

# Statistical News

## Special Supplementary Issue

■ **GSS Conference: European Developments and the GSS**

■ **Sir Robin Butler - Head of the Home Civil Service**

■ **Brian Crowe - Foreign and Commonwealth Office**

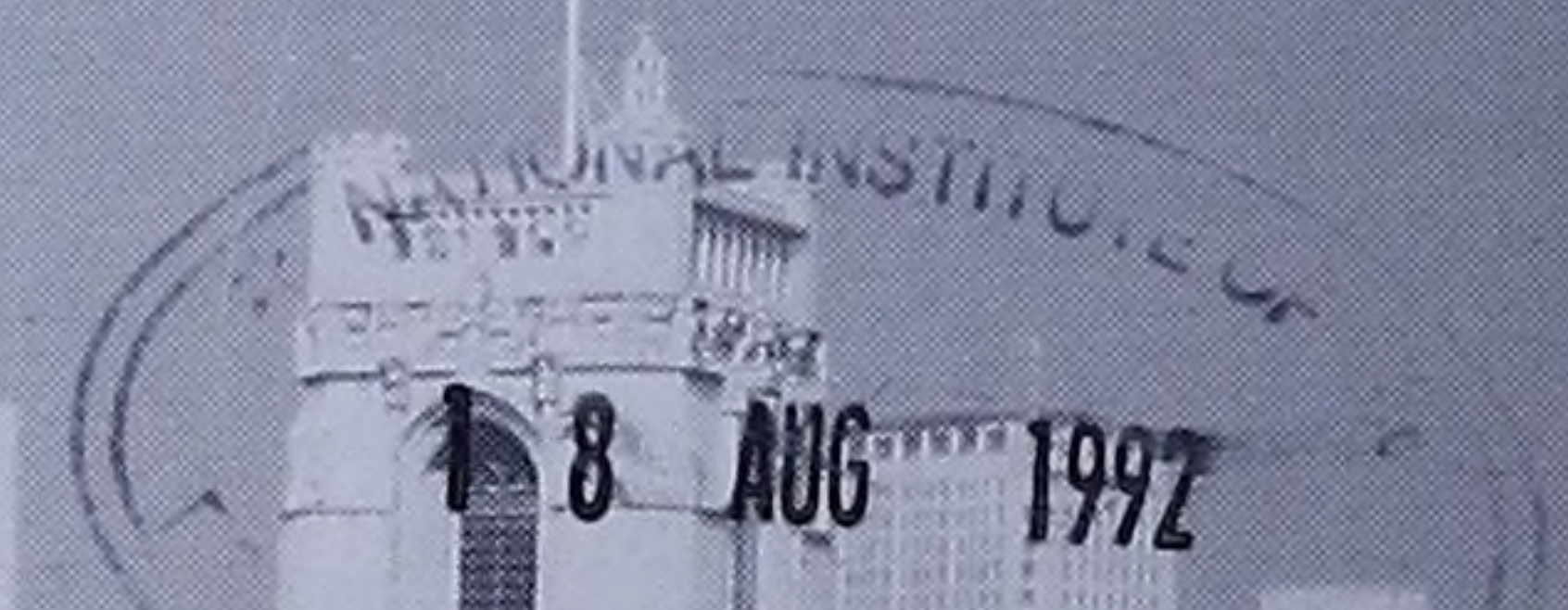
■ **Yves Franchet - Director General Eurostat**

■ **Bill McLennan - Director of the CSO and Head of the GSS**

**Issue 96a**

Summer 1992 Supplement  
Central Statistical Office

A publication of the Government Statistical Service



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First published 1992

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ISBN 011 620503 2  
ISSN 0017 - 3630



**Government Statistical Service**

It is hoped that *Statistical News* will be of service and interest not only to professional statisticians but to everybody who uses statistics. The Editor would therefore be glad to receive comments from readers on the adequacy of its scope, coverage or treatment of topics and their suggestions for improvement.

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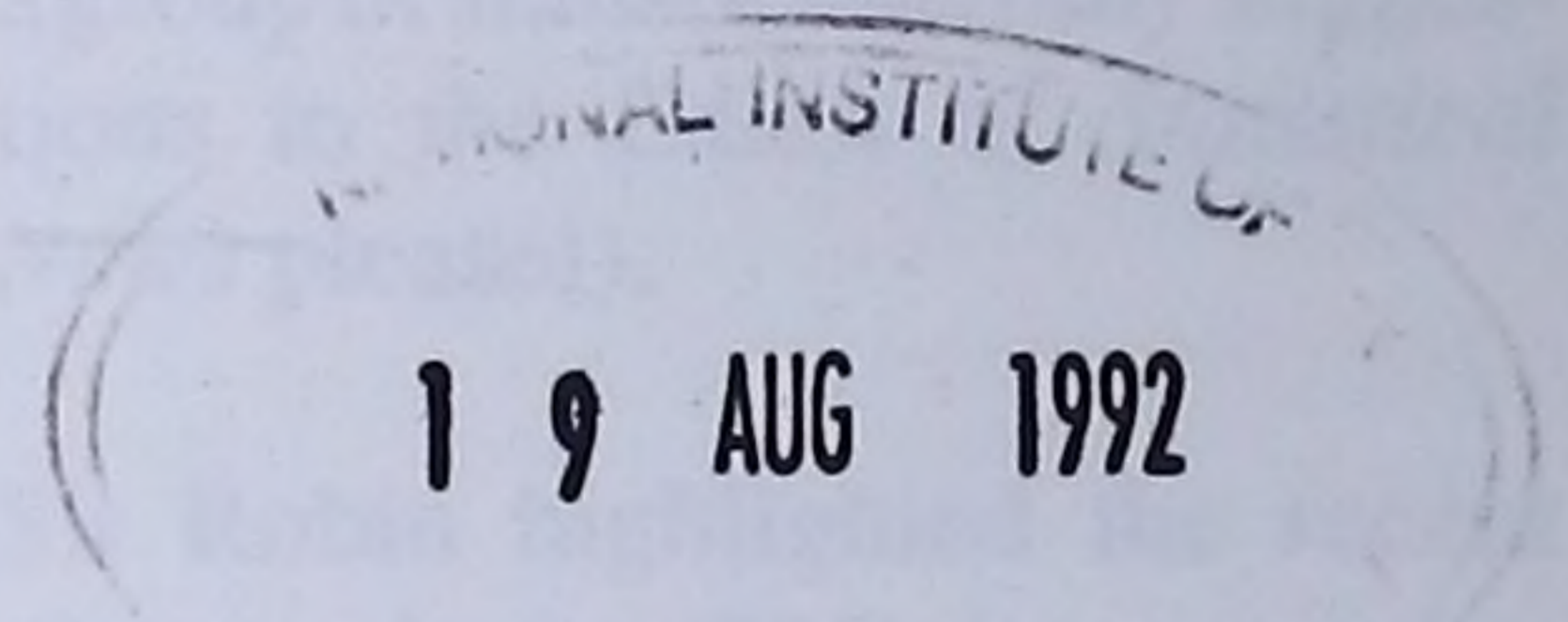
**CENTRAL STATISTICAL OFFICE**

# **Statistical News**

**Developments in British  
Official Statistics**

**No. 96a  
Supplementary Issue 1992**

**London: HMSO**



	page
<b>GSS Conference: European Developments and the GSS</b> _____	<b>96a.3</b>
<b>Sir Robin Butler - Head of the Home Civil Service</b> _____	<b>96a.7</b>
<b>Brian Crowe - Foreign and Commonwealth Office</b> _____	<b>96a.13</b>
<b>Yves Franchet - Director General Eurostat</b> _____	<b>96a.17</b>
<b>Bill McLennan - Director of the CSO and Head of the GSS</b> _____	<b>96a.28</b>

# GSS Conference: European Developments and the GSS

Queen Elizabeth II Conference Centre  
London 27 May 1992

## My views of the conference

by Ken Mears, Central Statistical Office

### Introduction

On a bright sunny afternoon on Wednesday, 27 May 1992, some 400 members of the GSS (Government Statistical Service) met in the cool, some said cold, modern Churchill Auditorium at the Queen Elizabeth II Conference Centre in Westminster. They had come to the first GSS Conference and for many it was a chance to renew old acquaintances, catch up with others' careers and realise how everyone else but oneself had changed.

I was asked to produce a brief note of the conference but such was the quality of the speakers that it was thought worthwhile to produce their talks largely in full and leave me to produce a general overview of the meeting. I am, therefore, picking out some of the things which to me were highlights, but others will have different views. I refer you to the texts in full,

which follow, if you wish to see exactly what was said. In fairness to the speakers I need to remind you that the conference took place before the Danish referendum on the Maastricht Treaty.

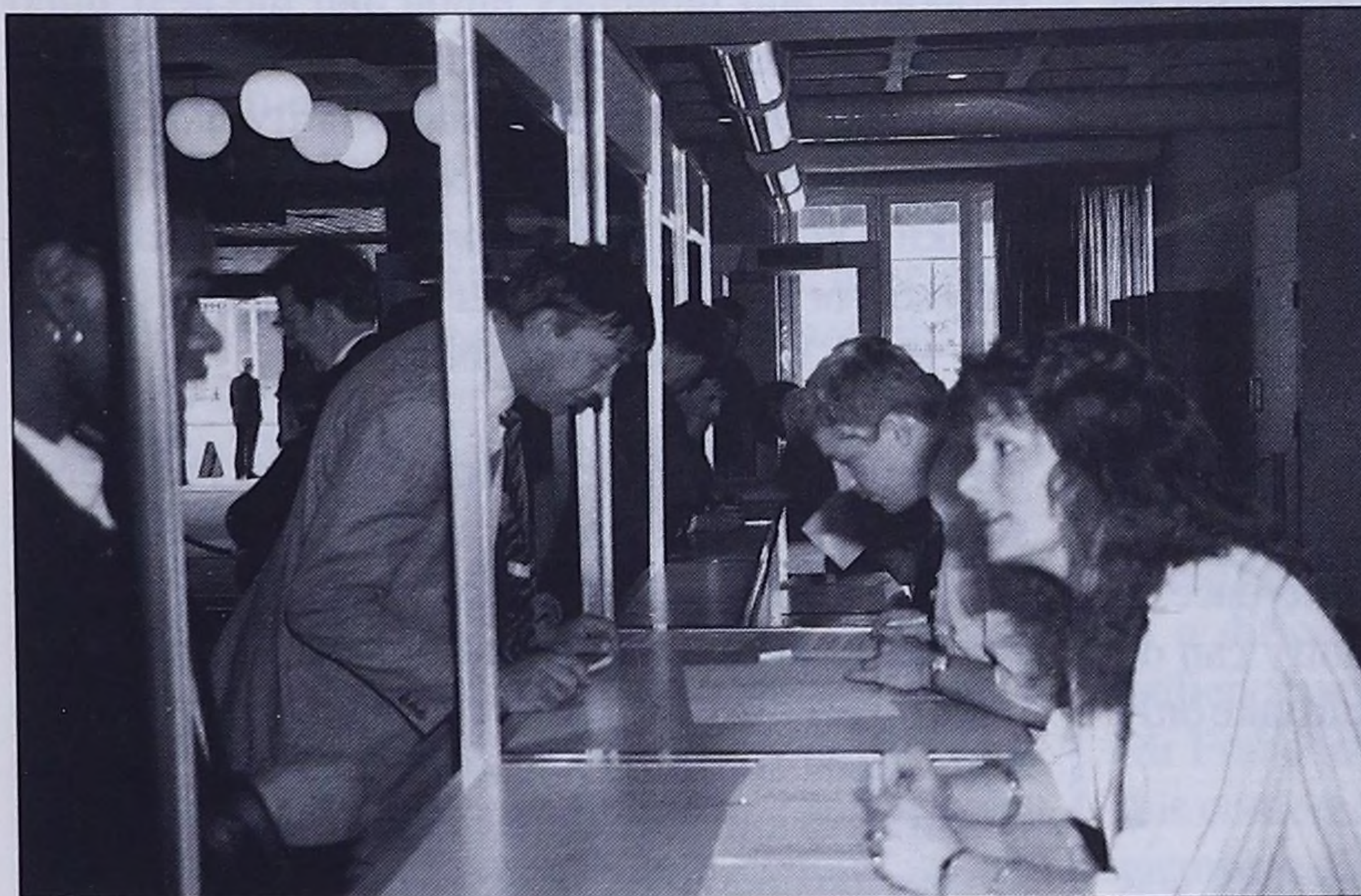
Mr Reg Ward, one of the CSO's divisional heads with particular responsibility for GSS matters, acted as Chairman for the conference and introduced the speakers with a word of welcome. He also kept us on our toes for questions and cut us off at just the right time for the next speaker, for tea and to enable us to finish at 6 o'clock. What impressed me was that most of the audience was still in place at 6 o'clock!

The four speakers were: Sir Robin Butler, Head of the Home Civil Service; Brian Crowe, from the Foreign and Commonwealth Office; Yves Franchet, Director General of Eurostat; and Mr Bill McLennan, Head of the Government Statistical Service.

