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**Implementing the Fundamental Principles of Official Statistics**

### **Statistics have dramatically changed: should the Fundamental Principles of Official Statistics be reformed to keep the pace with the changes?**

**Note by the National Institute of Statistics of Romania**

#### *Summary*

This paper reviews the current status of implementing the Fundamental Principles of Official Statistics in Romania and elaborates on their importance for official statistics and democratic societies. It also considers the relevance of the current set of Fundamental Principles after two decades have passed since their adoption. The National Statistical Institute of Romania considers active participation in international cooperation as the most effective way towards full implementation of the Fundamental Principles and modernisation of the national statistical systems.

## I. Introduction

1. The seminar of the Conference of European Statisticians in 2012 is special in that it marks 20 years of the adoption of the Fundamental Principles that guide the organisation and functioning of statistics in a democratic society.

2. Firstly, two decades have passed since the adoption of the Fundamental Principles, namely 1992 – 2002 and 2003 – 2012. During that time, numerous actions to develop official statistics have been carried out at international and national levels. The first crucial achievement is the adoption of the Principles, which has had a major impact on the evolution of statistics, making them an asset of particular national and international value. The principles are a genuine cornerstone for statistics' coherence and comparability. Wasn't it the desire of the Fundamental Principles to enforce the statistical system as a fundamental institution of any country?

3. Secondly, the Fundamental Principles represent the basic binding element of the collective thinking and action of statisticians.

4. Thirdly, the Fundamental Principles have expanded beyond the strictly delineated area of statistics, starting from the process of compilation of statistical data and information and reaching to the relations with the primary data providers and users of statistics in the society. Furthermore, the Principles also reach to all official statistics producers and promote coordination of national statistical work.

5. Thus, statisticians have moved closer to the vision and aspiration of the famous H. G. Wells who said "*Statistical thinking will one day be as necessary for efficient citizenship as the ability to read and write*".

6. The period of 20 years<sup>1</sup> is neither too long for the evolution of national statistical systems towards applying the Fundamental Principles of Official Statistics, nor too short considering the quick pace of the economic and social development which require that statistics adapt to the emerging information needs of the society.

7. Romanian statistics fully acknowledges the Fundamental Principles and follows with interest the new approaches, measures and actions developed at the international level and in national statistics of other countries, aiming at implementing the Fundamental Principles.

8. In this context, the level of adopting and implementing these Principles could be assessed by formulating answers to a series of questions. The list, of course, is not exhaustive by any means:

(a) Do the Fundamental Principles enjoy sufficiently strong support in national legislation to be imposed under all circumstances and to the whole range of actors involved in the national statistical system?

(b) What are the conclusions of the assessment of the impact and effectiveness of the Fundamental Principles in achieving progress in official statistics, including increased reliability?

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<sup>1</sup> The working group preparing the final document on Fundamental Principles presented during the 38th session of the Conference of European Statisticians included Bulgaria, France, Poland, Romania, Spain, Switzerland, Turkey, Eurostat and the International Statistical Institute.

(c) How can the political actors and society in general become more aware of the necessity to apply and honour the Fundamental Principles and what are the ways of persuading them about this?

(d) To what extent do the current mechanisms developed and used in national statistics ensure the effectiveness of the Fundamental Principles?

(e) Is it advisable to review the Fundamental Principles to fit the current conditions of societies and statistical systems where major changes have taken place?

9. Taking the above questions into consideration, the following should be mentioned:

(a) The Fundamental Principles have been incorporated into the statistical law of Romania as of 1992. The law is now more explicit and specific about the Principles;

(b) Various concrete measures and actions have been taken with a view to better understand and explain the significance and importance of the Fundamental Principles in Romania;

(c) The perceptions of how the Principles are currently applied varies from one principle to another between the stakeholders of the statistical process, such as primary data providers, producers and users of statistics. Many studies and assessments undertaken at international level have indicated this type of results.

## **II. Principle 1: relevance, impartiality and equal access of all statistical data users**

10. The relevance of statistical information is ensured by setting up certain bodies and by enforcing tools and mechanisms with establishing the National Statistical Council in the foreground. The Council is composed of representatives of all statistical data user categories, and as such is a tool for interaction with users. The National Statistical Council, as an advisory body, plays an important role in analysing the annual and multi-annual programmes of statistical surveys, providing at the same time opinions on policies and priorities in various statistical fields.

11. Statistical information is disseminated impartially and with open access to all statistical data user categories, irrespective of their position in the society. To this end, the National Institute of Statistics (NIS) is currently drawing up and posting on its website the schedule of all statistical publications intended for dissemination, as well as the press releases calendar. While statistical publications include over 100 titles, with monthly, quarterly and annual periodicity, the number of press releases is close to 200. It is worth mentioning that a wide range of users of statistics are mainly interested in the press releases, since these provide them with up-to-date and timely information. The press releases are also sufficiently conclusive to capture the necessary pieces of information on the evolution of processes and phenomena taking place in the economy.

12. With a view to ensuring impartiality and equal access, the availability of statistical data releases at the same time to everyone is achieved by rigorously following the advance release deadlines; this has entailed to a large extent in the increasing confidence in statistical data.

