



Session 6: Labelling of statistical information - Panel discussion

LABELLING OF STATISTICAL INFORMATION: SOME INTRODUCTORY CONSIDERATIONS

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The objective of this paper is to support the panel discussion on the labelling of statistical information by clarifying the terminology, highlighting the most relevant issues and, thus, providing a structure to the discussion as well as a brief overview on some of the existing approaches.

The term labelling is used in this paper in the sense of classifying or branding statistics to enable identification or recognition of certain characteristics attached to them by establishing a kitemark/hallmark or quality label.

A. Structure for discussion

Objectives of labelling statistics

1. To label statistics can serve various purposes. It may enhance transparency for the users of statistics as regards the quality of the data at stake. This is important in a world of multiple suppliers given the strong public good character of statistics.
2. A label may help to underpin the visibility and credibility of particular high-quality statistics or quality management systems meeting well-defined standards.
3. In addition and closely related to this objective it may create an incentive to comply with the standards needed to qualify for a high-quality label. In the case where a label is required for a survey prior to launching it, it may in so far contribute to a governance structure promoting a co-ordinated production of (official) statistics.

What is the subject of a label?

4. A label can refer in principle to a specific product, i.e. a database, a time series or an indicator or to a periodic press release but as well it may refer to a certain survey (e.g. Labour Force Survey) or production process. In the case of statistics for the European Union/euro area or other international statistics, the question arises whether the label should address a national product or e.g. the corresponding European/international aggregate.
5. As an alternative, the label can be applied to the data producing authority, like e.g. labelling official statistics as statistics produced by official sources. What are the advantages/disadvantages of the respective approaches?

6. A label can address the upper edge of quality in specifying ambitious standards for certain products or rather address the opposite corner by identifying data/indicators which score less with respect to certain quality dimensions while still being considered useful for publication ("experimental statistics") or something in between, like is done e.g. in many European statistical legislation ("minimum quality standards"). What are the implications of the approach chosen?
7. A label can be granted ex ante to certify that a survey meets certain quality standards prior to launching it or ex post being attached to the product.

Labelling in the context of Total Quality Management and Code of Practices

8. Labelling can have different roles in the quality management of a statistical authority.
9. Labelling can be seen, first and foremost, as part of a statistical agency's quality management insofar as it indicates compliance with certain quality principles and or quality assurance procedures.
10. It can be equally understood as a process during which some form of quality assurance is added to the statistical production phases.
11. At the same time, labelling may also be part of the dissemination policy of a statistical authority insofar as it provides information to the users about the quality or certain quality dimensions of the disseminated data.
12. Depending on the role and objective of the label, a label may be descriptive in setting standards with regard to documenting and reporting a process like e.g. ISO 9001 on quality management system or like the European Foundation for Quality Management quality model¹, or normative in prescribing how things have to be done.
13. Against this background and with a specific focus on the European situation, the question arises whether the Code of Practice of the European Statistical System should be the basis for a specific labelling to be granted in order to signal compliance with the Code of Practice. *Arguments in favour:* Increased credibility and the provision of incentives for countries to comply. Synergies with tasks related to the monitoring of compliance with the Code of Practice and information to be provided thereon. Common protocols could serve to detail the requirements put down in the Code of Practice. *Arguments against:* The Code is more suited to label the data producing authority rather than specific products; use of specific statistical data for administrative purposes at European Union level and related validation issues cannot be covered by this initiative. Against this background, the question arises whether a label is really needed or whether regular compliance reports are enough?

Approaches, procedures and prerequisites of labelling statistics

14. There are various possibilities to introduce and grant a label for statistics. All of them require a well-defined governance structure and a clear, well-specified, and transparent set of standards. This is for example the case of the UK National Statistics Code of Practice. The label should be designed in such a way that it can be granted on the basis of objective criteria.
15. The authority granting a label should bring in recognised expertise in the area paired with independence and objectivity to ensure quality of the labelling process as a prerequisite for a high quality label.
16. At national level, one possibility consists in the National Statistical Institutes performing the role of a labelling authority (for official statistics) given their expertise in statistics and the need to have their co-ordination role across all national authorities producing statistics reinforced. At the same time, they may be considered stakeholders with own vested interests and not sufficiently independent. Moreover, given that the coordination role of National Statistical Institutes usually does not encompass central banks, the possibility of a joint governance structure may be explored. An alternative could be an advisory body in

¹ For more information please refer to the ISO website <http://www.iso.org> and the EFQM website: <http://www.efqm.org>

the area of national statistics, composed of independent experts. What are the advantages/disadvantages of these approaches?

