Summary of the consultations on the future of economic statistics: Recommendations for a shared economic statistics agenda and the UN Network of Economic Statisticians

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1. Introduction

At its 50th session (in 2019), the United Nations Statistical Commission established the Friends of the Chair (FOC) Group on Economic Statistics with a two-year mandate till 2021 to organize consultations on the future of economic statistics with senior statisticians and economists of the global and regional statistical and user communities. These consultations were to assess the system of economic statistics for its robustness in measuring the multidimensional requirements for sustainable development, its relevance in meeting user needs, and its responsiveness in leveraging new data sources and new working methods and arrangements. Moreover, the Group aimed to take stock of existing statistical groups' initiatives, working methods, and governance arrangements, and provide recommendations on the system's future priorities. Because these consultations took place during the COVID 19 pandemic, they also facilitated the evaluation of the far-reaching consequences of the pandemic on newly emerging policy demands and on introducing new data solutions and working arrangements for collecting and producing economic statistics. This evaluation added the assessment of the resilience of the system.

The FOC Group launched regular consultations for two years at the global level with senior statisticians who were members of the Group, senior-level users, and the Chairs of the statistical groups established by the Statistical Commission and active in economic statis-

tics. During the same period, high-level seminars organized with the regional commissions addressed the priorities for the system of economic statistics at the regional level.

Also, the Statistical Journal of the International Association of Official Statistics played a vital role in global consultation. The Special Issue of the Statistical Journal of the IAOS, Volume 36/3, 'The future of economic and business statistics,' documented the challenges and pathways to enable a more responsive and agile system of economic statistics in twenty articles, a foreword, and guest editorial [1]. A consultation on the Journal's discussion platform[1] complemented the Special Issue of the Statistical Journal. While the Journal's discussion platform on the future of economic statistics has closed, the Network of Economic Statisticians to be introduced below will continue to organize user consultations as part of its mandate.

2. Results from regional consultations and statistical groups

The FOC Group reported to the Statistical Commission in March 2020 on the results [2] of both the regional consultation and the consultation of the statistical

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[1]https://officialstatistics.com/news-blog/future-economic-statistics.

groups, with the following broad conclusions, priorities, and pathways for action:

   (i) the ongoing statistical updates of standards for national accounts, international trade statistics, environmental-economic accounting, and international classifications cover the most pressing user needs, and initiatives are in place to address them

  (ii) in support of these ongoing revisions, amplify a) the harmonization of multidimensional extensions of standards and frameworks, b) the global facilitation of access to privately-held data for the production of official statistics for measuring the digital economy and the global value chains, and c) the investment in global infrastructure for the secure and confidential exchange of cross border data of multinational corporations and their firm network

 (iii) support and accelerate the institutional transformations at the country level to modernize their statistical operations in response to budget pressures, capacity constraints, and the digital and data revolution by expanding the global statistical infrastructure for access to data solutions and innovation in capacity-building activities. The initiatives should use advanced technology in providing access to new methods, new data, and new technology for statistical production

 (iv) launch international initiatives on the users' requirement for granular and disaggregated socio-economic and environmental statistics through cost-effective information technology-driven methods combining data sources such as big data, privately-held data, administrative, and traditional survey data

  (v) advocate a response to the request from the national statistical system of developing countries in securing active and early participation in the experimentation and testing of the newly proposed recommendations for the revisions of the standards and complementary global initiatives

 (vi) better institutional co-ordination and networking between regional and international initiatives through better collaboration and communication on shared priorities, shared membership in research, priority-setting through annual regional and global forums on economic statistics

 (vii) promote the synergy and dialogue between the Chairs of statistical groups to enhance synergies between the groups and avoid duplication of work

(viii) support for the developing countries is vital in providing the resources and capacity to engage with the global statistical programs like for the updating of international standards and capacity building

 (ix) adopt practical and agile working methods focused on a few global long and short-term themes. The long-term themes should center around significant global challenges such as globalization and supply chains of multinational corporations, digital economy, climate change and environmental sustainability, technological change, demographic shifts, urbanization, and inequalities. Short-term policy needs to focus on financial and monetary stability and the longer-term policy perspectives on sustainability or wellbeing analysis

  (x) assist in flexible and responsive communication with users to balance the often-competing requirements for consistent, stable time series while also being innovative in meeting new needs or expectations.

3. Recommendations of the friends of the chair group on economic statistics

In 2020, the FOC group continued its deliberations on its recommendations. These recommendations were presented in its final report to the Statistical Commission in 2021 [3] to transform and modernize national statistical systems using a problem-diven approach centered on the four themes. They are summarized below.