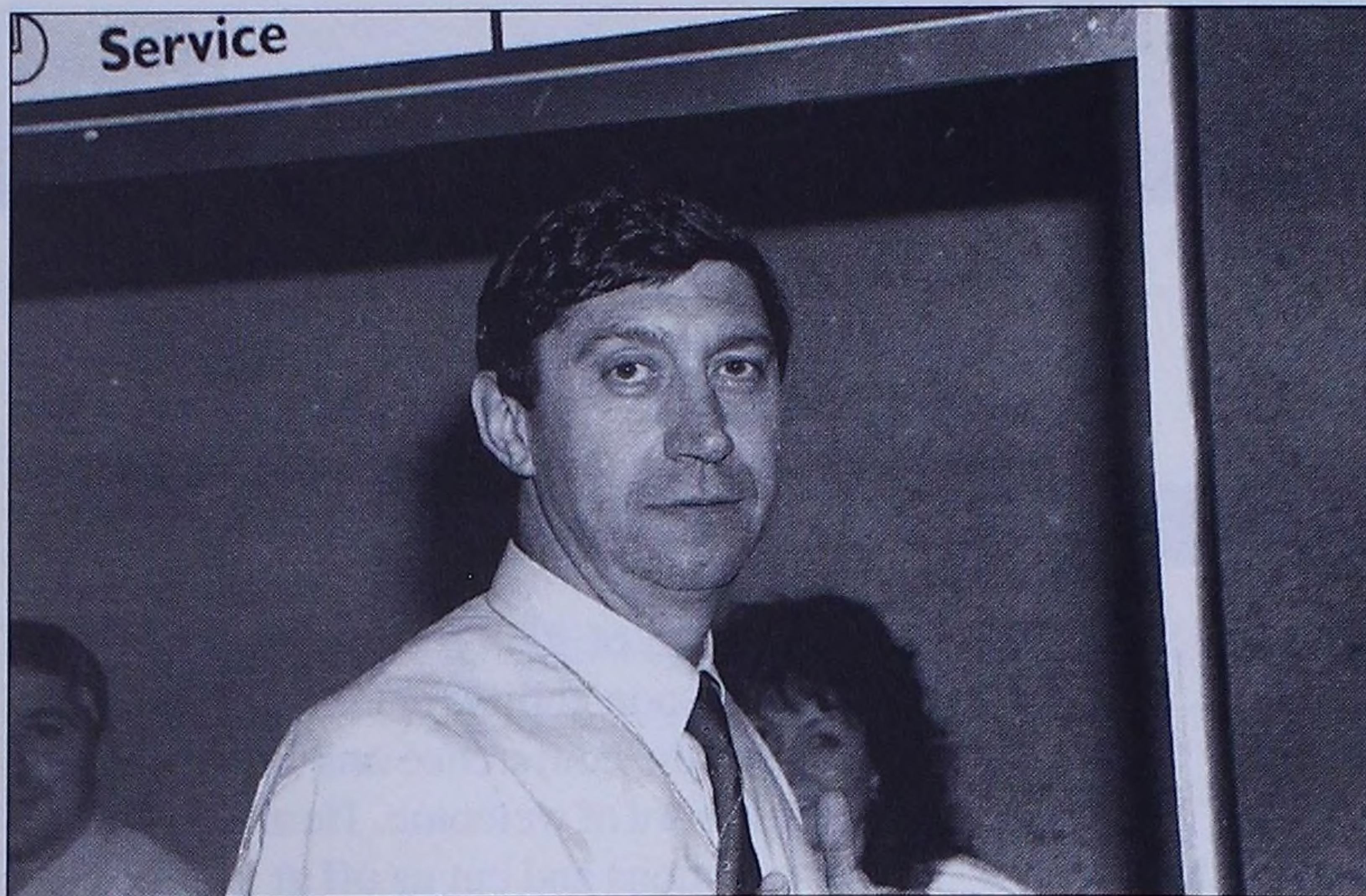
### Views from the Cabinet Office

Sir Robin Butler, Head of the Home Civil Service and Cabinet Office Secretary, was the first speaker and he began with a welcome to the GSS audience, which was probably the largest group of statisticians he had ever met at one time. He promised us no jokes about this but this did make me wonder what would be a good collective noun for a group of statisticians (any suggestions to the Editor of *Statistical News* please!).

Sir Robin highlighted the recent changes in the CSO, its expansion and reorganisation in 1989, its transition to an Executive Agency in November 1991, the retirement of Sir Jack Hibbert at the end of February and his replacement by Mr Bill McLennan. Sir Robin had regretted the loss of the CSO from the Cabinet Office in 1989 but welcomed his continuing link with it as



Checking In



**Frank Martin**

Head of the Home Civil Service, and could see that it was having a vigorous life as a department in its own right. He saw the three great changes in the Civil Service as the pressure to get more and more out of available resources, greater sensitivity to the requirements of the consumer (the Citizen's Charter) and the general management changes to shift decisions as close as possible to the point of delivery of the service. These changes would affect the GSS as well as the rest of the Civil Service. At the same time Sir Robin emphasised that accountability had to be maintained through Ministers to Parliament : from that chain of accountability civil servants loyalty is to the government of the day. For the GSS, should loyalty and integrity come into conflict, more emphasis must be placed on integrity and maintaining public confidence in our work. This was a very welcome message from the top of the Civil Service.

Sir Robin said that the GSS was becoming increasingly enmeshed in the affairs of the European Community and this was good and welcome but it did create tensions between national and international views so that it was necessary to make some concessions. At this point we heard the first reference to subsidiarity; the idea that what each country can do best for itself, it should do; the centre should take only those things done best at the centre.

In short, his message for the CSO and the GSS was integrity, quality, professionalism and self-confidence, and he felt that the omens were good.

In answering questions Sir Robin stressed that there were areas where competition with the private sector might not be practicable but he was confident that such disciplines were good for the Civil Service and we should have little to fear. Sir Robin understood the difficulties with internal government accounting methods which might inhibit statisticians from putting extra effort into producing products which were valued and raised extra revenue. He suggested that if there was a good case for expansions, extensions and different methods of working, then we should certainly try them. He also felt that there was a continued

need for a special professional statistician group within government, which was reassuring news for many members of that group.

### Views from the FCO

Mr Brian Crowe from the Foreign and Commonwealth Office spoke next and he also commented on his first meeting with the massed ranks of the statistician service.

Mr Crowe sketched through the basis of the Maastricht Treaty and its hopes for a common foreign and defence policy and its thoughts on the social chapter, economic and monetary union and the next Intergovernmental Conference (IGC) in 1996. For the second time we heard about subsidiarity and later ran into the lovely question of whether the control of drinking water and bathing water was something for Brussels or Westminster; Mr Crowe clearly felt that this was a Westminster problem.

Mr Crowe reminded us that the UK Presidency started in July and during this period the UK were anxious to complete a genuinely liberal single market, settle the present round of GATT trade talks, clear up problems of EC financing and start serious discussions for EFTA and the eastern European countries to join the EC. His vision of the future was an ever expanding EC which really did equate with Europe. There would be a clash between those who wanted a more centralised 'federal' approach and

those who felt that the wider and more heterogeneous the community, then the harder it would be to legislate effectively and sensitively from the centre. Mr Crowe also stressed the importance of subsidiarity if a Community of 20 plus was really to survive. He said that at present the EC was "the only show in town". Some matters were of course very politically sensitive and in answer to a question on single economic and monetary union he said it would only take place as the economies converge and if the Government felt it was appropriate at the 1996 Inter-Governmental Conference.

With Eurostat influencing more and more of our work it was relevant to have this overview of where Europe might be heading.

Tea and coffee and most delightful biscuits gave the assembled GSS a further chance to mingle and find old friends, and also a brief opportunity to see the layout of the very modern and high quality facilities at the Queen Elizabeth II Conference Centre. Rolls Royce were also holding their annual general meeting on the premises but as far as I could tell we did not get mixed up at all.

### Views from Eurostat

Mr Yves Franchet, the Director General of Eurostat, opened the second half of the conference with his vision of the need for statistics at the European level; statistics needed to be accurate, timely, relevant and provided by national statistical offices to all those who needed them. He stressed the major developments in Europe and reminded us that the Channel Tunnel was nearly ready for use.

Mr Franchet did not see the word 'federal' as being as bad as it was painted and he was glad to note that the new CSO Director came from a federal country. He quoted the German example where the provincial governments really held the upper hand in the collection etc of statistics and the central authority was only involved at the start and finish. Mr Franchet, too, had a good word to say about subsidiarity and said that the centre should only do what is best done at the EC level. He further pointed to the need for partnership between the 12, shortly to be 19, or even more, countries. Each statistical office had some strong and some weak points, and we all needed to co-operate to produce a

strong system. Further co-operation was needed at the international level with the UN, IMF and the OECD and help was also required for the eastern European countries. Mr Franchet said there was a place for a Community statistical law which would complement the laws which already existed and would cover data provision and statistical information. This would be the framework for the implementation of the EC statistical programme which he saw arising from common priorities, the need to minimise the burden on respondents and the co-ordination and facilitating of access for all users of statistics. Eurostat's role also covered developing common classifications, harmonising methodology, producing common results, having common statistical legislation, and exchanging technology. There were costs to providing statistics but one of Mr Franchet's key points was the need to stress the costs of not providing statistics. Music to our ears!

Mr Franchet noted there was a lack of UK officials on the permanent or seconded staff of Eurostat and urged those present to consider a posting to Luxembourg. He felt that in future this should be the norm for those wishing to work in a national statistical office. The GSS was part of the European system.

Replying to questions Mr Franchet said he would welcome any one country working to help another and quoted an example of the French Statistical Office, INSEE, helping the Greek Statistical Office. He also explained Eurostat's role in seeking standards for the collection of information on exactly the same basis throughout Europe. He realised that funds were tight but hoped that there would be sufficient to carry out the Eurostat programme he had envisaged.

### Views from the CSO

Bill McLennan then spoke about his views of the GSS after three months as Director of the CSO and Head of the Government Statistical Service. He began by pointing out that he, like Mr Franchet, was a speaker of a different form of English and hoped that his audience would understand him as clearly as they had Mr Franchet. Mr McLennan said that he looked on this conference as being a very good opportunity for members of the GSS to see him and to hear him. He was endeavouring to meet as many as possible but this took time. Mr McLennan said that, looking at

European developments from the Australian viewpoint, he had gained the impression that the GSS was not very keen on Eurostat. The GSS did, however, need firm ideas of where it was going in 3-5 years time and we needed to actively influence Eurostat, to help steer its direction. If this meant more representation he would certainly be very willing to consider it. Mr McLennan wanted us to learn from other countries and he was anxious that there would be more interchange between European statistical offices. His recent trip to the Director General's meeting in Athens only served to remind him how close Britain was to the Continent of Europe, particularly when contrasted with the distances he was used to travelling back in Australia.

Mr McLennan then went on to stress in some detail the importance of a recent speech by the Chancellor of the Exchequer to the Confederation of British Industry on 19 May. This had brought out various points about the CSO but one key element was to emphasise that official statistics are produced not just for government but for the benefit of business and for the public at large. The Chancellor had highlighted the recent changes in the CSO and foresaw a new era of co-operation between the CSO, its customers and data suppliers. As far as he was concerned, the so called Rayner doctrine on government statistics was really a misunderstanding of the 1981 White Paper. Mr McLennan commented that having read the paper in full, he felt it was a very good blue-print for a statistical service but that we in the GSS had been brainwashed by a single sentence from the report that was interpreted by many to mean a cut-back in the production of many worthwhile statistics.

In answer to questions Mr McLennan felt that there may be special circumstances where we could compete with the private sector but this was not our main work and we had more than enough to keep us busy as it is. He said he wanted to see clear and published release procedures for GSS statistics and he suggested that many misconceptions could only be countered in this way. As an example of differing perspectives Mr McLennan told the conference of a recent discussion with the Norwegian Statistical Director. While the Retail Prices Index Advisory Committee in the UK are looking at the treatment of housing costs and whether imputed rents might be used instead of mortgage interest payments (because changes in interest

rates lead to changes in mortgage costs and consequential changes in the RPI), in Norway they were considering moving from imputed rents because of concerns that changes in interest rates did not feed through into their RPI! Mr McLennan also felt that during the Election a lot of use was made of GSS statistics but that the GSS had got no credit for this, and had perhaps lost a marketing opportunity to display its 'ownership' of the statistics being used.

Mr McLennan closed the conference by thanking all the speakers for their contributions. We then emerged into the sunshine and, judging by the conversation as I made my way to Waterloo, we had had a most successful and stimulating conference.

The following are based on the speeches given at the conference, and the question and answer sessions which followed each speaker. Mr Crowe and Mr Franchet provided written speeches and these are reproduced below. Sir Robin Butler and Mr McLennan spoke from brief notes, and so the text for their speeches was transcribed from a recording made of the conference. Questions and Answers were, of course, also transcribed from the recording of the conference. If you need any further information please contact :

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**The Conference**



# Sir Robin Butler - Head of the Home Civil Service

## Introduction

I greatly welcome the opportunity to talk to this conference which is certainly the largest group of statisticians I have ever been called upon to address; perhaps it is the largest group of statisticians anyone has been called upon to address. I am sure there are plenty of jokes about what would happen when you get so many statisticians together but you will be relieved to hear that I am not going to make any of them. I do welcome the opportunity to talk to a government statistical audience because it is the first time I have had the chance to talk to government statisticians since there have been a number of very important developments affecting both the Central Statistical Office, and the Statistical Service as a whole. One was the Pickford Review, the expansion of the Central Statistical Office and the re-organisation of government statistics that followed from that. The second was the creation of the CSO as a government Executive Agency and the third was, of course, the retirement of Sir Jack Hibbert as Director of the CSO and the appointment of Bill McLennan to succeed him. I do just want to say one thing by way of farewell and thanks to Sir Jack Hibbert and by way of welcome to Bill. I have had the opportunity to say these things to smaller audiences but I very much welcome the opportunity to say them to you today.

