

Friends of the Chair Group on Economic Statistics

Progress report of the Friends of the Chair Group on Economic Statistics

Draft Agenda item 3

Introduction

This note highlights the main elements of progress made in implementing the mandate by the FOC Group on Economic Statistics, a Group that is chaired by Anil Arora, Chief Statistician of Canada, and consists of chief and senior statisticians of member states and international organisations.

The UN Statistical Commission agreed to create a FOC Group on Economic Statistics in its 50th Session (2019) consisting of economists and statisticians for a period of not more than two years to undertake an assessment on the efficiency, effectiveness and responsiveness of the current system of economic statistics.

The note describes the main accomplishments in 2019 (its first year) and the beginning of 2020 (its second year)

Summary of main accomplishments

- **Development of an inventory of statistical groups operating in the economic statistics domain:** review and seek alignment of their governance and mandates and working methods as well as identify collaboration and networking relationships between these groups.
- **Global and regional consultation activities and discussions** were undertaken in the fall of 2019 through a global written consultation with statistical groups in the domain of economic statistics and regional High-level Seminars on the Future of Economic Statistics organised in consultation with regional commissions and regional development banks (Africa, Arab, Asia Pacific, European and Latin America and Caribbean region). The agendas of the consultations were:
 - to discuss whether the current planned updates to the system of economic statistics considers user-identified priority areas of development
 - to examine if additional global initiatives to support NSOs are required to support institutional transformations
 - to examine whether the current governance and infrastructure supporting the system of economic statistics is sufficient to meet the need of an increasingly responsive and comprehensive system of economic statistics
 - to discuss the role of experimentation and innovation to increase the relevance responsiveness of NSOs and IOs in releasing more timelier statistics and indicators in a more competitive data ecosystem

- The consultation activities and discussions conducted led to the **acknowledgement that the current system needs to be more responsive, iterative and agile to meet the collective needs of users**. The decision was made to focus on improving, streamlining and simplifying the current system advancing a user centric and country led approach that avoids overlap and is cost efficient

- **The global and regional consultation** confirm the user needs and the priority areas for the future of economic statistics that advance a coherent and integrated measurement framework generating multi-dimensional measures of progress in support of the sustainable development. Broadly, the priority areas are as follows:
 - Quality of Life / Well-Being
 - Economic growth
 - Sustainability
 - Globalisation and role of MNEs
 - Digitalization and the role of technology
 - Environmental degradation and climate change
 - Economic inequalities
 - Geospatial integration and urbanization
 - Demographic change
 - Informal economy
 - Household production (unpaid and paid)
 - Financial vulnerabilities

- **Requirements to succeed** in addressing priorities and user needs through a forward-looking business model for data and statistics:
 - Update of the international statistical standards should be more iterative with a balance between flexibility and stability
 - Collaboration through infra-annual user-producer dialogues between economists and statisticians to ensure a continuous user-centric approach at national, regional and international level
 - New data solutions for secure data sharing and exchange, micro data linking (MDL) using statistical registers, interoperability of systems
 - Integration of new data sources covering administrative and sensor data in production of statistics while ensuring privacy, confidentiality and social acceptance
 - New data stewardship role for NSOs and IOs in rendering data services next to releasing statistics
 - Iterative and nimbler management allowing for experimentation and testing new methods and relating statistics in balancing data quality elements of accuracy, timeliness and relevance

- Agile and decentralised governance structure
- At its second meeting the FOC Group proposed that its **work streams fall across the following dimensions:**
 - challenging the system of economic statistics with concept cases
 - streamlining and documenting working methods for the economic statistics system
 - sustained networking among statisticians on cross domain topics of the system of economic statistics, covering the economy, environment, and well being and society
 - enabling a sustained user producer consultation through infra-annual dialogue between economists and statisticians
- The Friends of the Chair (FOC) Group on Economic Statistics has also agreed on the need for **UN statistical groups to be country-led and developed and developing countries to work more collaboratively by applying a network approach** that brings together multidisciplinary project teams to address specific methodological and institutional challenges. It is expected that a network approach will lead to new working methods and innovative methodological and institutional solutions through shared communication, priorities, membership and user consultation.
- Innovative and more flexible approaches to working methods and new proposed country-led governance arrangements of the statistical groups consisting of member countries and international agencies in the network will be challenged through collaboration projects. These projects are **to promote experimentation and testing of guidance notes in developed and developing countries** for the issues related to the update process of the system of economic statistics. At its third meeting, the following collaboration projects were identified, which can be identified in five-six distinct areas:
 - Project on globalization: role of the MNEs
 - Project on digitalization: role of digital platforms
 - Projects on informal economy
 - Projects on inequality: distribution accounts
 - Project on classifications: metadata driven systems
 - Project on digitization of standards: Digital 2008 SNA and BPM6
- Meanwhile, **these identified project challenges have now been integrated through networking arrangements in joint Task Teams of UN Committees** in national accounts, international classifications, and business and trade statistics and related committees of the OECD, FAO, ILO, IMF, ITU, and UNCTAD and potentially other agencies.

- The Friends of the Group at its fourth meeting will propose to **realign the collaboration projects and propose to use the global COVID-19 as the challenge**. It is a serious a test case in challenging the relevance, responsiveness and resilience of the working methods and the operations of the national and global system of economic statistics.
- There is a **recognition that NSOs and IOs will like to share their COVID related initiatives**. NSOs and IOs are de facto already working on documenting the Use-Case COVID-19. Therefore, drawing from the country and IAs experiences, the FOC Group could synthesize the lessons learned mobilization the various statistical groups of the system of economic statistics. Such a use case aligns with the proposed work plan of the FOC Group.
- This is an opportunity for the FOC Group to realign its approach for the second year and **re-orient the work toward COVID-19 and its measurement challenges across the economic, social and environmental dimensions**. The proposed COVID 19 Use-case for the FOC Group is an networking exercise consisting at observing what documentation, challenges and user consultation have taken place in the context of COVID19 and draw conclusion from it on how it could be scaled up to address all the priority areas in the economic statistics.
- **The initial set of questions for the system of statistics** to be consulted at global, regional and national level could be the following, for which further consultation of the members could be undertaken. Subsequently, a report on this consultation could be presented to the upcoming Statistical Commission:
 - What is the impact of COVID19 on the national and international statistical system related to the update of the system of economic statistics? - related to the ability to ensure business continuity, address new policy needs, introduce new data solutions and forge new partnerships.
 - How does post-Covid19 look like for the update of the system of economic statistics? Pivoting post-COVID19 is to ensure that we sustain the lessons learned by documenting where the system worked well to pivot where it did not work well and continue to address the new demands with the objective to enhance the resilience and responsiveness of the statistical system.
 - How would a global, regional and national user-producer consultation on the update of the system of economic statistics look like in the short and medium term?
 - Should we establish a nimble UN network of economic statisticians that meet regularly to assess the user demands on the statistical business model in developed and developing countries?