3.1. Networking: Collaboration and user consultation

Collaboration and user consultation should build on the traditional mechanisms of global and regional forums on economic statistics. Such platforms will foster better co-operation with the academic and policymaking community and identify a forward-looking agenda on emerging topics, to make the system of economic statistics more responsive to new user demands. Better regional and global co-ordination between countries and agencies would further increase the effectiveness of regional consultations in reducing redundancies and overlaps. Moreover, existing regional forums should

also increasingly be organized jointly with global agencies to foster coordination and ensure regional ownership by using existing regional platforms for dialogue. The outcomes of regional forums will feed into the global discussions (for instance, through a United Nations global forum on economic statistics). These global forums are to be co-organized by international and regional agencies to set the priorities of the global program of work for the system of economic statistics. Furthermore, national data science centers in a global network can foster co-investment in cloud-based platforms and data and code sharing arrangements. Such a global data science network could also facilitate the coordination of still fragmented initiatives on access to privately-held data with the private sector.

3.2. Transforming and challenging the system: Statistical infrastructure and operations, and data solutions

New mechanisms are recommended that transform collaboration among national statistical offices and international organizations beyond sharing experiences and practices to co-investment and co-development of statistical infrastructure, operations, and data solutions. Globally, it could lead to efficiencies by limiting duplication of effort. Such mechanisms should be formalized, piloted, and implemented over time. A key overarching principle concerning co-investment should be "leave no one behind" and the adoption of pragmatic approaches to develop global solutions. In the beginning, a few national statistical offices or international organizations could co-invest in producing a given tool or solution, which will ultimately result in benefits for all through testing the applicability of tools and data solutions in selected developing countries. The co-investment should be prioritized in the following areas.

3.2.1. Data acquisition and access

Many national statistical offices make individual requests to access and use data from global private data owners. From a 'companies' perspective, that is often not an efficient way of working, with limited opportunities for synergies. From an economic statistics perspective, it may lead to fragmented data access with limited analytical use at supranational levels. One approach would be for a group of national and international statistical organizations to collectively approach large multinational companies and agree on a joint approach to access and use these privately-held data, based on a set of

broadly agreed access and use principles. A collective of national statistical offices and international organizations has a stronger position (or even mandate) to speak on behalf of the global statistical community and might be able to offer more in return to those companies than an individual office or organization.

3.2.2. Data-sharing

While there is a good rationale for stronger data-sharing among national statistical offices, in particular the sharing of company data, there are considerable barriers and challenges. In most cases, national legislation prevents such data-sharing. Even if it were to occur, trust between national statistical offices and domestic firms could be undermined. Making progress here is likely to be challenging, but it is worth trying. International organizations could play a key role both as hosts of shared data and by developing a management and governance framework for sharing data, including the use of methods and techniques for preserving privacy. Use cases should be put in place to experiment with the latest privacy-preserving techniques for secure exchange of information on cross-border transactions and company structures of multinational enterprises for the consistent recording of information by countries on the role of multinational firms in national economies. The development of new data-sharing arrangements could build on existing practices in adopting legislative arrangements at the national and regional levels. Similar legislative arrangements, including at the global level, could be explored for statistical purposes to secure data-sharing with the private sector.

3.2.3. Common data infrastructure and common resources

International organizations already perform a key role in supporting national statistical offices by hosting and analyzing comparable economic data. Still, there is significant scope for joint development and maintenance of global infrastructure. The work of Eurostat on the EuroGroups Register, of the Statistics Division of the Department of Economic and Social Affairs of the Secretariat on the global group register, and of the Organization for Economic Cooperation and Development on the Analytical Database on Individual Multinationals and Affiliates are good examples of how to maintain regional and global databases of the largest multinational enterprises that could serve as stepping stones for more ambitious projects, extending perhaps to a complete register of multinational enterprises. These collective projects contribute to describing multinational

enterprises' role in global value chains and prove valuable in establishing statistics and indicators relating to multinational enterprises. Forthcoming use cases will facilitate the testing of the global collaboration model for co-investment in statistical infrastructure.

3.3. Enabling: Institutional arrangements and governance

The changing nature of globalization and the digital economy makes it increasingly difficult for any national statistical office to obtain a complete and real-time picture of interactions between the various economic agents within its borders, and even more so in the case of interactions at the international level. Therefore, apart from the need to facilitate global partnerships in co-production and co-investment in the development of cutting-edge techniques and methods for better national statistics, the need for better co-ordination of the system of economic statistics is becoming increasingly important across a wide range of statistical domains, given user demands for a broader, multidimensional measurement framework. Establishing a Network of Economic Statisticians facilitates collaboration, co-ordination, and communication between the different actors in the economic statistics system. It promotes global partnerships with academia and the private sector for a responsive system of economic statistics. The new Network would provide a horizontal co-ordination function across the United Nations statistical groups making up the system of economic statistics. Thus, the Network is not an additional hierarchical layer between existing groups and the Commission, but a partnership network of representatives of national statistical offices and international organizations willing to take forward the Group's recommendations for action. The Network is to adopt an agile operational approach that accelerates innovation and change following agreed principles of networking, co-investment, governance, and experimentation for the system of economic statistics.