## Sir Jack Hibbert

I regard Jack Hibbert as not only a close personal friend but as a very distinguished Director of the Central Statistical Office and Head of the Government Statistical Service. He held the job as you all know at a very difficult and a very challenging time for the Government Statistical Service and the CSO. There was not only the Rayner Report, and the scaling down of the resources devoted to the collection of the statistics but the desire, perfectly legitimate on the part of the Conservative Government, to reduce the impositions put on business and the private sector. There was also a very rapidly changing world from which economic statistics had to be collected particularly, of course, in the financial sector where the

institutions and the methods of doing business were so dramatically changing. Changes in this and in other parts of our economy posed very great challenges. I think that Jack Hibbert will go down as the Director of the Central Statistical Office who grappled with those changes. Under him the re-organisation following the Pickford Review was launched; the Government really changed rather radically its position about the collection of statistics and decided to devote more resources to them. He will be seen as somebody who laid the foundation for what I believe will be the success of the Central Statistical Office and the GSS in the years that lie ahead.

## Bill McLennan

I want similarly to welcome Bill. We rather put the cat among the statistical pigeons in saying in the advertisement for the new director of the CSO that we would not insist on his or her being a professional statistician. It was always our preference that we should find a professional statistician to take the post of Director of the CSO and certainly in Bill we have found somebody who is a professional statistician to his fingertips. He not only has a very distinguished personal history himself, but he comes from a lively and distinguished Australian Bureau of Statistics to whose success he has contributed a very great deal. We had to go a long way to get him but I am very grateful to him for undertaking the personal and family disruption which has been involved in accepting our invitation to come here and become Director of the CSO. We are very pleased to have him and have every confidence in him and I wish him all success as the holder of this post.

## Creation of the new CSO

One other change which affected me more personally was the loss of the CSO as one of the Cabinet Office departments and its creation as an independent agency reporting to Treasury ministers rather than to the Cabinet Office. I don't mind telling you that I rather regretted that in some ways. I don't think that the direction of the CSO had formed a huge part of the life

of my predecessors but I did like it being part of the Cabinet Office. While I thought it was important that the links with the Treasury as the main user of Government economic statistics should be strengthened, I feared that the interpretation would be that a CSO reporting to Treasury ministers would be too much under the sway and direction of the Treasury. I have to say that I do not think those fears were fulfilled; I think that we have had the better side of the bargain without the danger that I foresaw. The creation of the Central Statistical Office as an agency, and the emphasis on its independence, has done something to help with that. It is an advantage to have those close working links with the Treasury. I console myself by the fact that Bill, in his role as Head of the Government Statistical Service does continue to report to me as the Head of the Home Civil Service, so I retain that wider link with you at least.

### Changes in the Civil Service

In addition to these changes in the position and the role of the Central Statistical Office and the Government Statistical Service, there are very great changes going on in the Civil Service. The purpose of my talk today is really to set the changes that have affected you in the context of the developments taking place in the Civil Service. I really want to pick out three main strands in the changes which are taking place in the Civil Service. They are not new, many of them have gone on for most of my career and they are not internal; in many ways they respond to changes which are taking place in the outside world.

The first of the strands is, of course, the pressure all the time to get more and more out of the resources which the taxpayer provides for the public services and for the Civil Service in particular. That is something which has been a dominant and a growing feature during the whole of my Civil Service career and the whole of yours and, of course, the reason for it is understandable. The demand for public services of all sorts is unlimited and while, before the last war, we were not reaching the limits of what was bearable in terms of taxation in order to finance the provision of those services, more recently we have been reaching those limits. Yet governments have to satisfy the enormous demands that there are from the public for the provision of services. Not only, of course, the sort of services that we are talking about today, but things

which are central to the lives of the community in the form of health, education and so on. All the time there is competition for those public resources, and so great demands are put on the providers of those services to use the resources as well as they possibly can.

### Needs of the consumer

The second strand is greater sensitivity to the requirements of the consumer. This is a particular theme of the Citizen's Charter and the policies at the heart of the present Prime Minister's approach. We in the public services are not under the same pressures as those in the market place who compete with each other to please the consumer; the challenges which are placed on us through the Citizen's Charter are in some ways to act as a surrogate for those pressures. They help to insure that the big guy, the Government, is not neglecting the interests and the demands of the little guy, the individual consumer, in the provision of public services.

### Management in the Civil Service

The third theme is one of general management. We see in the private sector, as in the public sector, the present belief that small rather than big is beautiful. Decisions about efficiency are better made if they are made as close as possible to the point of delivery of the service. You see in large commercial organisations what is called the flat, rather than the hierarchical, management structure. Many large corporate companies disperse responsibility to branches and divisions and have very small headquarters indeed.



Left to right, Bill McLennan (CSO), Yves Franchet (Eurostat), Reg Ward (CSO), Brian Crowe (FCO), Sir Robin Butler ( Cabinet Office, Head of Home Civil Service)

These factors affect the management of the Civil Service and we are responding to them, I hope, as others outside are also responding to them. What form do the responses to these pressures take? I believe that they take, first of all, the form of greater delegation. I welcome this because I believe it provides more satisfactory jobs for people within the Civil Service. With greater delegation must go greater definition of the tasks to be done by the individual and by people at all levels. With that must go greater accountability for achieving those tasks and for the use of the resources which are devoted to them. If we are not to have the heavy overheads of supervision and control which have I think been too great a feature, not only of our Government but of many organisations, one must have more personal responsibility. The other side of that coin is greater reward for success and achievement.

These pressures add up to a greater challenge to the individual which is, in my experience, a challenge welcomed by people in the Civil Service. It certainly is necessary if we are going to attract young people of the sort of calibre that we want within the Civil Service. Any time I go to address a university audience or any audience of young people, the first question they ask is "well if we come into the Civil Service how soon will we get real responsibility?". I do think that you get the best out of people that way. It does not come overnight but it is something which will enable us to get better results from the Civil Service as a whole.

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## Competition

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The second response to these pressures is more competition. It is the present Government's policy that we should be exposed to greater competition but I think it would happen anyway. One form which that takes at the moment is competing for quality. It takes the form of untying within the Civil Service and, very often, creating markets among ourselves with the incentives for efficiency that that creates. This too is disturbing and challenging but I do believe that it is not something which we can resent or object to, provided always that the competition is fair and that Civil Service providers are competing on equal terms with private sector providers. I do not see how we can possibly say to the taxpayer that we ought to have any protected position in the use of Government money

for the provision of services. I am very confident that, when put in that situation, the Civil Service does actually compete very well with alternative providers. We face not only competition in that way but also more openness in personnel management matters; more competition for posts; and more opening of posts to outsiders on the basis of fair and open competition and appointment on merit. After all, that is the way in which we got our new Director of the CSO.

This is a very challenging time for the Civil Service. I think those challenges were inevitable and I think that they are right. They have resulted in certain institutional changes like the creation of agencies, of which the CSO is one. Those specific tangible management changes are really just an expression, an institutional expression, of the response to the pressures which I have referred to.

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## Impartiality

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In this time of change I think it is very important to emphasise that there are some things which I hope are not changing and which I see no sign of politicians on any side wanting to change. One is the impartiality of the Civil Service, and its ability to serve governments of whatever colour. Of all the things that were political issues in the last general election, I took great satisfaction in the fact that Civil Service impartiality was not one. It was common ground on the part of both parties that the Civil Service was a national asset and that it should continue to serve a change of government if there had been one, just as it should continue to serve the same government. I think it is essential that a continuing permanent Civil Service which can serve governments of either party should maintain appointments on the basis of fair and open competition. With that goes the objectivity which has been one of the strengths of the British Civil Service and for which we have been renowned. I think it is a strength of our Government to have perhaps some greater openness in appointments than there has been in the past. I would not want to go to the extent of the American Government in that respect, where appointments are entirely on political patronage and not on the basis of fair and open competition.

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## Accountability

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Accountability through Ministers to Parliament - I just want to dwell on that for a moment. The inevitable consequence of greater delegation and greater personal responsibility is the exposure of individual civil servants and heads of agencies to the public; to account before select committees; to account to Parliament; to appear on television from time to time. None of that is new; it was all foreseen by the Fulton Committee in 1968 but I think what should not be forgotten with these inevitable and, in my view, quite worthwhile and welcome changes is that accountability through ministers to Parliament remains unbroken. By creating an agency the Civil Service does not take on some existence of its own, separate from Ministers; we are no more separate from Ministers than the head of the division or a subsidiary company of ICI is separate from that company. It reports through its board of directors to its shareholders; that chain of accountability is unbroken. We report through Ministers to Parliament and our loyalty is to the government of the day. Now I lay particular emphasis on that because the Statistical Service is one of those areas of government activity where loyalty to the government of the day and integrity can create difficulties of conscience and come into conflict with each other.

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## Integrity

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Governments do come under great pressure about statistics. Particularly in these days of yah-boo politics every fluctuation in the Government's performance; in the performance of the economy; in the performance of particular social areas can become a matter of very lively political debate. Governments understandably and rightly take a great interest in that. What that emphasises to me is the need to put greater emphasis and importance on integrity, and not less. It is absolutely essential if the Government Statistical Service is to maintain its traditional line over this.

I speak entirely to the converted when I say that the integrity and the public confidence in our statistics must be maintained. Now this can be a very difficult balance to strike and where you get a lot of changes in, for example, unemployment statistics, as we did during the 1980's, it is inevitable and indeed right that they should come under a great deal of public scrutiny. It is essential that every such change could be de-

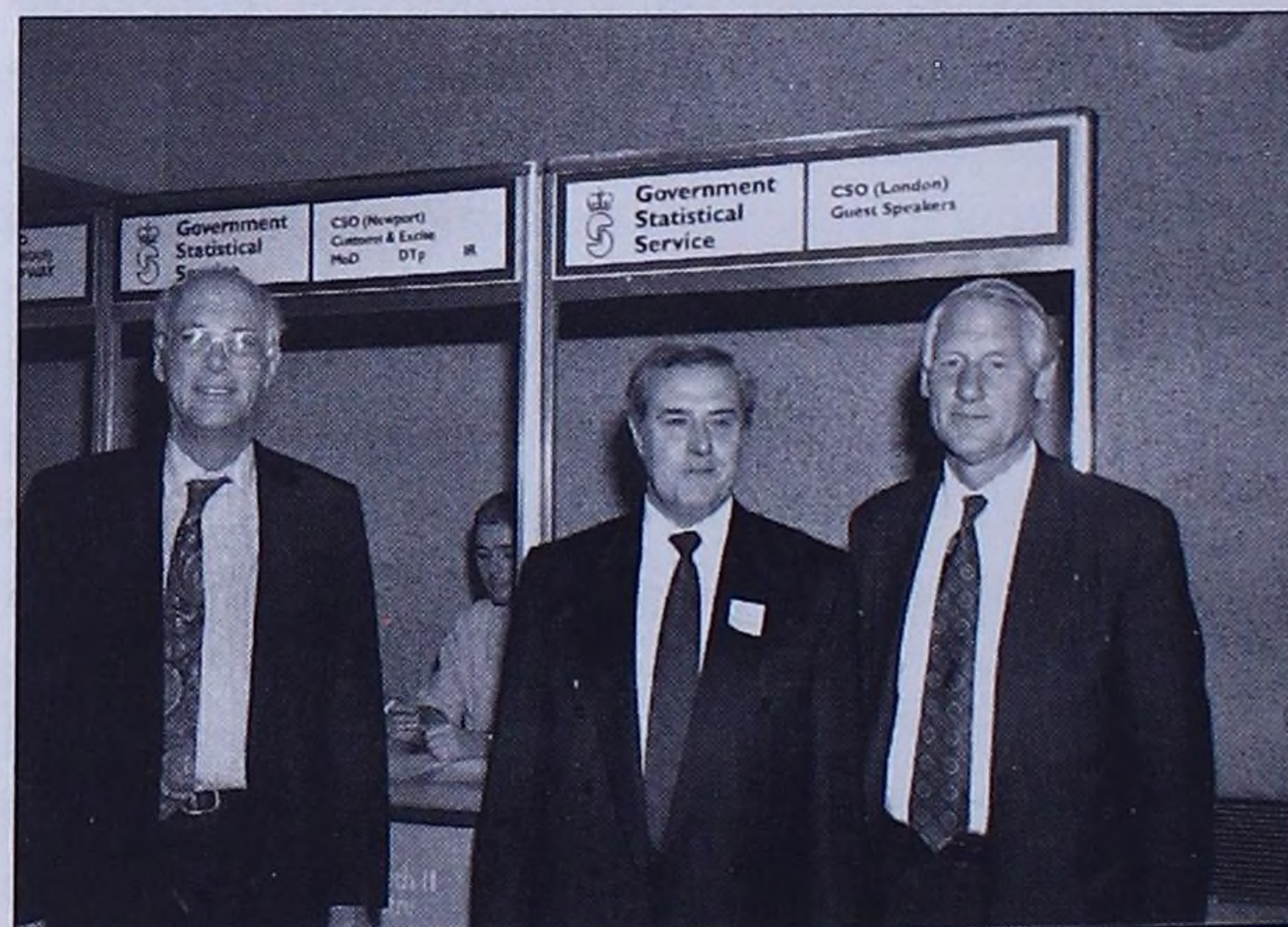
fended by the Government Statistical Service. We must expect that where such changes are made they will come under very great political and public scrutiny; and that too is right and we should not shrink from that debate. Some of this, I am afraid, will be a rather prejudiced scrutiny and attack as, for example, the notorious Dispatches programme. We will face those attacks on our integrity and, up to a point, it is right that we should because these matters should be debated. We will, too, face those attacks at a time when great changes are being made and we must be confident in ourselves, we must not assent, or advise Ministers to assent, to things which are not correct. Where changes are made, that are justified, we must be self confident and forthright in helping Ministers to defend them.