13. Equal access is ensured by including in the release calendar not only the dissemination date (month and day), but also the hour when the information becomes available. Moreover, so as to provide the necessary time for transferring the final statistical figures into publications and databases, the press releases are distributed about an hour before the deadline set by the calendar. With a relatively short delay, the data are entered in

the NIS online databases, most of them allowing access free of charge. Nobody interferes in the publication and dissemination policy of the NIS.

### **III. Principle 2: professional independence, including scientific criteria and professional ethics**

14. Professional independence depends on at least two core conditions: (i) the number of employees, their stability within NIS and its structures, the staff skills and expertise; and (ii) the extent to which the political factor is interfering with the survey methodologies and design, data processing and dissemination.

15. For a long time, particularly during the period affected by the economic and financial crisis, the NIS faced relatively significant staff turnover. This was the result of the restrictions imposed on the administration, in general, but also by the fact that statistical activity was not, and is not, attractive in terms of remuneration. There are relatively high discrepancies between the average salary level in other state institutions and in the NIS.

16. In general, the NIS has not had to deal with political interference in statistical production. The requests were limited mostly to obtaining the results of certain statistical surveys before dissemination, particularly of those related to acquiring sensitive indicators.

17. NIS has resisted these demands, but we have to emphasize, however, the difficulty of arguing the rationality of such a position. Undoubtedly, the exchange of information between various institutions on best practices in this regard would greatly facilitate the task of the Institute and would help to avoid potential risks.

18. The staff of the NIS undergoes on-the-job training, and training specific to certain occasions, especially when approaching sensitive issues in the social field, also involving confidentiality matters. The training focuses on the ethical norms of conduct and behaviour, including the material and financing repercussions in case of breaches of ethics.

### **IV. Principle 3: transparency**

19. Statistical data and information are presented in a standard structure comprising a brief analytic text to support interpretation of data and to reveal the most important messages deriving from the statistical figures. It also includes a segment of statistical tables with standard annotations and a part with the methodology and definitions of major indicators. Detailed metadata are also included in the NIS databases, for which free access is provided to all users.

### **V. Principle 4: preventing misinterpretation of statistics**

20. This principle has proved to be difficult to interpret over time. NIS is dealing with multiple requests from users less familiar with statistical or economic topics, particularly during recent times. This challenge has gradually diminished its impact but continues to exist, particularly when the use of administrative sources became one of the priority objectives of the Institute. The differences of a methodological nature between data based on administrative records and those resulting from statistical surveys for the same indicator entail certain concerns about data accuracy.

21. Examples: There are differences in data on the evolution of Gross Domestic Product (GDP) and other indicators, depending whether it is adjusted or unadjusted. These are difficult to explain and understand. The information on registered unemployment versus the

figures compiled in accordance with ILO definitions show significant differences, and are also subject to comments that cast a shadow on the reliability of statistics.

22. The Institute reacts to misinterpretation of statistical data, especially when it comes from ignorance. On the contrary, the Institute did not react in cases where misinterpretations were made in an environment with visible political purpose (TV talk-shows, articles written from partisan positions, etc.) since it could lead to difficult contradictions.

23. The National Institute of Statistics (NIS) has offered various forms of user training, such as symposiums, participation in TV broadcasts to explain certain statistical papers and methodologies, round tables, NIS “open days” to users (annually, on the occasion of official statistics anniversary), training courses for mass-media, etc.

## **VI. Principle 5: use of data sources in statistics production**

24. Out of the two main sources used for statistical production, surveys and administrative data, until recently, the Romanian statistics were based on statistical surveys conducted by the Institute. The use of administrative sources, which is now a priority of the Romanian official statistics, started in 2000 and is increasing constantly.

25. Starting the use of administrative data was influenced by doubts concerning the accuracy of information, the degree of updated data and compliance with the definitions needed for statistics. Moreover, so far official statistics have not been involved in the process of setting up, collecting and developing the administrative data sources.

26. For example, while the right to access registers managed by other producers of statistics than NIS is stated in the Law, there were, however, over the time, some difficulties in accessing certain databases, such as population registers. The situation has improved recently. Though NIS could not use data from the register managed by the Ministry of Administration and Interior for a long period due to the confidential nature of the data, this register was now used on the occasion of the recently carried out Population and Housing Census. It facilitated notably the Census related work.

27. The setting up of a package of regulations empowering statistics to access administrative registers could be the way towards widening the use of administrative sources.

28. Though one could rightly claim that each of the 10 Fundamental Principles has its own importance and, consequently, priority cannot be given to one or another of the Principle. However, the quality of statistics, in particular accuracy and timeliness, is an essential concern for the NIS. The quality of statistics largely determines reliability of statistics.

