

UNSC Friends of the Chair group on Economic Statistics

Background

On 1 March 2020 a UNSD seminar on the future of economic statistics that brought economists and statisticians together to talk about the collaboration necessary between the two disciplines to ensure that economic statistics are responsive, relevant and robust, particularly in a rapidly changing policy and data landscape.

There were 3 key takeaways from the seminar. The first was that an urgent update to address the economic, social and environmental nexus if we are to truly depict and attain the 2030 Agenda of leaving no one behind and having meaningful SDGs.

Specifically, this requires:

- Maintain a coherent and consistent system of economic statistics, including macroeconomic, business, trade and price statistics
- Better capture the impact of digitalization and globalization on production, consumption, employment, investment and financial flows.
- Move beyond GDP to include broader measures of progress including subjective measures of well-being such as life satisfaction, trust, economic insecurity, as well as measures of inequality in earnings, income, consumption and wealth and opportunity.
- Advance measurement of economic, natural, human and social capital.

The second takeaway was the urgent need for an institutional update whereby NSOs are transforming from principal producers of statistics to stewards of an evolving and complex data landscape.

This requires NSOs to:

- Institutionalize ongoing dialogue between economists and statisticians to set strategic directions
- Increase the use of alternative and big data and their integration with survey and administrative data sources to provide more detailed and timely statistics and analysis
- Increase collaboration and develop partnerships with stakeholders including the private sector and academia

The third takeaway is the urgent need to revisit and transform some of our long-held practices to meet the needs of policy makers and citizens. To remain relevant NSOs need to:

- Devise more flexible and more responsive procedures for standard setting, which now take decades to develop and implement
- Take calculated risks in releasing experimental “good enough or fit for purpose” standards and related statistics and indicators that can be iterative and be implemented quickly.

This thought-provoking discussion complemented the recommendations from the Report of the

Expert Group on International Trade and Economic Globalization Statistics which called for the establishment of a High Level Group on Economic Statistics to coordinate and address these issues.

At the 2019 UNSC meeting Statistics Canada suggested the formation of a Friends of the Chair Group (FOCG) for a period of no more than two years to assist the Commission with increasing the efficiency, effectiveness and responsiveness of economic statistics. It was proposed that the FOCG be made up of statisticians and economists from UN member countries and international statistical agencies. The UNSC accepted this proposal (see Appendix 1).

UNSC Friends of the Chair Group on Economic Statistics

Terms of Reference

The Friends of the Chair Group (FOCG) will in taking forward to update of the system of economic statistics and address the economic, social and environmental nexus to depict and attain the 2030 Agenda of leaving no one behind and having meaningful SDGs:

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- ❖ assess the governance of the system of economic statistics, including the proposal to create a High Level Group on Economic Statistics
- ❖ develop mechanisms to ensure ongoing dialogue between economists and statisticians for the update of the system of economic statistics
- ❖ take stock of existing statistical initiatives and make a recommendation to take these forwards in an update of the system of economic statistics
- ❖ take forward issues of the statistical update that have already reached a high level of maturity
- ❖ undertake global consultation to ensure all regions and sectors have input into the work of the FOCG

The FOCG will provide a preliminary report to the fifty-first session of the Commission to be held in 2020 and a final report to the fifty-second session in 2021.

Membership

It is proposed that the FOCG will be chaired by Statistics Canada, NSO representatives will also be drawn from: Australia, Austria, Brazil, Denmark, Indonesia, Mexico, Saudi Arabia, South Africa, and USA.

A statistician and an economist representative will also be invited to join the FOCG from the following international agencies: African Development Bank, Asian Development Bank, Eurostat, Inter-American Development Bank, International Monetary Fund (IMF), Islamic Development Bank, Organisation for Economic Co-operation and Development (OECD), United Nations Economic Commission for Africa, World Bank, and United Nations Department of

Economic and Social Affairs.

Arrangements

The Friends of the Chair mechanism allows for flexible operating practices, including membership and meeting arrangements. This flexibility should be utilised to ensure the desired outcomes are achieved.

The FOCG will have its initial meeting from 21 – 23 May at the UN Head Quarters in New York, with meetings to be held twice a year.

Appendix 1

Summary of relevant decisions of UNSC at its 50th session under the item 3b -

International trade and business statistics

The Commission:

- d. Noted the proposal to create High Level Group on Economic Statistics and agreed to create a Friend of the Chair consisting of economists and statisticians to consider the merit of the proposal;
- e. Requested the Friends of the Chair Group be established for a period of not more than two years to undertake an assessment on the efficiency, effectiveness and responsiveness of the governance of the current system of economic statistics, without creating more bureaucracy or adding undue burden on NSOs and international organisations.
- f. Requested the Friends of the Chair Group to take stock of existing initiatives and make a recommendation to take these forwards in an update of the system of economic statistics through a broad user consultation;
- g. Requested the Friends of Chair Group take forward issues of the statistical update that have already reached a high level of maturity;
- h. Requested the Friends of the Chair Group to report back to the Statistical Commission in its 51st Session (2020) with a clear plan how to move forward;
- i. Noted the interest from members of the Commission to participate in the Friends of the Chair Group.