

**Summary report**  
**Second Meeting of the Friends of the Chair Group on the Future of Economic Statistics**

United Nations Headquarters, New York, United States of America, 2-4 December  
2019

**Day 1 Summary**

Opening Remarks

The meeting began with a reminder of the conditions under which the Friends of the Chair (FOC) Group had been established. Namely that it would operate for no more than two years, that it would make specific proposals and undertake concrete activities during this period; and that it would increase the return on investment for NSO involvement in international activities (i.e. that it would not increase bureaucracy or overhead in the international system).

The Chair (Mr. Anil Arora, Chief Statistician of Canada) thanked the participants for their continued support and comments. He also thanked the consultation participants for their thoughtful responses.

Based on the consultation undertaken and his discussions with several parties, the Chair summarised the views he had heard as:

- Augment and enable the system as the system is not broken
- Challenge the system to change rather than impose change on it
- Prepare recommendations that are pragmatic

Discussion with Economists

Elliot Harris (UN Chief Economist) introduced the newly created UN Network of Economists by describing its role and ambitions. The Network is intended to support economic policy within the context of the 2030 Sustainable Development Agenda, taking a longer-term vision and developing economics for sustainable development. A key element of this program is consideration of the quality of growth i.e. not just looking at economic growth but also considering the environmental and social ramifications of economic growth. The Network is considering five major trends: climate change and ecological sustainability, technology, demographic shifts, urbanisation, and inequalities.

The Group discussed the challenge of providing statistics that meet both short term policy needs (revolving largely around financial and monetary stability) and those longer-term policy perspectives implicit in sustainability or wellbeing analysis. Both are essential and we cannot afford to meet one group of users or policy needs at the cost of the other.

Members acknowledged the importance of engaging across a broad community of statisticians and economists. It was heartening that the UN Network of Economists saw engagement with the statistical community as vital to their efforts, and the FOC Group should continue to build on its consultation and outreach efforts with future events. Members also noted the importance of communicating and explaining economic statistics in order to increase the understanding of users, particularly their understanding of the range of statistics produced and their potential use. In this communication, it was important to neither overstate nor to be overly critical of the utility of measures like GDP.

Finally, members noted the resource constraints faced by national statistical offices and that, in addition to new types of statistics, users were asking for higher quality (more frequent, timelier, more accurate) estimates of currently produced statistics.

### Results of Consultation Activities

The group discussed the results of the consultation process (both the regional consultation and the statistical group consultation). Members agreed that there was a wealth of information to be mined in the results, but that some broad results were:

- General agreement that the most important priorities for the statistical system had been identified and initiatives were in place to address these
- Mixed views were expressed on the extent to which global initiatives supported institutional transformations at the country level
- Most respondents felt that the governance system was not broken, but that improvement should be made to coordination, communication and responsiveness
- Consensus on the need to produce more granular data, and for international initiatives to support this need across methods, tools and standards
- A general sense that the system of economic statistics is accurately portrayed as reactive and slow in adjusting to user demand
- Real concern from developing countries that they did not have the resources or capacity to engage with the issues being discussed, and that further support was vital

There was recognition of the importance of consultation and engagement in this process. However, it was also felt that the results needed to be challenged in order to ensure we maximised the value provided by the groups and countries investment in the system. Not with-standing this result, members noted that responses were in general, well-considered and constructive.

The topic of experimentation and innovation generated considerable discussion. Members noted that experimentation was not an option or an extra, but rather that it was essential and fundamental to operations of NSOs. This included experimentation in new fields of statistics, as well as experimentation to refine or improve current measures, and contribute the update of the system of economic statistics.

A central leadership challenge is how to increase this experimentation and innovation. How to deliver better statistics faster and with greater levels of detail. How to engage more effectively with partners in this experimentation and increase collaboration. How to generate a 'can do' attitude and foster an environment in which like-minded countries can work together.

### The system of economic statistics

Members agreed that all elements of the system of economic statistics faced change: the role of NSOs as data producers to data stewards; the rise of competitor organisations; the information needs of users; the availability of data; and the emergence of new tools and techniques. In this environment precisely defining the system of economic statistics is not as vital as ensuring the system is receptive to change.

The general vision presented in the paper was accepted, but the more critical consideration was what were the immediate steps that we should take towards improving the responsiveness and nimbleness of the system of economic statistics? These steps need to recognise the changing role of the NSO through enabling an entrepreneur/innovation spirit, and through increasing sharing of

experience and collaboration. They also need to reflect the changing role of international organisations in enabling the system.