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## Quality

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But what matters in the end is quality. It is not the image which really determines the reputation of the Civil Service or of any part of it, although people often talk about image. The long term thing by which we will sink or swim is the real quality of our performance. And in that I believe that we can be confident in our statistical service. The Government Statistical Service is one of the leading statistical services of the world and for that reason I welcome the Chancellor of the Exchequer's remarks in his speech to the CBI last week when he said that the Government did want to achieve greater recognition of the fact that Government Statistics do not service only the needs of the Government but serve the needs of the economic community more widely. But I also particularly welcome what I know is Bill's intention which is to



Left to right Brian Crowe (CSO), Reg Ward (CSO)  
Sir Robin Butler ( Cabinet Office)

encourage members of the GSS to undertake and to publish research at the forefront of statistical development. If individuals can do work of real quality of that sort, that will greatly enhance and maintain the reputation of our statistical service.

## The GSS and Europe

And now I must stop but it leads me on to the particular theme of this conference, which is the role of the Government Statistical Service in relation to developments in European statistics. I am not competent or expert enough to get into that in any detail, but I really just want to make two points. One is that, in this as in other areas of our national life and government, we will become increasingly enmeshed in the affairs of the Community; in negotiations with the Commission and with our partners and in collaboration with them. That is a thoroughly good thing and it is to be welcomed.

## Subsidiarity

The second point is that, of course, this will always create tensions between a national way of doing things and the way of doing things which are those of our partners. In that, as in the formation of any wider community, we will have to make some concessions. We have the principle of subsidiarity; that what each country can do best it should do and that we should take at the centre only those things which are done best at the centre. The point I would like to make about this, is that the best response when there are pressures for us to conform and to combine with our partners is not to sit in our bunker with our hands over our ears, eyes and mouth like the three wise monkeys. I think that it is important to take to that discussion what we can contribute, to take it positively and self confidently. We should argue that each country should do for itself what it does best and should form part of the wider community in those areas which are done best by a joint operation. We ought to take to the party what we can contribute; and we have got a great deal to contribute.

So, what I would like to see is the maintenance of a Central Statistical Office and a Government Statistical Service of integrity and quality; professional competence; and self confidence. I believe that the omens for that are very good and I believe that one of

the particularly good omens is the self confidence to have this conference today and to discuss these issues in the way that you propose to do.

## Questions to Sir Robin Butler

**q** *Paul Altobell (Ministry of Defence) :*

I wonder, Sir Robin, are there any areas that you can see that should not be open to competition? Is there something the Civil Service does which it has a right to do or which the government expects us to do which is prescribed and immune from competition?

**a** *Sir Robin Butler:*

Well, I think that there are areas where competition is not practicable, where there are natural monopolies. I was tempted to say that advice to Ministers was one of those but it clearly is not because Ministers get a great deal of advice from people other than the Civil Service. There are some areas where competition from outside is not practicable; the collection of intelligence and the provision of defence are examples. There are going to be natural monopolies, but the point I want to make is I don't think that in any of these areas we ought to be afraid of the principle of competition. To be afraid is a sign that one is worried that one doesn't do it very well; I don't worry about that. There are very many ways in which our public services can be improved but, in general, I don't think we have got reason to be afraid of competition.

**q** *Bob Butcher (Office of Population Censuses and Surveys) :*

You talked about integrity of the Statistical Service very strongly. The Royal Statistical Society did talk about an independent commission of some sort, or in some way altering the structure of the Statistical Service. This was rejected very quickly by the Government; I wondered if you had any views about that particular proposal?

**a** *Sir Robin Butler:*

Well, I think that what was rejected by the Government was the suggestion of some committee which should come into partnership with the Government on these matters. One can't, one should not, take away the right of distinguished public bodies, or even undistinguished public bodies, from outside commenting on the provision of any service and in particular the provision of statistics. I am quite sure

the Royal Statistical Society will continue to comment on that. For my own part, and you may say this is complacent, I did not think that there was sufficient grounds for concern about the integrity of Government statistics to make it necessary for the Government to ask the Royal Statistical Society to set up a monitoring organisation to protect it from itself. In general, I think that the CSO and the Government Statistical Service are a sufficient guarantee to the public and I don't think the situation had arisen where we needed that sort of monitoring body. I don't rule it out as a matter of principle but I don't think it was right in response to those particular criticisms.

**q Phil Lund (MAFF) :**

There are two particular problems which I draw to your attention. We all agree that there have got to be expenditure controls but the nature of these controls causes problems. The examples I shall give are these: firstly, the control on expenditure is gross not net. This means that if you have to spend a very small amount of resources to provide some extra service, which will be more than paid for in additional receipts, you may not be able to do it. The second is the treatment of receipts. The Government Statistical Service may provide additional services and thereby generate resources and revenue. If that extra revenue had not been anticipated in the previous Estimates it goes into the Treasury contingency fund and doesn't reach the statistical directorate. The distorting effect of such controls causes problems.

**a Sir Robin Butler:**

Well I can say that I agree with a lot of that. It is not, of course, the case that gross controls are applied in all areas. The Treasury has agreed to what are called net running costs regimes and even trading funds; these have been extending and they are a feature of the next steps agencies. We all know they take a bit of wresting out of the Treasury; we are getting more flexibility and I do think I can see both sides of this argument. I am greatly in favour of avoiding the distorting nature of controls; I am against controls that quench and stop initiative and bit by bit the Treasury are being moved on that but I do understand that they want confidence to develop before they give greater freedom. I think we have made a lot of headway in getting greater freedom but I would certainly like to see more.

**q Frank Martin (CSO) :**

Given all the developments in the Civil Service, do you see a continuing role for occupational groups such as the Statistician Group?

**a Sir Robin Butler:**

The answer to that is yes I do; I think that there do need to be professional groups. They present a dilemma because one of the things that we ought to do is to get people from a wider professional background into top management in the Civil Service; we have a number of initiatives to try to help us achieve this but we have a long way to go. The statistical services are a particular problem in that respect because very often statisticians are statisticians because they like doing statistics. They are also very often in short supply and their bosses do not want to spare them, so they discourage the use of statisticians for general management purposes. Having said that, I do not think that the creation of a professional class actually obstructs people going out of that professional class into wider management. I think there are other things that obstruct that and I think there is a sufficient commonality of professional interest to make it advantageous to have groups like the statisticians. Now I don't say that this is true of all professional groups within the Civil Service; there can be a point where they are actually an obstacle to wider movement. I don't think that is true of the Statistical Service.



**Reg Ward & Carolyn Ralston at registration**

# Brian Crowe - Foreign and Commonwealth Office

## Introduction

When I was asked to address you, I was asked to give an overlook of Europe in the next 5-10 years. I see I am billed as talking about European developments. These are not quite the same, one being future oriented and the other more current, but I shall try and do a bit of both.

The Maastricht Treaty signed by EC Heads of State and the Government last December must be our starting point. It is being exhaustively debated in the House of Commons, but a few features are worth highlighting here.

## The three pillars

It is based on the three pillar approach, a basic British objective. Within the Union which the Treaty establishes from 1 January 1993, the first pillar is all EC activities based on the Treaty of Rome, subject to Community legislation and institutions, including the European Court of Justice. The second and third are Common Foreign and Security Policy and other forms of inter-governmental cooperation, notably in the field of interior/justice ministry activities. The key is that these activities are outside the Rome Treaty framework, not subject to EC procedures (eg sole right of initiative with the Commission) and not subject to the European Court of Justice. They are based on the willing cooperation of governments, enshrined as such for the first time in a Treaty, and are thus an important signpost to the future development of the Union.

## Subsidiarity

The principle of subsidiarity is enshrined in the Treaty, that is that decisions at the Community rather than national level should only be taken if there is genuine value added in doing so. This is an important safeguard, justiciable before the European Court of Justice, against excessive centralisation and regulation.



Left to right, Graham Jones (DSS), Denis Allnut (DES) Rosemary Butler (DH) in QE11 reception

I shall just mention, but will not go into, two issues which have featured so prominently in public debate, the Social Chapter and EMU. As is well known the British Government could not accept certain aspects of the Social Chapter, but we have not prevented our EC partners from going ahead if they want to. Nor could we sign up now to EMU by 1997 or 1999. That decision has been left for parliament at the time.

Finally, Maastricht commits the Union to another Inter-Governmental Conference in 1996. Like Maastricht itself this will be a major landmark for the future of the EC and Europe as a whole.

Meanwhile Britain and the rest of the EC must ratify Maastricht so that it can come into force on 1 January 1993. UK legislation in the form of amendments to the 1972 EC Act was tabled on 7 May, and received a second reading on 21 May. Other countries are launching their procedures. There are problems in several but the only country where the outcome looks in doubt is Denmark where a referendum scheduled for 2 June looks a bit of a cliffhanger.

## The UK Presidency

In parallel we in Britain face our turn at the Presidency starting on 1 July. A priority is simply the efficient despatch of a very heavy workload. Among a welter of business we shall be anxious to complete

a genuinely liberal Single Market (a major British objective since the mid-1980s), the removal of internal barriers to trade, in time for its entry into force on 1 January. Over 90 per cent of the 282 original Cockfield proposals should be agreed by then, with outstanding business notable still in the areas of animal and plant health and indirect tax as well as some telecommunications, transport and energy issues which in our view should also be dealt with. EC-wide compliance will also be an issue we shall wish to pursue.

A second priority will be the successful conclusion of the GATT Uruguay Round. The Common Agricultural Policy reforms agreed last week in Brussels should help to unblock the impasse between the US and EC on agriculture in the GATT. An important meeting takes place in Washington today. All going well, the round can be largely completed during the summer.

## Delors II

Another important task for our Presidency is the review of the EC's future financing, Delors II. This will be the major negotiation of our Presidency. We have strong support among our partners in rejecting the Commission's aim of raising the 'own resources' ceiling from 1.2 per cent to 1.37 per cent of GNP by 1997, an increase in real terms of about 5 per cent p.a.; well beyond national growth rates. We believe this is neither necessary nor desirable, and that the EC can manage perfectly well for the foreseeable future with its existing, very buoyant, revenue ceiling. One aspect which is crucial - and untouchable - for us is no reduction in the British rebate, which still leaves us the second largest contributor to the EC budget.

Future financing is a key issue not only in itself but because under Maastricht, accession negotiations for enlargement of the EC cannot start until it is settled. It is a key British objective at the Lisbon European Council next month, to be followed up in our own Presidency, to get agreement that accession negotiations should start early in 1993 for those European Free Trade Association (EFTA) countries which have applied in time. We also want a signal of welcome to EC membership by 2000 for Poland, Hungary and Czechoslovakia and we should also be ready to

welcome other European countries who want to and can take on the obligations when they are ready.

## Enlargement

This question of enlargement and how to deal with it goes to the heart of the debate about the future shape of Europe. On the one hand, since the collapse of communism and the iron curtain it has become even more obvious that the EC is not Europe and cannot turn itself into an exclusive club repelling all newcomers, no matter how qualified. Far from creating the stability which was one of the objectives of the founding partners, this would help perpetuate instability in the other half of our continent and ultimately the whole of it. Just as the Community of Nine extended a welcome to the new democracies of Greece and then of Spain and Portugal in order to consolidate their democratic success and future economic stability, so the Community of Twelve must respond to the needs of its neighbours to the East.

On the other hand there is a view in some member states and the Commission that a Community larger, or certainly significantly larger than Twelve will not be workable without far reaching prior reforms. Some concede that perhaps a couple of new members, but not more would make no practical difference. We already have three EFTA applications (Austria, Sweden, Finland) and the near certainty of two more (Norway, Switzerland), not to mention Turkey, Malta and potentially Cyprus, with - as I mentioned - Poland, Hungary and Czechoslovakia coming up behind. The question arises what kind of Europe is this going to be? What will be its common values and shared objectives? Can it in fact hold together and if so, how? So, the argument goes, the Community should know where it is going, and what its institutional arrangements will have to be to ensure success before embarking on further substantial enlargement.

Underlying the debate about widening before or after deepening, and about institutional reform to cope with the consequences of enlargement is of course the debate about the nature of the Community itself, as foreshadowed in the negotiations leading up to Maastricht. The importance of Maastricht is, as I mentioned earlier, that it pointed the Union in certain



directions, but the debate continues. One view is that a large Community will fly apart unless it is more highly centralized - more decision-making in Brussels, more majority voting, a smaller blocking minority, more power to the Commission and to the European Parliament - in sum what we think of as the federalist view, widely held by our continental partners, although, interestingly, with increasing questioning as they debate the implications of Maastricht after, rather than (like us), before signing it.

