

**5TH MEETING OF THE
EUROPEAN STATISTICAL SYSTEM COMMITTEE**

LUXEMBOURG 20 MAY 2010

Item 6 of the agenda

*Communication from the Commission to the European Parliament and the Council
on the production method of EU statistics – joint strategy paper*

EXECUTIVE SUMMARY

1. Recommendation for action by the ESSC

The ESSC is invited to endorse the joint ESS strategy paper based on Commission Communication 404 on the production method of EU statistics: a vision for the next decade¹. This paper should be considered in the context of the discussion on the Annual Work Programme 2011, which will be discussed under item 7 of the ESSC agenda.

2. Background and brief history of the proposal

Following the adoption in August 2009 of the Commission Communication 404, it was agreed at the Malta ESSC meeting in October 2009 that a common ESS strategy should be developed on the basis of the Commission Communication.

In view of the discussion at the December 2009 Partnership Group meeting, Member States provided detailed comments on the Communication. In the Partnership Group it was decided that Eurostat should prepare a first draft joint ESS strategy paper, taking into account these comments.

Early February this year, the draft joint ESS strategy was presented to the Partnership Group for written comments. A second draft was then prepared and circulated to all NSIs for comments ahead of the Partnership Group meeting on 26 March. At this meeting, the Partnership Group expressed its broad general support for the strategy and provided a number of constructive comments aiming at further improving the structure of the paper and clarifying certain key aspects (see minutes from the Partnership Group meeting, item 14 of the agenda). The version now presented to the ESSC for adoption takes into account those comments.

3. Policy context

The Communication on the production method of EU statistics launched a debate about the strategic orientations for the work of the European Statistical System and how it would be possible to modernise this system and equip it in the medium to long term to meet the challenges that statistical producers are faced with at national as well as at European level.

The Communication captures essential features of the challenges ahead. It describes the fundamental dilemma between ever increasing demands, constant resource constraints and the need to reduce burden on respondents. It underlines the need for close co-operation within the ESS to achieve the necessary efficiency gains. Without achieving these gains it will not be possible to meet user demands in the future.

The Communication presents a systematic and holistic view of many of the issues discussed by the ESS during the last few years. This holistic view builds upon and is a natural consequence of the Cracow/Hague action plan.

¹ COM (2009) 404, 8 August 2009

4. Consequences for NSIs

As explained in the paper, changes in statistical production take time and are very complex. This has been fully acknowledged by adopting a long-term perspective and a step-by-step approach. Consequences for NSIs will be closely linked to those related to the implementation of the actions in the Cracow/Hague Action Plan, adopted by the February 2010 ESSC meeting.

5. Outstanding issues

None.

6. Risk assessment

Growing requirements for new additional statistics (which are to a large extent multi-dimensional and cover various domains), the need for simplifying, improving and integrating European statistical regulations, zero-growth or even reduction of resources in NSIs, reducing the burden on respondents all constitute major challenges for the ESS, which risk not being met unless there is an ambitious reform of the ESS statistical production system.

7. Next steps

Once the strategy, which focuses on the "how", has been adopted, efforts should be focussed on the "what", i.e. defining priorities, programmes, products and services. This will be done in the context of the preparation of the 2011 Annual Work Programme (item 7 of the agenda) and the next multiannual programme, which will be discussed by the ESS Programming and Coordination Working Group meeting in June.

Joint ESS Strategy for the implementation of the Commission Communication on the production method for EU statistics

1 Introduction – From vision to strategy

1.1 The "Vision"

In August 2009, the Commission presented a Communication on the production method of EU statistics: a vision for the next decade². The Communication launched a debate about the strategic orientations for the work of the European Statistical System (ESS) and how it would be possible to modernise this system and equip it in the medium to long term to meet the challenges that statistical producers are faced with at national as well as at European level.

The Communication captures essential features of the challenges ahead. It describes the fundamental dilemma between ever increasing demands, constant resource constraints and the need to reduce burden on respondents. It underlines the need for close co-operation within the ESS to achieve the necessary efficiency gains. Without achieving these gains it will not be possible to meet user demands in the future.

The Communication points out that, while the systems currently in place for the production of European statistics, which to a large extent and because of historic reasons are primarily based on non-integrated production processes, have proven so far to be broadly successful in the provision of quality statistics, it is commonly recognised that it also has a significant number of disadvantages, which have become more obvious over time. The identified drivers for change are growing requirements for new additional statistics (which are to a large extent multi-dimensional and cover various domains, e.g. sustainability, social exclusion, climate change, etc.), the need for simplifying, improving and integrating European statistical regulations, zero-growth or even reduction of resources in NSIs and reducing the burden on respondents.

The Communication envisages an ambitious reform of the ESS statistical production system based on the establishment of an integrated model to develop, produce and disseminate European official statistics, taking into account a full implementation of the Regulation on European Statistics³. It presents a systematic and holistic view of many of the issues discussed by the ESS during the last few years. This holistic view builds upon and is a natural consequence of the Cracow/Hague action plan⁴.