Taking a capacity building approach to international activities was a theme which came through the discussion. In this approach international initiatives would not prioritise solely the development of international standards. Rather they would recognise the value of global initiatives covering elements such as data acquisition; statistical methods; use of ICT tools, etc. to fulfilling the mission of NSOs. These initiatives would aim to increase collaboration, innovation and experimentation while delivering a return on investment for country involvement in global initiatives.

The Group noted that the update of the system of economic statistics could consider the drafting of guidance notes for experimentation and testing that include not only the update of concepts and methods for specific issues, but also the practical compilation guidance and related training material. It was also noted that the culture within the statistical community is one of experience sharing and collaboration. And that we should look to utilise the strengths of this culture to create an innovative and collaborative environment at the global level.

## **Day 2 Summary**

### Potential Improvements to the System of Economic Statistics

Members discussed potential improvements to the system of economic statistics across the three elements of: standard setting; statistical infrastructure; and statistical operations. These discussions focussed on ways in which current structures and groups can be challenged to work differently with the aim of increasing the responsiveness and agility of the system.

International classifications were identified as one high potential area where different ways of working might deliver significant benefits. The classifications expert group could be challenged to develop new approaches which both ensured continuity of time series but also offered increased flexibility to respond to changing demands. These approaches would be expected to utilise new technologies, real time user engagement, and agile ways of working to achieve these results. While the exact solutions would be left to the expert group to determine, some ideas discussed included: utilising a 'building block' or 'modular' approach to produce alternative industry views; accepting label or description updates to ensure contemporary language.

Members also discussed the value of arrangements and settings that supported data exchange between institutions. While data exchange could be challenging to achieve within legislative constraints and community expectations, there were significant benefits that could potentially be realised. This was particularly true regarding Multi-National Enterprises where any country would struggle to obtain data and provide a complete perspective on the MNEs activities.

The concept of 'coalitions of the willing' were discussed as the mechanism by which progress was typically achieved. Chief Statisticians 'vote with their feet' by sending staff to meetings and forum which they feel will deliver a return to their institution. This can be seen in the UN City Groups which are established and run by member countries. Members discussed how these existing mechanisms can be challenged to deliver additional value and rationalize their respective mandates to create a more efficient system of economic statistics.

Finally, there was general agreement that a positive way forward would be for the Group to propose a measurement challenge that various statistical groups would be asked to respond to. In addition to meeting the measurement challenge the groups would be expected to demonstrate new innovative ways of working. This proposal would serve as a pilot initiative intended to demonstrate how new

approaches could support a more responsive and relevant system of economic statistics. The new approaches should be replicable and sustainable. Groups should also seek to learn from how groups operating in similar fields outside of statistics operated.

### Governance of the System of Economic Statistics

Discussion commenced by noting that the consultation process showed there was little appetite for major change to the current governance arrangements. But, that there was also a view that current arrangements were rigid, slow to respond, and that there was a need for more coordination and communication. The question then was: without imposing additional layers of bureaucracy what changes could be made that would improve the effectiveness and responsiveness of the system?

Taking a principle-based approach was considered helpful. In addition to the proposed principles of accountability, coordination, and transparency, members felt that cost/efficiency and 'engagement by the best' (having the involvement of the right experts and stakeholders from across institutions, including academia and private sector) were important considerations.

Using these principles, and operating within the mandate given to the FOC Group, members supported trialling new arrangements which aimed to improved coordination, communication and a collaborative responsiveness across the system of economic statistics. This would reflect that the most important consideration was having the right links in place between groups to achieve an identified purpose.

The membership and functions of groups also need to be considered. The Group discussed whether there was a proliferation of groups in part because membership of some groups was restricted to representatives from certain types of organisations, for instance excluding country representatives. This can be seen in those fields that have inter-secretariat working groups and interagency taskforces consisting of international organisations only. Also, work of the city groups could establish formal collaboration arrangements with existing and new statistical groups/committees. There was a suggestion that, in the new environment, we needed to broaden membership to ensure the best representation for achieving the purpose of the group.

