage, several tools ensuring an effective co-ordination of statistical activities have been put in place across OECD member countries, as for example, the development of national plans for the production and dissemination of official statistics; the creation of common repositories, or single data portals, for the dissemination of official statistics; the implementation of procedures providing assistance with the implementation of international standards and classifications; the formulation of common quality management processes; or the specification of certification procedures for the production and dissemination of official statistics.

According to the eleventh recommendation, the engagement of the national statistical authorities in statistical international co-operation is encouraged, either through bi-lateral co-operation between producers of statistics, or through the participation of representatives from national statistical authorities to international statistical fora organised by international organisations such as the OECD.

Finally, because the producers of official statistics are increasingly facing pressures for the use of alternative sources in the production of official statistics (in terms of resources or in terms of statistics produced by private companies), the last recommendation encourages the national statistical authorities to explore innovative methods and alternative data sources, and notably to actively investigate the possibilities to use new data sources, or to combine existing and

new data sources, for the production of official statistics. One important dimension related to this recommendation is the need to ensure high quality products and processes when taking the opportunity of implementing new technologies, sources and methods.

4.2. Procedures for ensuring the implementation of the Recommendation of the OECD Council on Good Statistical Practice.

The effective implementation of international guidelines or codes of practices for official statistics is essential. The Recommendation on Good Statistical Practice became applicable by all OECD member countries as soon as it has been adopted by the Council of the Organisation in November 2015. Moreover, in adopting the Recommendation, the OECD Council requested a report on its implementation within three years after its adoption. The Committee on Statistics and Statistical Policy, which is composed of the Heads of National Statistical Offices, is responsible for supervising the OECD Secretariat on this implementation. To support this process, the OECD Statistics Directorate will develop relevant tools, including a dedicated internet webpage, a brochure presenting the recommendation and the good statistical practices, and appropriate self-assessment questionnaires.

The procedure for monitoring the implementation of the recommendation in the countries will be based on individual assessments which would take several forms: (i) self-assessments, with various degrees of details, and substantiated through documentation on existing statistics legislation and related practices; and (ii) a Peer Review, involving experts from other OECD member countries.

As regards the European countries, similarities identified between the Recommendation and the European Code of Practice for Official Statistics will conduct to consider the peer reviews conducted in the context of the implementation of the European Code of Practice for Official Statistics as an official input for the final report on the implementation of the Recommendation. However, any relevant additional information or update from countries will also be considered and included into the final report. Whatever the form of the assessment, transparency is a key element of the implementation strategy. Information gathered and related

analysis will be made available on a dedicated webpage. With regard to this principle, the OECD will pay particular attention to providing available basic information on the existing legal and institutional framework for official statistics in OECD member and non-member countries, with the aim to promote further exchanges on the good statistical practices across countries. For example, when looking if the recommendation on the co-ordination of statistical activities within the National Statistical System is implemented, the aim is also to provide a list of good practices and of various tools in place to effectively implement this recommendation and at a final stage, to provide guidance for enhancing co-ordination based on effective mechanisms.

5. Concluding remarks

Striving for the best quality of statistical outputs and processes is a continuous priority for national statistical offices. Since the 1990's, the development of international guidelines largely contributed to strengthen confidence in official statistics, by combining principles and indicators for their practical implementation in practice. These principles addressed key challenges related to the statistical products and processes (collection of statistical information, and production and dissemination of official statistics), and to the legal and institutional framework.

The Recommendation of the OECD Council on Good Statistical Practice aims at complementing the existing international guidelines and adapting them to specific OECD statistical requirements by emphasising a consistent set of recommendations and an indicative list of good practices for their implementation. The Recommendation provides also a benchmark against which the legal and institutional framework for official statistics can be assessed, notably during the accession process of candidate countries for membership.

Finally, the implementation of the Recommendation will be driven by the idea that sharing good practices across OECD member countries, but also with non-member countries, is fundamental. The self-assessment questionnaires would help countries to identify areas for improvement of their statistical systems, and the list of good practices would provide practical

indications to reach their objectives in terms of quality of collection, production and dissemination of official statistics. In addition, the good practices contained in the Recommendation will provide a reference for the statistical work done by the Organisation. Ultimately, ensuring a good quality of official statistics is fundamental for the high-quality level of OECD's analytical works and statistics, but also for transparency, accountability and ultimately for the functioning of democracies.

6. References

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