Through the Network, the global statistical system should preserve the dynamics of innovation by facilitating the continuous sharing of national experiences. The Network can leverage the emerging national, regional and global data centres (for example, the United Nations Global Platform) and proliferate these good practices. Furthermore, the Network could build connections with the work of the United Nations Economists' Network, or other existing networks, in advancing thematic approaches for inequality, climate change and environmental degradation, demographic change, frontier technologies, and urbanization.

Building trust through co-investment in joint use cases will prove invaluable for the new working arrangements envisaged. The Network is to consult on the working methods of the various statistical groups operating within the economic statistics system's scope to strengthen innovation, agility, collaboration, and coordination and to align the terminology used for the working methods. The review of the mandates of statistical groups in the system of economic statistics takes place on a case-by-case basis, as appropriate. For instance, the general principles of shared responsibility between agencies and countries in the proposed mandate and governance structure could be further detailed to ensure that national and international statistical agencies' equal visibility, roles, and mandates are respected in the new working methods. Moreover, any change to the new governance arrangements and working methods should be organic and minimize disruption of ongoing programmes of work on the update of international statistical standards. Given the existing state of play, the review of the draft mandate and governance structure could be concluded successfully in the near future.

It was further recommended that a broader framework for measuring the relationship between the economy and society is developed. Such a broader framework would guide the measurement of the various dimensions of wellbeing and human, produced and natural capital, supporting the asset approach to sustainable development. The initiative should further strive for consistency of concepts and data sources between the economy, society and the environment, which is vital for their coherent and robust measurement. Therefore, the need for, and feasibility of a United Nations committee of experts on population and wellbeing to develop a consistent methodological framework that will enable the production of coherent and robust measures for the economy, society, and the environment, extended with wellbeing indicators, should be actively explored. If approved, the mandate for the new committee should include responsibility for improving the availability and quality of statistics related to the wellbeing of people and the sustainability of societal developments in a broader statistical framework. Again, this recommendation builds on the statistical progress and practices that countries and international organizations accumulated during the past decade.

3.4. Experimenting, integrating, and documenting: Statistical framework and methods

The group recognizes the need expressed by users to speed up the development and update of statistical stan-

dards. When developing new conceptual recommendations for updating statistical standards, they are to be accompanied by practical guidance for experimentation with, and testing in both developed and developing countries. Pursuing experimentation and testing will inform standard-setters and compilers in countries about the practical applicability of updating statistical standards. The development of standards takes a long time, but their adoption and implementation by statistics compilers are also slow and complex. Recent experience with the statistical response to the COVID-19 pandemic demonstrated the need for rapid response mechanisms with statistical methods, which were able to quickly and flexibly adapt to the measurement of new socio-economic and environmental realities. Therefore, strategies for the continuous and iterative update of global statistical standards and methods will result in a shorter and more interactive revision cycle supported by a detailed capacity programme based on experimentation with and testing the new conceptual developments in developed and developing countries. A key element in such strategies, which advance methodological development and national capacity for implementation, is experimentation and testing the methodological changes for adoption as soon as possible before they enter into the relevant statistical manuals. Testing and experimentation have become highly relevant in the COVID-19 pandemic, beyond the methodological development of international standards. However, guidance is needed to minimize the cost of iterative updates. A prominent role for the regional commissions and regional agencies in experimentation with and testing methodological changes in countries is foreseen in the assessment and implementation phases, building on their regional series of COVID-related webinars on guidance for a wide range of official and experimental statistics.

The COVID-19 pandemic has demonstrated the need for experimentation with a broader integration framework for the system of economic statistics that provides analysts and policymakers with a comprehensive and consolidated view of interrelated economic, social, and environmental phenomena. This conceptual framework may extend the SNA and System of Environmental-Economic Accounting frameworks for multidimensional measures of wellbeing and living standards and even explore the composite index for welfare that can complement the GDP.