Members noted that to achieve support for these actions a positive vision for improved governance arrangements needed to be articulated and presented. This vision would recognise that Chief Statisticians needed to demonstrate leadership in the global system, that International Organisations were expected to enable innovation, collaboration and inclusion, and that other partners are included beyond this traditional set of institutions. Finally, we should not wait for the perfect, rather we should be willing to embark on change through an iterative process consisting trial and experimentation that improve he responsiveness and effectiveness of the system.

### **Day 3 Summary**

#### Friends of the Chair Work Program

##### *Document the System*

Members agreed that some very useful material enabling considered discussions had been developed during the year such as on the system of economic statistics and governance arrangements of the system. This type of material was important in supporting informed decision making and prioritization of work programmes, and the Group should continue to develop the material as a resource for the global community.

Action Item 1: Write to those who responded to the consultation exercise thanking them for their contribution and providing a summary of the findings

Action Item 2: Continue to build out the 'placemat' of statistical groups that make up the current system, to add regional and other dimensions such as the link with groups in the socio-demographic domain

Action Item 3: Start producing simple explanations of how the system currently works along with challenges and opportunities.

Action Item 4: Develop guidance on working methods of statistical groups (e.g. city groups, committees, friends of the chair groups, high level groups) that provides clarity on their structures, functions, mandates, membership, reporting lines, etc. and the roles and expectations for participants

It was also noted that the material which had been gathered identified several groups that were no longer active and some groups which overlapped in their remit. This information should be provided to the appropriate bodies for their consideration and potential action.

Action Item 5: FOC Group to recommend to Statistical Commission that inactive groups<sup>1</sup> should be dissolved; and UNSD to contact Chairs of existing groups to trialling new arrangements with open and inclusive memberships, cross-participation, and where appropriate through consolidation

### *Create network for the System*

Members agreed that increasing the linkages between statistical groups should be pursued to improve coordination, communication and alignment without adding any additional governance groups or hierarchies. This would be pursued through the creation of a network of Chairs of the economic statistics groups. Joining the network would be voluntary and membership would be broad (inclusive of groups operating outside the UN system). Activities of the network would coalesce around guidance notes for selected measurement issues/problems related to the update of the system of economic statistics with designated outputs, outcomes and time frames. Potential measurement issues/problems discussed included: digital platforms, multi-national enterprises, and the informal economy.

Action Item 6: Develop guidance notes around measurement issues/problems for the update of the system of economic statistics, define outputs and outcomes for the network to tackle with agreed timelines, leveraging the Chief Statisticians to drive these outcomes.

Action Item 7: Engage with Chairs of economic statistics groups, explain the concept and its background, and get their input

### *Challenge the System*

In addition to solving a real-world measurement problem, the Chairs would also be challenged to operate differently, to be more innovative and nimbler. While the exact ways of achieving this would be left to the Chairs and their groups to determine, ideas of the members FOC Group discussed included: better use of technology for communicating; more iterative approach to producing

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<sup>1</sup> Delhi Group on Informal Sector Statistics; the Inter-agency Taskforce on Financial Statistics; the Expert Group on Globalization and International Trade Statistics; the Inter-secretariat Working Group on International Trade and Economic Globalization Statistics; and the Interagency Working Group on Debt Statistics.

outputs by drafting guidance notes on the update of the system of economic statistics with membership from across statistical groups; drafting guidance on update issues addressing methods, practices, source data, and capacity building; opening membership to country representatives and a wider array of non-statistical institutions; taking a capacity building perspective to their work; and finding new ways to balance challenges of continuity and innovation. The network would also serve a function in sharing best practices and results from experimentation between groups.

Action Item 8: Develop guidance on the update of the system of economic statistics reflecting new ways of working and the associated desired outcomes along with clear indicators to track progress.

### *Engage the System*

Agreed that, as the FOC Group heads into the second and final year of operation, it is needed to increase communication efforts with the heads of NSOs of the statistical community, to discuss findings so far and proposed avenues of work. It is also needed to find ways to engage with a broader set of stakeholders including users, technology partners, data providers, and academics. And to engage the “best” (having the involvement of the right experts from across institutions) and develop mechanisms that build this engagement with stakeholders into our regular ongoing activities.

Action Item 9: Produce UNSC report for 2020 and arrange a side event

Action Item 10: Develop a communication and engagement strategy

Action Item 11: Organise a UN Global Forum on Economic Statistics for late 2020

Action Item 12: Arrange the 3<sup>rd</sup> meeting of FOCG to take place alongside the UNSC March 2021 meeting