29. To meet the requirements for improving timeliness, NIS undertook, on one side, briefing of all user categories on the statistical programme and release dates through meetings with data providers, with other producers and users of statistical data and, on the other side, NIS made concrete steps for ensuring improvements in timeliness of statistical production. Among them, the following measures are to be taken:

(a) Dissemination of preliminary or provisional data immediately after their availability, before the publication of final data either on paper or on electronic support;

(b) Improvement of certain procedures aimed at the use of new technologies in the data collection process, with an impact on timeliness, by developing a web portal ensuring the online data collection for over 20 statistical surveys, while wider coverage is envisaged in the future;

(c) Dissemination of press releases within a short delay and at an extremely precise date;

(d) Implementation of the practice initiated by Eurostat and pursued by all member states, including Romania, of producing and disseminating GDP flash estimates 40 days after the end of the quarter, as against the 70 days delay when provisional results are published. This proved to be a fruitful action, resulting in meeting the users' satisfaction. Such action, particularly during the current crisis period, could also be considered in the case of other sensitive statistical indicators such as financial statistics, unemployment, foreign trade, as well as certain social statistics.

## **VII. Principle 6: confidentiality**

30. The confidentiality protection principle is, of course, part of the Romanian statistical law, together with its general description of the definition of confidentiality, the way individual data should be protected and the specifications on the unequivocal condition that the respective data could be exclusively used for statistical purposes. In our current practice, the measures directly envisaging the observance of these provisions under law include:

(a) Setting up, within the NIS organisational structure, the Committee on Confidentiality;

(b) Signature of the Confidentiality Commitment by all statistical staff;

(c) Organising training sessions both for the NIS staff and for those outside the statistical bodies, employed in carrying out data collection operations;

(d) Inserting in all the questionnaires used for data collection the appropriate excerpt of the law related to individual data confidentiality;

(e) Setting up procedures for checking up and identifying individual data or data that could be subject to confidentiality, as well as procedures for automated exclusion of individual data and information by means of data processing software;

(f) In the case of data collection, the field operators are trained to explain to the data providers the purpose of the statistical survey, including the fact that these data are stored under secure conditions and confidentiality protected; in very exceptional cases where it is deemed necessary to disseminate individual data, the consent of those persons concerned is requested.

## **VIII. Principle 7: legislation**

31. The Romanian statistical law, adopted and implemented for the first time in 1992, was amended with specific provisions imposed by the need for updates, changes, etc. The most important review of the statistical law was made in 2009, when it was essentially adapted to the requirements of Regulation 223/2009 of the European Parliament and of the Council.

32. Naturally, in the process of implementing the law's provisions, the stipulated principles, criteria and conditions were taken into account in statistical activities. The statistical system is also guided by Government Decisions and other legal acts, including orders and decisions of the NIS President. In the coordination role, the NIS President can give recommendations to other producers of statistical data in the area of statistical methodology, statistical quality standards and norms as well as implementation of classifications and nomenclatures.

33. It should be stressed, however, that there are increasing concerns regarding difficulties in the access to administrative data sources, data transmissions in due time, cooperation with data providers and data quality conditions, etc.

34. Furthermore, non-response to surveys is increasing amongst the population, and sometimes the mass media has a negative attitude towards statistical surveys, with impact in the public opinion.

35. The Romanian Statistical Law includes the principle of independence. However, the current regulations and mechanisms seem to be somewhat insufficient for ensuring it. Consequently, the national legislation should be reviewed at a high level, to achieve positive effects in the quality of official statistics throughout the national statistical system.

36. In our opinion, the Principle on “statistical independence” should go beyond the current elements that define it as professional and scientific independence. It should also include additional elements, such as institutional, functional and even financial independence.

## **IX. Principle 8: national coordination**

37. The coordination of Romanian official statistics is ensured by law, and is assigned to the NIS. Many institutional and organisational measures are needed to maintain acceptance of this role by all stakeholders in the statistical system, irrespective of their roles and positions in the statistical work. The National Institute of Statistics has acquired the recognition as the coordinator of the national statistical system not only due to the law, but also due to its continuous work in improving the official statistics of Romania.

38. When playing its role, the NIS is, naturally, assisted by the National Statistical Council, but other supporting bodies were also created in support of the coordination task. These supporting bodies have proved to be both useful and efficient. Beside the users meeting within the above mentioned Council, a Committee of official statistics producers has been set up as an advisory body for the NIS. The advisory body is also mentioned in the last amendments of the statistical law.

39. Various other working groups have been set up to solve topical issues that are considered a priority for the statistical system. The topics include reducing the burden of data providers, using administrative sources, rationalising the information flows and using modern methods for data collection, processing and dissemination.

## **X. Principles 9 and 10: use of international standards and international cooperation**

40. The overall aim of applying international standards is to achieve comparability of statistical data. This would mean that statistics internationally would be based on the same principles, criteria, methodologies and ways of processing and dissemination. Whereas previously some users of statistics were confused by the differences in data produced according to national methodologies and published by NIS compared to those sent to Eurostat applying international standards, nowadays it is no longer so. The public is, to a large extent, aware that the activity of Romanian statisticians is part of the joint efforts of all European Union Member States in gathering statistical data at European level and in national structure, for each Member State. Moreover, this harmonization also helps countries develop international comparability beyond the EU area.

41. Romania actively participates in international cooperation as the most robust and effective way towards improvement and modernisation of the national statistical system and the overall progress of Romanian statistics.

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