17. Setting up a labelling authority at supranational/international level is even more complex. The quality of statistics compiled by a supranational/international organisation depends both on the national inputs and on the internal processes and procedures within the organisations. Should the labelling authority assess only the latter or also judge upon the national contributions? Which institutional settings could be foreseen?
18. Will labelling be seen a *push approach* where producers of certain products are required to obtain the label for their work – e.g. prior to launching a survey - or rather as a *pull approach* with the label implying a high incentive to be obtained adding value to the product?
19. How to ensure credibility of the process avoiding at the same time a too bureaucratic exercise?

How many labels are reasonable?

20. From the perspective of international/supranational organisations and their national constituencies a key question is how many different labels are needed and should be promoted? A need for differentiation can easily be stated wherever different labels have different targets. E.g. an ISO certification for the specific process related to a specific indicator is clearly complementary to a label specifying that certain sets of statistics produced by a specific statistical authority comply with a certain quality assurance framework.
21. Do we need several quality frameworks at international level and therefore possibly different labels? Simplification and transparency for users would point in the direction of minimising the number of different labels.
22. At the same time, different constituencies may have different needs. For example, well-developed countries may wish to comply with stricter standards than less developed countries.
23. How could national labels fit labels granted at a higher (e.g. supranational) level? What are implications if they do not match?

B. Brief overview on some existing approaches

24. In the area of statistics there are a few cases where labelling is being used. The main content and focus of these labelling initiatives vary to some extent. Some focus on signalling the particular high quality of certain statistics (e.g. “Tier 1 statistics” in New Zealand² or “National statistics” as defined by the ONS³); others refer to statistics for which some caution with respect to quality is being flagged (e.g. the category of experimental statistics, as used for example by the ONS) and again others provide for a kind of rating of statistical indicators (e.g. Eurostat’s grading of structural indicators⁴).
25. Statistics Sweden defines criteria for sufficient quality of official statistics relative to the intended use.
26. Moreover, approaches in line with Total Quality Management offer certification procedures applied as well in statistical institutes at the level of the organisation (e.g. European Foundation of Quality Management quality model or Quality Assessment Framework) or at the process or product level (ISO 9001 as applied e.g. for the production process of the retail price index (RPI) in the UK.⁵). Similarly, the

² See: “Official Statistics – A Recognisable and Enduring National Resource”, supporting paper submitted by Statistics New Zealand to the Conference of European Statisticians, 8-10 June in Paris; (available under: www.unece.org/stats).

³ See explanations provided on the ONS website: http://www.statistics.gov.uk/about/national_statistics/default.asp

⁴ See: Hahn, M. (2004), “Quality Profile for Structural Indicators”, Proceedings of the European Conference on Quality and Methodology in Official Statistics (Q2004), Mainz, Germany 24-26 May 2004, CD-ROM. Published on the conference website <http://q2004.destatis.de> (ISBN 3-8246-0733-6).

⁵ See David Fenwick and Graham Tippen: Quality management Using ISO 9000 for Price Indices in the UK, Journal of Official Statistics, Vol. 19, No. 4, 2003, pp. 365-382.

DQAF of the IMF⁶ and the European Statistics Code of Practice⁷ offer a basis for reviews on the basis of subscription to or adoption of the standards, leading to a report assessing compliance with the standard.

⁶ See information on the IMF data quality framework on the IMF website:

<http://dsbb.imf.org/Applications/web/dqrs/dqrsdqaf/>

⁷ See information on the Eurostat quality website: <http://europa.eu.int/comm/eurostat/quality>