The other view is that, on the contrary, the wider and more heterogeneous the EC, the harder it is to legislate effectively and sensitively from the centre. On this view, only matters really needing central decisions for the common good should be legislated centrally, leaving everything else to the national (and in some countries, regional) level. This is the principle of subsidiarity to which I referred and which we got enshrined in Maastricht. We now need to ensure it is observed, so that we no longer have Brussels legislation regulating our bathing or drinking water. We need to continue to retain the inter-governmental nature of cooperation in such areas as justice and interior matters, with national Ministers accountable to national Parliaments. By this means cooperation takes place where member states believe it to be in their and the common interest, whether within the Rome Treaty or within the second and third pillars of Maastricht. The danger of insensitive policies forced on a reluctant member of state by majority vote recedes. What is done centrally or cooperatively makes sense and secures consent. On that basis, in the British view, a Community of twenty-plus member states can survive and prosper.

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## Conclusions

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There is much more that I cannot cover in the time. So to conclude, against this background 'whither Europe over the next 10 years?', I foresee: an EC or Union with an extensive single market covering not only its member states but, on the analogy of the European Economic Area just signed with EFTA, countries not quite ready to join. A Union enlarged to up to 17 by 1995 and 20 or more by 2000; the rest of Europe closely tied in by association and trade and cooperation agreements providing for trade and economic benefits and political dialogue. I foresee internally a Union focusing on common decisions

where they really add to the sum of the parts, and with extensive inter-governmental co-operation in many areas; a Union with a single currency in an EMU. Whether the UK will be a member will depend on Parliament. I do not doubt that we shall meet the convergence criteria.

Getting there from here is clearly going to be difficult, every step will be dogged by controversy. But I end with one thought for the Eurosceptic: there is no other show in town. The Eastern half of our continent is in trouble varying from the merely difficult to the catastrophic. We cannot solve their problems, though we can, should and do make a massive effort to help, and we have problems of our own. But whatever they are, we should remember that all our neighbours to the east look to the EC for their salvation, for help at first, but for many, maybe most, for membership itself. They see it as the foundation of peace, security and prosperity for them just as the founding fathers did for our half of the continent. It is a solecism often committed to speak of Europe and the EC as coterminous. In the long run I believe it will be close to the truth.

## Questions to Mr Crowe

**q** *Derek Clackson*  
(*Department of Transport*)

Each of the speakers has referred to subsidiarity. I am getting rather worried by this term because it seems to me unclear. I would like to suggest that the arguments for more centralisation or more powers at the centre, as the community expands, are stronger than perhaps you were suggesting. The two examples you gave on subsidiarity on drinking water and bathing water seem to me very good examples. I mean, part of the common Europe is that people should be able to come to this country, and we go to other countries, without the risk of being poisoned.

**a** *Brian Crowe:*

Well that sounded more like a comment than a question. It is a point of view, but it is not the view held by the British Government. I actually disagree with you; I think that each country should look after the health of its own citizens and be responsible for the health of its own citizens. I think that bathing water, clean beaches and drinking water are a matter for our national parliaments and it is not necessary to do it elsewhere. I think vast rafts of this kind of legislation


is going to provoke the kind of centrifugal tendencies which in the end would drive the community apart. If great rafts of legislation were imposed on different countries, in the end the resentment would be too strong and Europe would break apart. That is essentially the argument, but I mean these are different views and they are going to have to be debated.

**q** *David Wroe (CSO) :*

I would like to ask you about economic and monetary union. I was rather surprised at the very limited attention you seem to give to this in your talk. You outlined very kindly what you saw as the British Government's view about the way in which they would like to see the community developing. It did seem to me that the development of a large market in Europe does not really make much sense without monetary union and that economic and monetary union is central to the development of a much larger market in Europe.

**a** *Brian Crowe:*

Well I think that for economic and monetary union, almost by definition, you are going to need to have a central currency. This is a subject of the greatest political sensitivity in this country so the Government has to handle it with great delicacy. For economic and monetary union to work you have got to have more or less convergent economic performance. These criteria have been laid down in Maastricht and if they are implemented economic and monetary union will become possible. The British Government has not felt able to commit itself to this process for reasons of the politics of this country. I do think it intends to meet the economic criteria and it will then be able to take a decision. In the end a proper economic and monetary union will require a common currency and for a truly single market this is probably necessary.



## Introduction

First, I would like to thank Bill McLennan for inviting me here and for the opportunity to address you here today at the first general meeting of the Government Statistical Service. I very much welcome this opportunity to look at developments in the European statistical system over the next five, ten or twenty years.

### “Let me talk about the role of the official statistician today”.

At the end of the twentieth century, official statistics play a very important role in most democratic market societies. In our complex societies, very few people challenge the idea that governing cannot be done without accurate, timely, and relevant statistics. Information in general is now nearly as important to the decision making and production processes as labour and capital. And statistical information is a significant part of this information. Very few people challenge the idea that public institutions have to play a leading role in the collection and dissemination of statistics.

The Chancellor of the Exchequer stated last week in a speech to the CBI “We have always recognised that there are some services that only the public sector can provide. One such service is of course the provision of official statistics”. This is one of the monopoly areas alluded to by Sir Robin Butler.

## The need for statistics

In a modern economy, the actors of the market - citizens, business, government - need statistics to reduce uncertainty at times of decision. Governments in particular need statistics to formulate, monitor and evaluate the policies they implement in order to ensure that market mechanisms function properly. Governments also need statistics to take steps to protect the weaker sectors of the population: the poor, the handicapped, the aged. Citizens and the general public need statistics about the conditions inside and outside their country, so that they can effectively participate in the democratic process.

The experience accumulated so far world-wide proves that the market mechanism fails in the production of the general information that is contained in official statistics. Official statistics are a basic infrastructure of market economies, costly and time consuming to produce, and private sectors of the market are not willing or able to invest enough time and money to build and maintain this infrastructure.

Europe now has the required dynamism to strengthen its unity. The achievement of the Single Market in the EC, the signature of the Maastricht Treaty, the creation of the European Economic Area between the EC and EFTA countries, the opening of Central and Eastern Europe to democracy and market economies (and



**Young Assistant Statisticians at coffee**

**Paul Cook (CSO), Helen Moore (LCD) Fenella Parrott (MAFF), Deborah Horn (MAFF)**

even the opening of the Channel Tunnel) bring many opportunities and challenges. These political decisions require better policy co-ordination and market monitoring. And therefore harmonised, comparable and timely statistics in many areas.

Before we go into the problems statisticians face in providing these types of statistics, we have to look beyond Europe. Europe in the twenty-first century belongs to a world where most of the population lives in developing countries. Improving the basic needs, satisfaction for food, health and education for the fast growing population of these countries is a sine qua non condition for maintaining world peace and the preservation of our eco-systems. There are no frontiers to these issues, and statistics must not create them. A common statistical language has therefore to be maintained and developed when it does not exist to address the related areas and help promote better solutions towards sustainable development. A visible progress of democracy in many parts of the developing world improves the prospect that interest in reliable statistics will become greater in these countries.

### Recent impacts on Europe

Having sketched the context in which we have to develop our tasks, let me run back now to the European scene, and recall the four main events of our political and economic transformation:

Firstly, the achievement of the Single Market in the European Economic Community at the end of this year.



Eric Thompson (OPCS)

Secondly, the signature in February in Maastricht of a Treaty which creates a European Union with the following objectives:

to promote economic and social progress which is balanced and sustainable, in particular through the creation of an area without internal frontiers, through the strengthening of economic and social cohesion and through the establishment of economic and monetary union, ultimately including a single currency in accordance with the provisions of this Treaty.

The Union wishes to assert its identity on the international scene, in particular through the implementation of a common foreign and security policy including the eventual framing of a common defence policy, which might in time lead to a common defence. It also wants to strengthen the protection of the rights and interests of the nationals of its Member States through the introduction of a citizenship of the Union.

Maastricht will help closer co-operation on justice and home affairs. It will maintain in full the *acquis communautaire* and build on it with a view to considering, through the procedure referred to in Article N(2), to what extent the policies and forms of co-operation introduced by this Treaty may need to be revised with the aim of ensuring the effectiveness of the mechanisms and the institutions of the Community.

The third recent factor is the creation of the European Economic Area between EEC and EFTA members. The fourth is the transition to market economy and democracy of a large number of Eastern and Central European countries, and in this context the break-up of the USSR into independent republics.

### “The consequences of these events on statistics are very substantial”

In the European Community, a comprehensive and integrated statistical system develops rapidly. The Single Market needs a single statistical system so that all actors in the market can benefit from adequate and comparable statistics for their information and decision making. This is also true for the European Economic Area, where comparable statistics are needed for a narrower but expanding field, leading to the already real existence of a European Statistical Area of nineteen countries.

Procedures have been developed during the last few years so that the demand for statistics in this area can be responded to effectively and efficiently.

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## Vision

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Before I describe the European statistical system which will be designed to meet these challenges, I would like to define some words that are often misunderstood this side of the Channel and, as we see it, unnecessarily so.

Firstly, the word 'federal'. I am sure that this word does not instil the fear in your new Director as it did amongst certain people during the run-up to Maastricht. This is because Bill McLennan comes from a federal system and knows that it can work quite well.

I see a future European statistical system as a federal statistical system similar to that of Germany where strong Lander offices limit the power of the central office. Some activities are run federally, such as customs statistics and the definition of standards, but apart from these the Lander enjoy almost total autonomy. Each Lander office is charged with the collection, processing and dissemination of its own data. The Federal Statistics Office is only involved at the end stage when compiling aggregates of the total, and at the initial stage to develop those concepts and statistical programmes required for the management of the national society.

My second word is 'subsidiarity'. This means having done at a national or regional level what is better done there than at a European or global level. Consequently no data collection or primary analysis should be done at the European level.

My next word is 'partnership'. Now there is not so much controversy about this one, so let me say how I see it being incorporated in the European statistical system.

In our twelve member states, nineteen if you include the EFTA states which are now actively working with us, there are some strong national statistical services and there are some weak ones. Even the weaker ones have subjects in which they have particular expertise. Similarly, even the strong systems have areas of

weakness. I want us to all co-operate together to eliminate the weaknesses and to build a coherent system of strengths. This can be done by allowing individual member states to share their expertise.

A logical conclusion would be for a Member State with a particular strength in statistics in, say, business registers, being given the mandate and resources to play a key role in this area on behalf of the other member states.

In the same way as the national statistical institutes form an intrinsic component of the European statistical system, this system in its turn is an intrinsic component of the global statistical system.

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## Co-ordination and assistance

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There must be a large and increasing volume of co-ordination and technical assistance activities, which cannot be dissociated from the construction of a statistics without frontier system. They are in particular: co-ordination with OECD/UN and its agencies/IMF on all matters linked to methodology, classifications, standards and data collection systems; co-ordination with the same institutions for technical assistance to Eastern and Central European countries, and recently the new republics from the ex-USSR; and co-ordination on technical assistance to the developing countries associated with the EC.

An important part of the European statistical system is the proposals which are currently being analysed about a Community statistical law. This will provide a legal basis for the construction of a clear, flexible and effective statistical system which satisfies the same basic principles in all the Member States. It will complement existing national statistical laws, where they exist, and define the role of Eurostat, its rights and responsibilities vis-a-vis the Community administration, national statistical systems and respondents, especially in the field of data protection and also its co-ordinating role in the field of statistical information. It will also act as the basis for the system of relations both between Eurostat and the national authorities and Eurostat and the other Community bodies with responsibilities in statistics (for example the European Monetary Institute and the European Central Bank).

It will, amongst other things, define the Community statistical system, lay down the principles governing the production and dissemination of Community statistics, define who has access to Community statistics and define the role of both Eurostat and the national statistical organisations in implementing the Community Statistical Programme in accordance with the principles of subsidiarity.

### European statistical system

The European statistical system aims : to ensure observance of Commission priorities in the collection of data as defined in the Treaty; to make the maximum use of the national statistical services and the national data already available; to avoid placing an unnecessarily heavy burden on data providers in Member States by multiple overlapping requests for information; to ensure a co-ordinated service to the Community institutions and other Community and national users, in addition to meeting the Commission's principal requirements; to facilitate access to statistical information for all the players in the Single Market: businesses, unions, households.

Experience has shown that the organisation of the collection and compilation of statistical data by Commission departments has not always been consistent with these principles.

Certain departments do not use Eurostat for collecting the statistical data which they need but go straight to consultants or the national statistical services, which rightly complain about the lack of co-ordination of requests for data from the Commission.

Certain departments have also been known to resort to outside bodies for the compilation of data, without first consulting Eurostat. The data requested can often be obtained by Eurostat at a lower cost, more rapidly and with a better statistical quality than negotiated with those outside bodies.

Moreover, since statistical enquiries sometimes require a long start-up period in order to ensure that the data obtained cannot be contested, Eurostat must be involved at the earliest possible stage in the preparation of the Commission's programme so that it can carry out its task effectively.

Lastly, there should be increased co-operation between the Commission departments and the international organisations able to supply the Commission with useful statistical information.