4. UN network of economic statisticians

The Statistical Commission [4], at its 52nd Session in 2021, approved the recommendations of the FOC Group, including the establishment of a new Network of Economic Statisticians to facilitate networking and communication on innovations and best practices on priorities to keep the economic statistics system relevant and responsive. It requested that its mandate be clearly defined and provide a transparent and collaborative horizontal coordination mechanism for all existing groups. The Network's proposed key activities and functions are summarized by following four main workstreams, which are reflected in its terms of reference approved by the Commission at its 53rd Session in 2022 [3]:

(a) Networking: collaboration and user consultation. The Network will undertake global and regional user consultations on emerging issues and priorities for the research agenda; network national statistical offices and strengthen analytical and data management capabilities in the system of economic statistics; and promote a whole-of-system approach and strong partnerships with academia and the private sector;

(b) Transforming and challenging the system: statistical infrastructure and operations, and data solutions. The Network will promote collaborative actions on global co-investment and co-production for global statistical infrastructure, operations, and data solutions, as well as leverage efficiencies and limit duplication of effort through the prioritization of global use cases for co-investment and co-development;

(c) Enabling: institutional arrangements and governance. The Network will promote better working methods and better coordination and collaboration among groups so that the system of economic statistics is inclusive of the different actors involved and foster the effective functioning of the system;

(d) Experimenting, integrating, and documenting: statistical framework and methods. The Network will promote working practices for the continuous and iterative update of global statistical standards through experimentation with and testing methodological changes in countries. Moreover, it will seek an integration framework with multidimensional and comprehensive measures of progress for the system of economic statistics.

In 2021, the Network launched its activities and reported its progress to the Statistical Commission at its 53rd session [5]. With its focus on actions to improve the system of economic statistics through networking and engagement with existing statistical groups and entities rather than creating another layer of governance, the

Network introduced time-limited Sprints as its working method of choice. Sprints will increase the speed of development of the system for shared priorities and improve the Network's ability to act in an agile manner to formulate statistical responses to fast-evolving socio-economic and environmental circumstances.

Three sprints are implemented so far in taking the four workstreams of the Network forward. The Organizational Sprint, led by Statistics Canada, has taken the work forward on workstream "Networking: collaboration and user consultation", and workstream "Enabling institutional arrangements and governance". The Data Access Sprint, led by Statistics Netherlands, has advanced the work on workstream "Transforming and challenging the system: statistical infrastructure and operations, and data solutions", while the Sprint dealing with work on Beyond GDP, led by the United States Bureau of Economic Analysis and the Office for National Statistics of the United Kingdom of Great Britain and Northern Ireland, has developed the work on workstream "Experimenting, integrating and documenting: statistical framework and methods".

The Organizational Sprint held four meetings from November 2021 till early February 2022. It concluded on the terms of reference of the Network, which details its mandate and governance, working methods, and membership. It also completed a communication and branding strategy structure to be further worked out in a future sprint. Also, the Network's program of work includes regional and global user consultations with a series of regional meetings organized jointly with the regional commissions and an annual Global Forum on Economic Statistics as the capstone event. Moreover, the outline of the synthesis report was determined to be the instrument for consultation with the statistical groups relevant to the system of economic statistics.

Regarding the membership, members of the Network are high-level economic statisticians from national governments and international and regional organizations with a broad and in-depth horizontal knowledge of the priorities and issues in the system of economic statistics in its broad definition (including social and environmental dimensions). In addition, equitable regional country and agency representation among its members should ensure representation of the global statistical community. The Network appoints its members for three years with the possibility of renewal. The Network elected two Co-Chairs, Mr. Greg Peterson from Statistics Canada and Ms. Aishath Shahuda from the Maldives Bureau of Statistics. They represent the Network at international meetings, promote its mission and

mandate, and collaborate with the Network's Bureau to establish the annual workplan and monitor progress.

The Data Access Sprint concluded successfully in March 2022 after four sessions on facilitating access to privately-held data. This Sprint focused on access to granular firm-level data needed to measure domestic and cross-border supplier networks in global value chains (GVCs). Use cases identified cover industries of interest for the participating country, agency, and private sector representatives, such as horticulture, semiconductors, retail, tourism, and e-commerce. The selected individual industry-specific use cases will be elaborated further by dedicated task teams, taking into account aspects such as common access principles, GVC measurement and analysis methods, user needs, and analytical data applications. Apart from creating a global community of practice on GVC measurement, the deliverables of the use cases will strengthen the existing global infrastructure on global enterprise registers, industry-specific GVC methodology, privacy-preserving techniques, international principles for access to privately held data, and global facilitating of access to privately held data. In particular, attention will be paid to capacitiy building and regional country representation considerations. The Network is considering the possible agile work arrangements to implement the use cases in 2022 and advance its workstream on data solutions. With this work on its data access program, the Network has addressed the priorities identified by the regional consultations in 2020 (see above). Moreover, the collaboration with experts from the Committee of Experts on Business and Trade Statistics and the Committee on Big Data and Data Science for Official Statistics are intensified based on shared interests and priorities of the GVC measurement as a horizontal workstream in the Committees' work programs.

