

2nd Meeting of the Friends of the Chair on Economic Statistics

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6. Potential improvements to the system of economic statistics? (the 'how')

6a. Ideas for improving the flexibility and responsiveness of international standard setting

Fast-changing society and economy, greater coherence and integration across statistics, plus user requirements for stable time series all contribute to a significant standards setting challenge for the global statistical community.

Responding to this challenge will require additional leadership from the global statistical community to deliver improved coordination, more innovation and experimentation, and better engagement with users.

Improved coordination and accountability

It is challenging within the current system of siloed working groups and statistical domains to align work towards an agreed work program necessary for a statistical standards update, and to hold groups accountable for delivery. Without improved coordination and accountabilities, it is difficult to see how international standard setting could become more responsiveness. Some ideas for improving coordination and accountability:

- Assign a group/body the responsibility for coordinating a standards update across the economic statistics system and have them report the UN Statistical Commission. Currently each domain reports individually to their governing body (some to UNSC and some to other governance groups) and there is no mechanism for coordinating a statistical update across the related domains.
- This responsibility could extend to ensuring the appropriate allocation of activities within an update program to a various working groups and other fora that exist. This allocation would include: defining deliverables, setting deadlines, and ensuring accountability for delivery. We anticipate that working groups, such as the UN City Groups, could contribute much more effectively to an update if such a mechanism were in place

Innovation and experimentation

Innovative ways of operating should be explored in order to increase the level of flexibility with standard setting. Experimentation needs to be encouraged in order to hasten the pace of updates to standards. Some potential ways to achieve this might be:

- Use economic classifications as building blocks which can support a variety of views of the economy. Taking the 'digital economy' as an example: in response to user needs for a statistical view on the digital economy, the classifications working group could have been tasked with developing (within a fixed window of time) a digital economy classification built using existing

ISIC classes. This would be an internationally agreed alternative representation that did not require a change to the ISIC standard and would facilitate countries producing digital economy estimates. This is a common approach at the country level which could be implemented at the global level.

- Acceptance of updates to standards such as the SNA typically rely on having country level studies which demonstrate the feasibility and practicality of the new measures. For example, the introduction of Research and Development as Capital Formation in the 2008 SNA was only possible because there was a body of studies at the country level. The process of obtaining international agreement to the update of standards could be accelerated if there were more experimentation undertaken more quickly in a range of countries, including developing countries. The international community should develop a mechanism to support such an acceleration with a focus on developing countries.

Engagement with users

One could characterize the current approach to updating standards as reactive – changes are typically not made unless there is a strong view expressed that the current standards are outdated, and that the utility of the statistics is at risk. This means the statistical system risks constantly looking as though it is behind the times and unresponsiveness to changes in society/economy. Some ideas to improve engagement with users and to improve the transparency of the update process and to make the system more accountable to users:

- Increase the transparency of the update process to our stakeholders outside of the statistical system including providing an ongoing mechanism for them to contribute constructively to the standards update process. Most countries operate with some type economic statistics advisory or user group. A similar concept could be implemented at the global level.
- Plan updates ahead of time, for example when a new standard is approved commit publicly to reviewing that standard on a regular basis every X number of years. This review would include engaging with users on whether an update was needed or not. This would be a more proactive approach in place of the current reactive one.