### Eurostat statistical programmes

To achieve these aims, multi-year statistical programmes are elaborated by Eurostat in close consultation with the Member States and the Commission. The 1989-92 programme is currently being implemented and the 1993-97 framework programme has been drawn up with the following priority tasks: to develop a system of standards, methods and organisational structures which is capable of producing comparable, reliable and relevant statistics throughout the Community; to provide the European Institutions, in particular the Commission, and the Governments of the Member States with the information they need to implement, monitor and evaluate Community policies; to disseminate statistical information to Europe in general, to businesses and to all concerned with economic and social matters, for their decisions; to seek to improve the statistical systems in the Member States and to support development of the statistical system of developing countries and countries which are changing over to a market economy.

The following measures will be required for these tasks to be carried out: the development of common classifications, concepts and definitions directly applicable in the Member States and backed by Community legislation; the conduct of joint statistical surveys on a harmonised methodological basis, when needed; the preparation, analysis and dissemination of Community statistical results; the incorporation of Community statistical legislation into the statistical programmes of the Member States; the promotion of convergence in national statistical practices on the basis of joint training schemes; support for the development of the statistical systems of the Community countries by means of structural schemes and on the basis of the exchange of technology and experience among the Member States and with non-Community countries.

The quality of this framework programme is based on the following principles: scientific independence, objectivity, reliability, integrity, political neutrality, confidentiality, effectiveness and relevance.

In fulfilling these tasks, priority will be given to:

- the completion of projects already under way and optimisation of Community expertise in the collection, processing, analysis and dissemination of current data;
- methodology work to define standards, classifications and reference frameworks;
- collection of existing data in new fields;
- cost/benefit analysis of the specific programmes to ensure optimum efficiency in the new work required of the national statistical systems;
- the implementation of programmes likely to promote the development of human resources throughout the Community statistical system;
- implementation of new techniques and technologies for the collection, preparation, analysis and dissemination of data which will reduce the response burden on the statistical units surveyed.

The European statistical system is being developed according to the principles of subsidiarity, partnership, transfer of competence and consultation.

I have already spoken about subsidiarity and partnership.

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### **Transfer of competence**

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Transfer of competence is a two-way exercise. In the past, national statistical offices have developed their statistical systems and it would be left to Eurostat to harmonise afterwards. This type of post-dated harmonisation is costly, time consuming and an almost impossible task. It is therefore important that systems be drawn up with a European vision first. This means in particular that transfer of personnel between Eurostat and the national statistical institutes is essential. The Commission considers that Eurostat should remain a focal point of a very high technical standard and should draw on the high technical standards in the Member States. In order to keep up with technological progress there should be a permanent programme for the exchange of personnel between Member States and the Commission. This would benefit all three

parties: Eurostat, the national offices and the staff concerned.

Another area in which transfer of competence is realised is through an integrated training programme. The Commission has initiated the Training of European Statisticians programme, whereby technical expertise can be passed on. A programme of courses on a wide range of statistical topics has been arranged by Eurostat and the Member States and has proved to be very successful. EFTA countries are becoming involved both as course supervisors and participants within the scope of the European Economic Area. Moreover, one of the more satisfying aspects has been the participation of Poland, Hungary and Czechoslovakia.

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### **Consultation mechanisms**

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There are five main instruments of consultation:

First, the Statistical Programme Committee which met last week in Athens is the best known in the statistical institutes. This consists of the Directors General of the national statistical institutes of the Member States. It meets twice a year on the occasion of the Directors General Conference, and is the driving force behind the Statistical Programme. It assists the Commission and may be given a delegation of authority from the Council of Ministers to act on its behalf on statistical matters.

Second, the Committee on Monetary, Financial and Balance of Payments Statistics, which consists of representatives of the statistical institutes and the central banks. In close association with the Committee of Governors of the Central Banks, and later with the European Monetary Institute, then the European Central Bank, it advises the Commission on matters related to monetary, financial and balance of payments statistics. It will become the key co-ordinating forum between the Commission and the European Central Bank on statistical matters.

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### **Working groups and task forces**

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Many of you will have already been involved in the third instrument of consultation: the various working groups and task forces organised by Eurostat. We are well aware that it is important to avoid overkill in the

number of consultative committees. Working groups should not be seen as a way of shirking management responsibility but they ensure a full participation of the Member States and of the best experts available in them for the development of the ESS. Careful consideration is necessary in the creation of new groups.

Finally there are two consultative committees which have been set up recently. The Steering Committee on Statistical Information, an internal Commission organisation which monitors the needs of Eurostat's main user and paymaster, the Commission. It consists of senior representatives from each Directorate General and its main objective is to ensure their needs are efficiently responded to. The Committee is divided into six sub-committees concerning the single market, economic and monetary union, social policy, external relations, information and other specific policies. These sub-committees report back to a plenary session of the Committee. The plenary then reports to the Statistical Programme Committee.

### European Advisory Committee

The European Advisory Committee on Statistical Information in the Economic and Social Spheres, the CEIES, is intended to assist the Council and Commission in the co-ordination of the objectives of the Community's statistical information policy. The idea of such a committee was first mooted by the President of the Commission, Jacques Delors, at the seminar held in Brussels in April 1989 on the Post-1992 European Statistical Information System. The purpose proposed was to increase transparency which is important whenever mutually independent systems must be managed.

The committee consists of the heads of the national statistical institutes and two members of the public from each country. These 'lay' members come from a variety of backgrounds: academic institutions, trade unions and trade associations, for example. The committee provides the opportunity for users of statistics outside general government organisations to have their say in the determination of priorities. Delegates have been chosen to give the widest possible overview of the needs of users in the economic and social fields.

Another stated mandate for the Advisory Committee on Statistical Information in the Economic and Social Spheres perhaps gives some idea of the considerations which are important in drawing up the statistical programme. It is required to comment on the following factors: the relevance of the programmes, co-operation at organisational and planning levels, the costs of the sectoral programmes and the resources needed to implement them.

The relevance of the programmes can only be assessed by information users. Even the most outward-looking data providers can sometimes be led into making erroneous policy decisions if the feedback from users is not clearly stated.

Co-operation between the various bodies which make up the Community statistical infrastructure is assured through the European statistical system and involves each Member State instigating a comprehensive statistical programme consistent with the needs of the other eleven and the European view as a whole.

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### Costs

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Costs are always an important factor. However, it must be remembered that all players in the field incur costs: the Community institutions, the national and regional authorities and the individuals and enterprises who provide the basic information without which there would be no end product.

As the European integration deepens, more statistical fields come under Community legislation, and more harmonised statistics are requested by Community institutions and other actors. The Community statistical programmes cover a larger share of the national statistical programmes. Since in most countries national resources allocated to statistics are decreasing because of general budget constraints, Community statistical work performed in the Member States as part of Community commitments may compete with nationally requested statistical work for access to resources.

It must also be remembered that there is a cost associated with not having statistics. I return to Mr



Lamont's speech last week: "There is no doubt in my mind that weaknesses and gaps in Britain's statistics have made the task of economic management more difficult".

At Community level the absence of adequately comparable statistics has far reaching effects, for example leading to misallocation of resources or ill-estimated contributions to the EC budget.

Solutions to this issue can be found through a partial financing of the costs incurred nationally from Community statistics by the Commission Budget, or the EFTA Budget. It may be also useful to raise the attention of the political and influential circles about the cost of not having statistics.

Finally, the resources needed to implement the programmes must be consistent with the objectives. Priorities in the statistical domain must reflect the relative importance of policies to which they pertain and at Community level the decision making consensus does not lend itself to a clear definition of priorities.

In the future European statistical system, all segments of the system have an equally important role to play. The principle of subsidiarity leaves all data collection, checks, and national analysis to the national systems as well as the development of all data analysis relating to regional and national policy.

The conceptual work carried out in the system involves deeply the statisticians of the national systems, and all decisions are taken jointly, even if the Commission plays a leading role for finding consensus positions.

Looking at the role of the national statistical systems in the Community or the European Economic Area implies also looking at their role versus the role of the private sector in their field of action. Let me note only that official statistics are basically a collective good, with production costs and confidentiality and confidence issues which are not easily transferable to private interests, but that there are certainly many ways in which the private and public sector could be better associated to produce required statistics while limiting its costs and the response burden.

## Development of the European statistical system

What errors should be avoided in the elaboration of the European system?

Many errors are possible, and it would be too long to list all of them. Creating a single European statistical system where national systems have very different levels of development, and different cultural and administrative traditions, means that there is no single model into which each party of the system should be transformed. Consequently, the goals of the Single Market must be reached in a flexible way which in fulfilling the need for harmonised and timely statistics takes account of the diversity of the systems and the budget constraints.

Another error to avoid is to create a single statistical system in Europe separated from the world statistical system. It is important that our actions remain without frontiers, and what is happening in Central and Eastern Europe reminds us daily of this necessity. However, the data requirements for managing a Single Market in the EEA compels the statisticians of the Member States and the EEC/EFTA to rapidly develop adequate standards and methodologies. New ways of co-operation with the UN system must therefore be developed so that this politically justified European dynamism builds into the world statistical system, and makes it more adapted to the needs of the global economy. In that respect, the stronger co-ordination with OECD statistical operations which is developing will be helpful.

In some ways the European statistical system is already a reality: statisticians of the twelve national statistical systems have been working together for many years. First they all work within the framework of the United Nations statistical system where they meet and apply standards and norms.

But now a real feeling of 'family spirit' is becoming increasingly evident. This is encouraged by the quickening pace of the innumerable changes occurring both inside Europe and outside its borders. The increase in common working spirit clearly shows that members share the same ideals, governed by ideas of independence, neutrality and objectivity.

Moreover, with the aim of encouraging discussions between members, efforts are made to arrive at a better understanding of the specific needs and characteristics of each Member State. It must be borne in mind that each country has a statistical reasoning which stems from an administrative history and culture which is entirely their own. Members should be encouraged to analyse major statistical problems together (notably via the various consultative committees). A common training programme is a considerable advantage; the TES programme was designed with this need in mind.

The developments connected with the European Economic Area Treaty have meant that working with nineteen instead of twelve is already a reality in many areas. EFTA countries have already taken the lead in specific areas - co-operation work with the Baltic States, for example.

There have been significant advances towards the achievement of the goal in specific areas:

## INTRASTAT

Of particular interest is the INTRASTAT system under which trade in goods and services between Member States will be measured after 31 December 1992. Once existing customs formalities are done away with there will still be a need to provide reliable information on trade without putting an unnecessary burden on businesses. This has been a long time coming but at last we have reached the end of the tunnel.



**Coffee break**  
**Simon Clark (CSO), Hillary Hillier (DOE), Julian Calder**  
**(Inland Revenue)**

Following the Directive on the harmonisation of calculations of Gross National Product a preliminary report has been prepared for the Council which concentrates on the treatment of taxes, subsidies, imputed rents of owner-occupied dwellings and the coverage of the hidden economy. These are areas where there are wide discrepancies of treatment in the Member States.

Also in the field of national accounts, Eurostat is currently in the process of revising the European system of national accounts. An important aspect of this work is closer consistency with the United Nations' system of national accounts, in whose revision Eurostat is also actively participating.

New legislation concerning statistics of animal production is being introduced. This forms part of a statistical model of the agriculture sector which will enable assessments to be made of the impact of the new measures to reform the Common Agricultural Policy.

New classification systems, such as the nomenclature of products by activity, will improve harmonisation amongst Member States.

Eurostat has, through the EDIFACT and CADDIA projects, been at the forefront of activities concerned with the automatic distribution of statistical data by teletransmission.

For some time now it has been acknowledged that the service sector is somewhat of a 'black hole' as far as statistics are concerned, both on a European basis and for most Member States. Eurostat has made significant progress with the forthcoming publication of a manual on service statistics.

Increasingly the environment is becoming a matter of concern. In order for the Commission to make the correct decisions it is essential that it can lay its hands on reliable and relevant statistics on the subject. Consequently Eurostat has dedicated a significant proportion of its resources to the subject.

Finally, there has also been significant progress in the sphere of social statistics. In addition to improved harmonisation of methodologies for Labour Force Surveys and household surveys, there have been extra

resources to cover statistics on migration, demography and equal rights for men and women.

## Staffing

Now, let me come to the most important input into any statistical system. I do not mean equipment or even money. I refer to human resources.

Eurostat has a staff of around 750 persons. Among its 400 permanent staff around 150 are A grades (professional statisticians). Of these 22 per cent are German, 17 per cent are French and 15 per cent are Belgian. Fewer than 10 per cent are British. Of the forty or so seconded national experts, only three are from the UK.

No international organisation can adequately serve the population which it represents unless it reflects the make-up of that population. In general the Commission needs almost double the amount of British officials as it has at the moment. For this to be realised it will need a long term effort of equalisation through the system of recruitment and will take time.

## Secondments of staff

We must act faster than this. I already spoke about the two-way transfer of competence which will be essential to maintain the technical expertise and to fulfil the

objectives of the European statistical system. This will be done through the means of secondment of personnel between Eurostat and the national statistical institutes. A short secondment of around three years of an official from a Member State's statistical office must be seen as a normal part of his or her career development. Similarly I would like to see Eurostat officials seconded to the national statistical offices to improve their statistical expertise, particularly in the field of data collection.

How will this secondment procedure work? We have around forty seconded officials working in Eurostat at present. I would like to see that increase to over one hundred. I would like to see the number of British seconded officials increase from three to over twenty. Why should we want this disproportionate amount of UK staff?

Firstly, as I stated before, the British are currently under-represented in the office.

Second, the UK statistical system is one of the most well-established and respected systems in Europe, and the European statistical system should benefit from this expertise.