Many approaches, frameworks and specific measures are put forward for the broader measurement of wellbeing, sustainable development, and inclusive wealth. While traditional economic performance measures still exist, there is an increasing gap between the information contained in aggregate GDP data and what is important for the general public's wellbeing and the contributions and conditions of nature. Therefore, in line with the recommendations of the FOC Group, the Network is working towards developing a statistical system that complements measures of market activity with measures centered on people's wellbeing and measures that capture inclusiveness and sustainability.

The Network's Beyond GDP sprint will aim to scope the work carried out in these domains internationally,

identify best practices and identify areas of high priority for research on the extended statistical framework for economic statistics. Moreover, it will amplify existing work on the multidimensional framework for integrated statistics and identify specific, contained research areas for which internationally collaborative work would produce substantial additional value in closing the gap in the pivot to integrated economic statistics. While the theme of "beyond GDP" has a broad scope, the work will focus on specific topics that hold promise for the development of a comprehensive statistical framework for economic statistics. These topics identified include intangible capital, natural capital, expanded aggregates of economic welfare, expanded distribution accounts, and disaggregated national accounts by age, gender, and other socio-economic characteristics. In total, six sprint sessions are scheduled from March to May 2022.

The Beyond GDP Sprint will consider the recommendations for the continuous and iterative update of global statistical standards through experimentation and testing in both developed and developing countries. Various communities have done considerable work, which the international statistical community could integrate into its methodological developments. For instance, the demographic community has developed a significant body of work and country practices on life cycle analysis using disaggregated national accounts by age and gender. In addition, the wellbeing community demonstrates the compilation of multidimensional composites for measuring living standards. Similarly, the SDG indicator framework and the multidimensional vulnerability index are well-established and internationally recognized. These statistical developments could allow further experimental research in the conceptual framework to extend the SNA and System of Environmental-Economic Accounting frameworks with multidimensional measures of wellbeing and sustainability. Furthermore, this research could explore the construct of a multifaceted composite single index for welfare, which can complement the GDP.

5. Concluding remarks

With the endorsement of the FOC Group recommendations and the establishment of the Network of Economic Statisticians, the Commission has responded to the need to make the system of economic statistics more relevant and responsive to user needs. The Network will be the institutional entity to implement the recommendations for a shared agenda on the future of economic

statistics and facilitate networking, coordination, and communication on innovations, experiments, and best practices to make progress on shared priorities.

With the adoption of virtual Sprints as a central working method, the Network has shown its ability in addressing the most pressing priorities expressed in our regional consultation in an agile, innovative and inclusive manner. These thematic priorities are related to the measures of global value chains and a broader statistical framework for wellbeing and sustainability. However, in addition to long-term policy priorities, short-term policy priorities are addressed, focusing on issues related to vulnerability and stability in the near term. Price inflation is one such pressing issue, for which the Network will launch a Sprint in June on measuring the owner-occupied housing component in inflation measures. Also, communication with users is recognized as a pressing issue in regional consultations. Therefore, the Network is considering a Communication Sprint in 2022 to moderate a broad strategy for communication on the shared agenda for the system of economic statistics. This Sprint will also address the communication with users that balances the often-competing requirements for consistent, stable time series with innovations and experimental statistics.

If the attendance of the Sprint sessions is an indicator of success, the Network has been able to bring together communities of practice in interdisciplinary teams from national, regional, and international agencies with statistical, data science, and managerial backgrounds. Programs of work of existing Committees of Experts will be able to integrate some of these communities of practice, and others may require a new Committee of Experts to take their Network's initial work on priorities forward.

In 2022, the Network's regional and global consultations should result in recommendations for its 2023 agenda based on shared priorities for the system of economic statistics. These consultations will also address another priority identified during the regional consultations in 2020. This priority is to strengthen the institutional coordination and networking between regional and international initiatives and ensure that representatives from developing countries participate in global statistical programs to update international standards and build statistical capacity.

The Network's progress has raised expectations to deliver on its mandate to make the system of economic statistics more responsive to user needs. A broadening of the membership can maintain the Network's momentum with more countries launching new Sprints

on topics from our shared agenda for a sustainable future. With this article, the Network would like to invite the members of the International Organization of Official Statistics (IAOS) and the readers of this Statistical Journal to contact us with expressions of interest to contribute to the program of work of the Network.

References

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