Third, although you may think you are under-staffed, the GSS has a proportionately higher level of staffing than many statistical offices in Europe. The weaker

offices simply cannot afford to let one of their staff go, although I would like to encourage them to do so as this might be a way they could learn from us.

Fourth, language. Nearly all of the work of the Commission takes place in only two of the nine official languages: English and French. You all already work in English and many of you will have a working knowledge of French. This means that



**CSO reception team**

**Front row, Doreen Manghani, Wesley Townsend, Tim Thair**

**Back row, Bill Wilson, Peter White, Carolyn Ralston, Richard Wollard**

a seconded British official will become immediately effective without having to waste much of the secondment period learning the terminology in another language.

I have spoken with Bill McLennan on the subject and he is, in principle, in favour of increasing the number of seconded officials from the UK. I hope that you will be as enthusiastic as he.

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## Conclusion

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Two weeks ago Her Majesty the Queen, in her speech to the European Parliament, told the MEPs: "You are part of an effort which is unique in the world's history". All of us are part of that effort.

The GSS is an intrinsic part of the European statistical system which cannot work efficiently without all its components pulling their full weight together.

My message for you today is to contribute fully to this effort. Those of you who participate in our working groups should continue the forceful debate for which the UK is renowned.

Those of you who may wish to have a short spell working in Eurostat, volunteer for a secondment.

If I can finish with one message which I would like you to take away with you today it is that Eurostat should not be seen as an entity of Eurocrats trying to control you. We are here to build up together something which is strong and essential. You are part of it.

## Questions to Mr Franchet

### q *Questioner from Department of Trade and Industry :*

You mentioned in the context of subsidiarity and harmonisation you are going to end up with not 12 but perhaps 19 or maybe 25 countries carrying out identical statistical inquiries across the community, with different levels of expertise in different countries. One of the ways you saw for the levels of expertise to be improved is by the transfer of staff and the transfer of technology, and so forth. An alternative would be for a country to provide such expertise to another country as a tradeable service. Is that a possibility that is ruled out, and if so why?

### a *Mr Franchet:*

It's not ruled out at all, it is working already, for example, the case of national accounts in Greece. A very strong reinforcement of the national accounts programme is being carried on in Greece by INSEE for the European Community. This kind of triangular experience is already working. We have a substantial improvement programme in Portugal and this is also carried out by some of the statisticians of the national Government Statistics of the Community. The Community is funding part of these bilateral programmes. The same is also valid for the Eastern and Central European countries.

### q *Cheryl Morgan ( Department for National Heritage):*

Are you suggesting that Eurostat's main role is a co-ordinating one in that each member state collects the information requested in the way that each state sees fit and Eurostat merely co ordinates and compiles all the national data. In other words, should you simply be telling us what you want and leave us to decide how to do it?

### a *Mr Franchet:*

Yes and no. It depends what kind of statistics we are talking about. Let me take a few examples. If we are talking about statistics used for fund transfers between countries or for calculating contributions to the budget of the community, there will be a need for comparability of the data, since different methodologies might lead to different results. In such circumstances Eurostat may go further than simple co-ordination and we may need some joint methodologies for the various countries.

We will normally not need the same systems of data collection in all countries. Let me give you an example. We have two basic approaches in the community. One is based on the use of administrative records, eg Denmark. In Denmark every entity or movement of a person is identified with an ID code. The statistical office can merge the administrative registers and use them to make statistics. This would be strictly unthinkable in France, Germany or the UK. So why should we ask the Danes to carry out a new survey for statistics when, with some samples from the register, they can draw the information?

Harmonisation is extremely costly and unification is normally not needed and is very costly too. It should be extremely limited to what is needed. So basically I would say that what you said is right, with exceptions. The exceptions have to be fully justified.

**q** *John Knight (CSO):*

I am, personally, very impressed with your ambitious programme for statistical developments particularly on the human resources side. The only question I have, though, is can you be sure that you will find the money to be able to sustain all these developments.

**a** *Mr Franchet:*

Finding money is a risky business. There are two aspects : the money the commission puts to finance its own statistical activities; and the funding needed for changes to national systems to meet community requirements for statistics. Much of this money comes from national budgets. In the last few years budgets have been cut. The UK is a good case in point, but many other countries have faced similar pressures. What we can try to do is to link the cost of statistical activities with the costs of not having statistics; it is up to us to convince our politicians. But this is part of the normal process of democracy; there is competition for funds.

Statistics are never a political priority, but the lack of statistics can lead to political mistakes. In the last four years in the Commission and the Community we have been able to give a more visible political profile to statistics. My personal perception, frankly, is that our democracies do not spend enough on statistics.

## Introduction

I am the last of four speakers, so I shall try to be brief. I am not going to make a formal presentation, rather I would like to have a chat with you.

The first purpose of this meeting is to give you a chance to meet me. I have talked with people in the CSO, and I'll meet more GSS people in other departments when I visit them. However, being the Head of the Government Statistical Service with 650 plus statisticians spread across the UK, the chance of me actually meeting each of you is very, very low. So I thought I would try to do the reverse by having a discussion where you could actually see me and hear me talk. By now you know I speak a brand of English, but probably not as well as Yves does, and I hope if I don't speak too quickly you'll understand me.



**Bill McLennan**

Before I go any further I want to follow up something Robin Butler said; I'd like to confirm that I'm very pleased to be here and to be working with you. Coming to this job was somewhat daunting, as was coming to a different country, but I'm certainly settling in. I must say both my wife and I have been extremely well looked after by everybody, and we have been made to feel very welcome. You might say that's only natural and accepted, but I can assure you when you are moving to a different country you are not always sure that this will happen, I would like to thank everybody who has made my first 12 weeks so enjoyable.

## My impressions of the GSS

Even though I have only been here for a short while I wish to give you some feedback on what I think of the GSS. It is obviously extremely large and it's spread across government departments. I half expected people to tell me either it's a useless entity and we should kill it, or we should feed it fertiliser to make it grow and become much more effective. However, I have gained the impression that the people in the GSS are quite comfortable with being part of it. It is certainly tied together, I think, by the professional characteristics required of the people in it and by their attitude.

Nevertheless it is pretty obvious to me, that it is not an entity in itself and as you know in my own role I have no direct managerial responsibility. I have obtained the impression from the short time I have been here that we need to do more work with methodology activities right across the GSS. By that, I don't mean, we don't do methodological work now but rather we need to document it and spread our knowledge amongst each other. In addition, we have a growing need in today's environment to be more open and to share our experiences both within the UK and internationally.

## Europe

The second purpose of the meeting is the question of Europe. I read the other day that it quite often takes somebody outside a system to fully understand the

macro problem within a system. In saying that, as an Australian, I had heard all about the European Community, and it was pretty obvious to me that the European Community is very important politically; you only have to examine history over the last 100 years to see why.

What I've discovered is, there is not much positive interest in the European Community from the government statistical field; the impression I have been left with is that you all hoped it would go away and die. You were co-operating with the EC but acted as if you had instructions to say the Rayner doctrine would not let you do whatever was asked for within EC context. I have the feeling that your approach to EC was not one of actually picking up the challenge, and achieving something. As Brian Crowe said today the EC is the only show in town and as statisticians we have to accept that.

I was very taken, flying to Athens the other day for the meeting of the Directors General of the National Statistical Institutes, by the fact that not long after the 'plane had departed from Heathrow we could see the beautiful green fields of Kent and, lo and behold, there's France and Holland. Europe is just nearby; its only just across the creek. To an Australian, Europe really is, very, very close and I think these days politically it is becoming closer as well. We statisticians in the UK have to do something about it.

Now, how to handle it? First it seems to me we have to work out what sort of statistics we need to produce for UK purposes. We have to have a firm idea where we are going with statistics; a firm idea of where the gaps might be; a firm idea of where we might have to strengthen or reduce things. Flowing from that, we should obviously have plans about how we are going to achieve the changes required. Those of you who have heard me speak will realise that I'm keen on people being responsible both for planning and achieving results. I think the idea of knowing where we are going and what statistics we want in three to five years time is very important. I question, however, whether we individually and collectively, actually, know that.

It seems to me, if I have the role as the Head of the Government Statistical Service, I should be able to tell the Prime Minister in overall terms how the Government Statistical Service is performing, or is

likely to perform over the next three to five years. By that I mean where the statistical holes are and how do we fill them. This is something I can't do at the moment but I hope to be able to in the next 12 months or so.

Second, we must actively influence the European Community on statistical issues. We should not go to Brussels/Luxembourg with the aim of ignoring Eurostat, but we should go over there occasionally to fight with Yves Franchet as long as we know what we are fighting for. It seems to me we should aim to influence what's going on in Eurostat, to change its approach or to get it to do to what we want to achieve. That's what the French and German statisticians are doing. We then complain that what results, is not what we want, but we have ourselves to blame. I'd like to know how we are trying to influence Europe.

I also agree with Yves Franchet that we should have more UK people in Eurostat and, as far as I'm concerned, I will do whatever I can to encourage that. I'm not making any specific commitments, but I think it is an important issue.

I also think UK statisticians must learn more from what's going on in other countries. I have been taken by the fact that when I have asked people "well, when is the last time you visited (say) the Dutch Statistical Office?" it is very rarely I receive a positive answer. Europe is not very far away, but it seems that we visit other offices very rarely. I think we must encourage a more 'learning' approach to our activities; we ought to be prepared to go and learn from other countries.

You can take all these comments as a clear sign of my commitment to increase our involvement with European statistics, hopefully with the help of the people in this room.

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### **Official statistics for the public at large**

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I'd like to turn now to another important issue that's been mentioned by a number of speakers. The Chancellor made a speech on 19 May to the Confederation of British Industry about a lot of things, but he made two important comments on statistics. Unfortunately, the least important one got into the press; that was about the result of the Retail Price Index

Advisory Committee being asked to include housing costs in its remit.

I would like to share the more important one with you, now. The Chancellor said: "There is no conflict between efficient and well-funded public services and a thriving private sector. On the contrary, we have always recognised that there are some services that only the public sector can provide. One such service is of course the provision of official economic statistics. There is no doubt in my mind that weaknesses and gaps in Britain's statistics have made the task of economic management more difficult. While we must always be careful to avoid adding to the burdens on business, it is vital that the Government has the information it needs.

"But official statistics are produced not just for the Government, but for the benefit of business and for the public at large. Over the last two years we have taken a number of measures designed to strengthen the reliability of the official statistics, building on earlier reforms. The Central Statistical Office under its new Director Bill McLennan has become a Next Steps Agency, with demanding and quantified targets for the accuracy of the figures it produces. I know the CSO intends to make increasing use of the data businesses themselves collect; and it will be paying increasing attention to the needs of business and industry, both as suppliers and consumers of statistics.

"The 1981 White Paper, which contained the so-called Rayner doctrine on government statistics, has been much misunderstood. I hope the CSO's new framework document will dispel any remaining confusion. It states that the CSO will consider requests to collect a wider range of data than that needed simply for the conduct of government business. An Advisory Committee, including a representative of the CBI, will help inform the CSO of the views of its customers and data suppliers."

There are a number of points I would like to spell out. First of all, the Chancellor was talking about the official economic statistics. Second, the statement implies there are services that only the public sector can provide. That doesn't mean to say, that market testing parts of that service, can't go on, but it's making a commitment that the Government believes that official economic statistics are really a govern-

ment function. Third, it makes a number of statements like: *official statistics are produced not just for the Government, but for the benefit of business and the public at large; the CSO will be paying increasing attention to the needs of business and industry both as suppliers and consumers of statistics and the CSO will consider requests to collect a wider range of data than that needed simply for the conduct of Government business.* I think the statement tells us very clearly that we have to look wider, when considering users of official economic statistics, and what we do have to do to meet their needs. It makes me wonder whether we are doing this very well at the moment with our current outputs; it makes me think a lot about marketing.

Marketing, is not just putting a price on things; it is looking at the product, its price, its delivery, and its target. I think we should look extremely carefully at this process right across the GSS. The Chancellor's statement does not say that we are going to go out and run a hundred new collections in the next 12 months; obviously value for money and respondent burden issues will need to be fully considered. But I think I can safely say in the context of official economic statistics that the Rayner doctrine is dead. On the other hand, the first person in the CSO who refers to the Rayner doctrine as a reason for not doing something will probably be dead!

For those of you who are not working in the CSO, I think this statement of the Chancellor gives you a very strong platform for you to raise your eyebrows if people start talking about the Rayner doctrine impacting on your activities. In reality, it probably means that any arguments based on the so-called Rayner doctrine are no longer tenable. Given that we operate in a decentralised statistical system that's a battle you will have to fight, but it's certainly a battle, if asked, I will help you with. If any problems arise I would like you to let me know as soon as possible and I will do what I can do to help.

Before coming back to the GSS there's one other point I would like to make. Being a person who likes to find out the facts about things, as some of you will know, I wondered what this Rayner doctrine was all about, so I actually read the White Paper. The doctrine said something like *will provide statistics primarily for the use of government.* It seems to have been interpreted



that 'primarily' means 'only'; maybe we have different use of words in Australia from you in England. Anyway, the White Paper itself was not all that informative so I went back and read the Rayner document, which is about a hundred pages. Surprisingly, I found it to be an interesting blueprint for the running of an efficient statistical office. It's rather a pity that this one statement has been used out of context and misinterpreted.

What does this imply for the GSS? I think you will now really have no excuse for not looking wider as regards what statistics you should be producing. You have to take the wider view. You have to worry about what people, other than government, might be requiring. You have to take the relevant value judgements, of course, after consulting your Ministers. I think your plans for the future production of statistics have to reflect that wider view. Indeed, the plans I was referring to earlier, about which I have asked you to hassle Eurostat, have got to be put together on this wider basis.

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## Thanks

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Before answering questions I'd like to formally thank, the people who gave some very interesting talks today, Robin Butler, Brian Crowe and Yves Franchet, who came over especially from Luxembourg today to talk with us. I certainly enjoyed his presentation and particularly his spirited answering of questions.

## Questions to Mr McLennan

**q** *Bob Barnes (OPCS) :*

Given what you were saying about Rayner, and given what Robin Butler was saying earlier about competition with the private sector, do you have any views about the public sector competing with the private sector for private sector business?

**a** *Bill McLennan :*

I faced this problem at home in the Australian Bureau of Statistics when we were actively looking for new products. We had to ask ourselves whether what we were actually trying to do was a government function. We had a Statistics Act, so we were in a slightly different position. We said given our legal basis, are we acting outside of it on any particular issue?

I'll give you an example that happens to be in the OPCS field. Back in 1986 in the ABS we decided to market our population census information using new technology and we went into a formal business arrangement with a private sector company to market the basic enumeration district (small area) information on CD ROM; selling it for about A\$4,000 Australian a package, about £2,000. We invested about half a million Australian dollars up front to finish the software and we then started marketing the product. After three months we had only sold two copies, so we asked a market research firm to find out why. The reason we couldn't sell the product was that nobody had CD ROM readers. Not to be outdone I thought "there's only one way to fix this and that's to sell CD ROM readers" that's when we had this long debate about whether or not we should do so. We got over the problems by getting all the major companies to let us sell their CD ROM readers. We then sold a complete package for A\$6,000 a set rather than A\$4,000; the sales took off. We eventually made a private sector profit on this product.

I am not beyond doing that sort of thing, but you have to be very careful that the work you want to do is not cutting across your basic function. If it is, I don't think you should be competing with the private sector. However, if there are other people out there wanting to disseminate statistics and you are disseminating as well, and you are competing then I think that's healthy.

**q** *Bob Butcher (OPCS) :*

Have you formed an opinion yet as to the position of the Government Statistical Service in terms of independence from the political process and whether you feel that we have got it right in Britain; I think it's quite different from Australia. Have you yet formed an opinion as to how things are organised here?

**a** *Bill McLennan :*

It is quite different here from at home because we have a different legal position: the ABS is a statutory authority.

At the moment I'm looking at release practices of official statistics. There have been significant steps in the last 12 months, right across the GSS, to get the release dates of major series pre-notified, and I gather most departments have agreed to play ball.

Another thing, I think, is to release statistics as soon as they are available, and have agreed release times. Statistics should not lie around within Departments and within the ministerial process very long before being published. This is something I am looking at currently and what I am trying to do is fix it in the CSO first before starting any campaign across the GSS.

My feeling of what I've seen, however, is that the integrity of the work in the GSS is quite good, I can't see any real problems at the moment. The real issue is one of public perception, which builds up over time, and is difficult to change quickly. Before I came to the UK I had a friend of mine run off, from an electronic database, copies of all newspaper statements over the last five years about statistics; they really provided a clear picture. There were lots of comments in the press about lack of integrity etc. Since I've been here I've found no evidence of fiddling the numbers or anything like that at all. However, in general we have no fixed standard procedures for releasing data which are written down and publicly available. That is a disadvantage I think even if we don't change things dramatically, but I think we will, the mere fact of having written procedures which are publicly available, will enable us to improve somewhat that poor public perception.

**q Margaret Dolling (CSO) :**

The Chancellor's speech to the CBI has had a good run for its money so I'll give it a further run. In that speech he referred to the fact that he had just asked the RPI Advisory Committee to look at the question of housing costs. Are you happy with the idea of external advisory committees advising the CSO and the Chancellor on statistical methodology?

**a Bill McLennan :**

Well, that's a bit of a loaded question isn't it? To answer the last part of the question first, of course the Advisory Committee, which I chair, does provide advice to the Chancellor and helps him to make his decision as to what methodology he wants to use in the Retail Price Index. I was a bit surprised by the sort of statements which have appeared in the press since this remit has been given to the Advisory Committee. It's been pretty obvious that a remit like this would come about, in fact they seem to come in most countries about every four years. What has surprised me most is that until recently there's only been an emphasis in

the press on the use of the price index as a measure of inflation. There has not been much comment on its use as a cost of living measure or for, indexation, wage adjustment purposes. But I have noticed in the last couple of days that the press is starting to realise that there's wider issues involved. I think it will certainly make my time over the next couple of months very interesting, and perhaps even entertaining.

I'll tell you a little story, though. I was wandering around in Athens the other day with one of my fellow chief statisticians, Sven Longva, who is the chief statistician in Norway. I was telling him about this project and he smiled and said "why are they giving you this remit?" and I said "well, the comment is often made in the press that when the Government puts up interest rates the consumer price index goes up for a short period before it drops and this is counter intuitive". He smiled at me and said "we don't have mortgage interest in our index, we've got imputed rents". I thought that's interesting, and he continued "I've been asked to review it". I said "that's pretty interesting, why?" and he said "because all the press have been saying it's a very bad index because every time the interest rates go up the index doesn't move". I think that puts the issue in context. Thanks for your question.

**q Alison Kitchener (Welsh Office) :**

Given your commitment to Eurostat, I was wondering whether you would be reviewing the resources allocated to training and secondment schemes in order to encourage participation.

**a Bill McLennan :**

I certainly will be looking at these, as it's a corollary to what I've been saying. Where I'll get the money from, and how much, I'm not sure, but you can't do this sort of thing without having funds available.

**q Nigel Campbell (H M Treasury) :**

You were talking earlier about release procedures and integrity. Are you entirely happy with all the statistical activities during the last General Election campaign?

**a Bill McLennan :**

You will have to be a bit more specific. I only recently arrived here and the thing that really did not

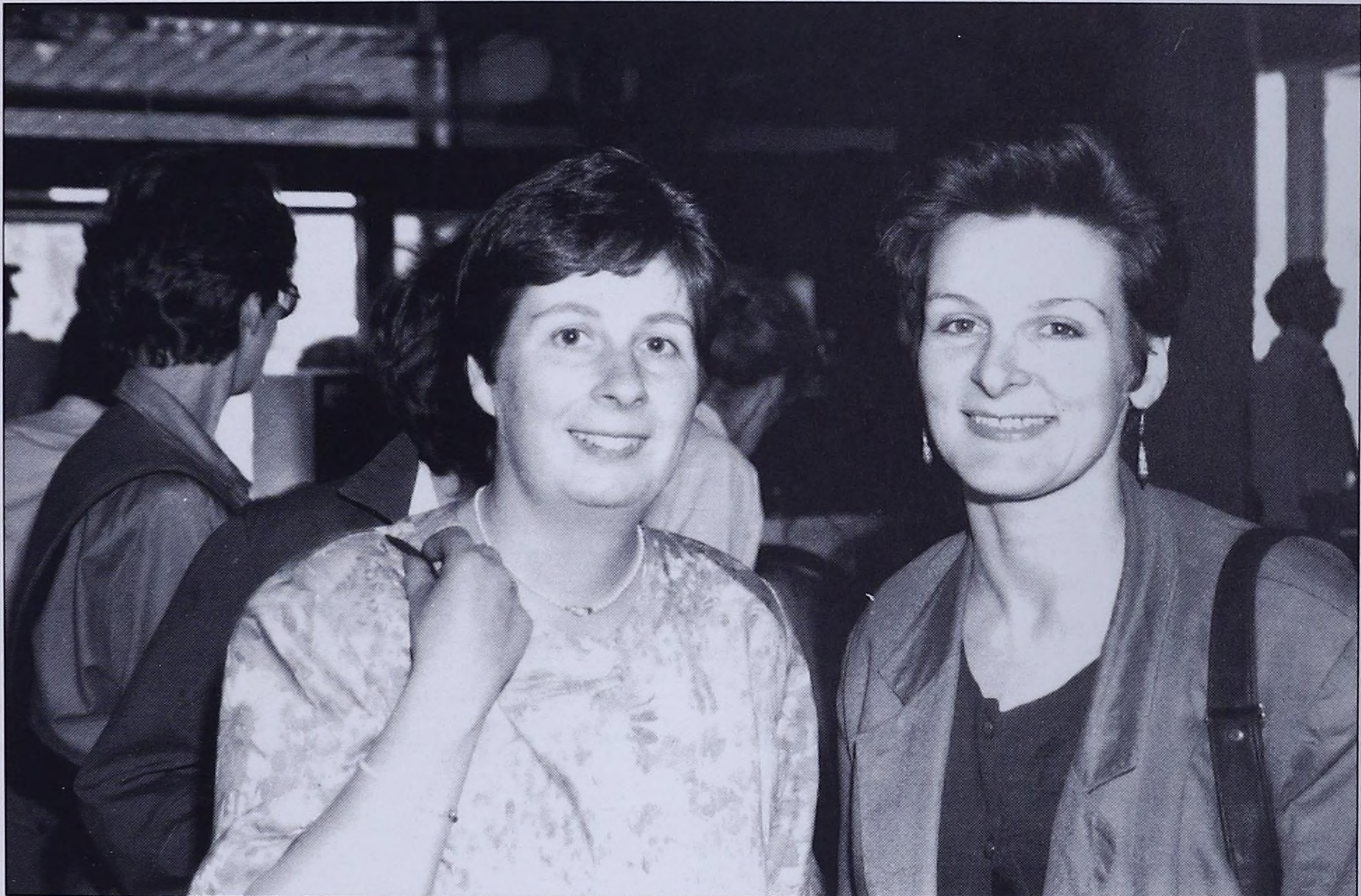
impress me very much was the amount of television coverage and radio coverage devoted to the election campaign; after about a day and a half I just turned it all off. So if you have got anything specific please tell me.

The comments that I did hear seemed to treat our statistics rather favourably. I didn't see or hear any direct criticism of government statistics and I don't know of any significant misuse of them.

What worried me a bit was that the Government Statistical Service was not getting the credit for providing good information. In that respect, I think there was a golden marketing opportunity missed. If

the newspapers, the press and the television stations agreed that every time they used our statistics they actually said *this is a statistic from the GSS or the CSO*, it would have been a good thing.

It is now 6 o'clock and I know I have a car waiting for Yves Franchet outside to take him to the airport. I'd like to thank you all for coming along, and thank you for putting up with me. Now you know what I look like; if you see me around, stop me and have a yarn with me. Don't be hesitant about saying hello because I would really like to meet you all. I'm very pleased to be here with you and with a little bit of effort we will get things going. Thanks to Yves for coming along and thank you all.



**Alison Holding (CSO), Margaret Anstis (CSO)**

NOTES

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# NOTES

## Articles in Journal of Statistical Notes

No. 27	Spring 1980	Public Confidence in the Government and the Environment Statistical Trends in Governmental Activities Public Involvement in Governmental Activities	Dr. Jack Johnson Richard Linda and Robert
No. 28	Summer 1980	National Campaign The DDT's National Campaign The Campaign for Quality Control Writing Articles for JSN	Dr. Jack Johnson and Richard Linda and Robert
No. 29	Autumn 1980	Statistical Note 1972 Sage Study Scott's Young People	Dr. Jack Johnson Richard Linda and Robert
No. 30	Winter 1980	Scott's Office Station The Scott's Station Assessing the Progress High Performance Scott's Station	Dr. Jack Johnson Richard Linda and Robert
No. 31	Spring 1981	The First Remembrance Statistical and Economic Development	Dr. Jack Johnson Richard Linda and Robert
No. 32	Summer 1981	Regional Drug Market Labour Market The CSE Campaign	Dr. Jack Johnson Richard Linda and Robert
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## Articles in recent issues of Statistical News

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|--------------|--|--|
| <b>No 88</b> | <b>Spring 1990</b><br>Public Confidence in the Integrity and validity of Official Statistics<br>Statistics in the Department of Energy<br>Recent Trends in Crimes of violence against the person<br><br>Fourth International Roundtable on Business Survey Frames John Perry   | Sir Jack Hibbert<br>Eric Price<br>Lawrence Davidoff<br>and Lizanne Dowds   |
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| <b>No 90</b> | <b>Autumn 1990</b><br>Statistical work within the Health and Safety Executive<br><br>1992 Single Market<br>Scottish Young Persons' Education Statistics  | Peter Thomas and<br>John Hodgson<br>Hugh Savill<br>Jonathon Davidson   |
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| <b>No 92</b> | <b>Spring 1991</b><br>The First Revision of the European Classification of Economic Activities: NACE REV 1<br>Statistical and Research Services in the Northern Ireland Civil Service<br>Developments in Statistical Computing in the Home Office  | Ken Mears<br>Edgar Jardine<br>Rodney Taylor  |
| <b>No 93</b> | <b>Summer 1991</b><br>Regional Drug Misuse Databases<br>Labour Market Statistics for the 1990's - The 1990 Statistics User's Conference<br>The CSO Celebrates its 50th Birthday  | Marie Richards<br>Paul Allin<br>Reg Ward   |
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