² COM (2009) 404, 8 August 2009

³ Regulation (EC) 223/2009 of the European Parliament and of the Council of 11 March 2009

⁴ Document adopted at the February 2010 ESSC meeting; document ESSC 2010/04/4

1.2 User needs

In a broad sense, user needs lay the ground for the production of statistical information as statistics are used in today's society not only for all kinds of evidence-based policy-making and monitoring of policy implementation but also for decisions at business level, for research purposes as well as to inform society about ongoing developments. Although statistics are produced for every member of society as a public good, governments and political decision-makers are an important target for statistical agencies to provide them with a high-quality statistical information service. This holds true for statistics at national level as well as at EU level. It is therefore essential to define the interests of users in an appropriate way to take account of their needs at both national and European level. Although the needs of users at both levels may converge over time, at present some differences can be observed and it is a major pre-occupation of Member States' institutes to ensure that these needs are taken into consideration.

Modern official statistics have evolved into an infrastructure of statistical information for democratic societies with a core body of information which belong to the "system" of official statistics. In particular, the characteristic features of this system are the interrelation between its modules, the development of methods to ensure coherence (in time and space) and a typical element of public infrastructure: the need to be multipurpose in nature. Therefore, the incorporation of user requests typically requires a (multilateral) process from which the most urgent needs and common denominators emerge. In official statistics, a one-to-one relationship between a particular user need and statistical information is an exception rather than a rule.

- **Principle 1:** Official Statistics provide an infrastructure for statistical information. The core of this system aims to fulfill the needs of multiple users for decision making in democratic societies.

The definition of common user needs can be seen as a very first step in the integration process. In every Member State, as well as in Eurostat, procedures and processes exist to learn about user needs and define their content. There is a wide range of possibilities to inquire and receive information about user needs. The use of these varies largely between Member States depending on traditions, the administrative system and the relationship built up with the particular user community over time.

User requests are changing rapidly in terms of content and expectations regarding the form of accessibility and presentation of statistical information. The most visible indicators for this change are the discussions around the financial crisis and a new measurement of growth ("GDP and Beyond", "Progress of Societies", "Stiglitz-Sen-Fitoussi-Commission", "EU2020 Strategy") as well as new forms of communication of statistics. The ESS has launched manifold activities which aim at preparing an update of the portfolio of products and services in statistics. A horizon-screening of upcoming user needs has been undertaken as part of the "Cracow Action Plan". Sponsorship groups have been set up for "The measurement of progress, well-being and sustainable development" as well as on "Communication". Conceptual developments and empirical analysis have prepared the ground for priority setting. This side of the strategy is extremely important and it interacts with the modernisation of production systems. Nevertheless, it is possible and meaningful to separate these two dimensions in order to reduce complexity and to focus on particular areas of future development.

- **Principle 2:** This strategy focusses on the processes, tools and infrastructure of statistical production (the "how"; efficiency); the "what" (priorities, programme, products, services) is developed in parallel with a separate strategic approach.

1.3 Time horizon

Changes in statistical production take time and are very complex. A vision for statistics therefore has to have a long term perspective with the aim of defining the direction of further development. In this respect, it is important to recognise how the drivers will change in terms of new demands and constraints and, even more importantly, to anticipate the development of technological conditions in which official statistics will be produced. On the one hand this means that respondents and users of official statistics in 2015 (as an example) will have entirely different expectations with regards to the application of technology, data access and the re-use of existing data sources. On the other hand, a completely different ICT environment will offer tools and opportunities which allow considerable productivity gains through the re-use of available data-sources, integration and standardisation of statistical production processes and cooperation based on common technologies. When a vision is developed, it has to be designed in front of a screen which projects the technological environment five years from now.

- **Principle 3:** The strategy refers generally to the expected context (technology, information requirements, resource constraints) for the next multiannual programme from 2013 onwards.

The implementation of these ideas will require not only a long-term commitment from all partners of the ESS but also close co-operation with other national authorities responsible for producing statistics and closer interaction with users. It is clear that this can only be achieved with a step-by-step approach.

While the Communication from the Commission was an important first step in an ESS-wide reflection process, it needs to be turned into a viable ESS operational strategy. It should be complemented by the development of a common platform capturing the essential elements and variety of the current stage of development of the ESS as well as the opportunities and constraints for close co-operation between the different levels of the system. It is this common platform on the basis of which a realistic and concrete roadmap for action in the years to come can be elaborated.

1.4 Integrated planning

This document, established in close co-operation between Eurostat and the national statistical institutes, is a response to that need. It does not yet provide a well structured list of activities, milestones, etc. It remains on a generic level and shows directions, instead of already specifying concrete activities in terms of "Who does what when?". It avoids setting up new structures for its implementation. Rather, it promotes the use of existing structures for programming and planning and an efficient approach to integration, which leads to the following principle:

- **Principle 4:** Actions for the implementation of the strategy are included in the annual and multiannual work programmes. In order to be able to monitor and report (e.g. to ECOFIN in 2011) on the implementation of the vision, relevant actions will be "earmarked" in line with the annex of this paper. The priorities of the work programmes are consistent with the strategy.

2 Modernising a system in transition - making the national level work with the EU level

2.1 Subsidiarity

In order to establish a viable change strategy, it is essential to understand that the different constitutional elements of the ESS, i.e. the national statistical institutes, are characterized by a strong diversity in their approach to the production of statistics. They are also at different stages of development regarding IT infrastructure, tools, etc. These differences need to be taken into account for a common platform to work in the medium-term. Only a flexible ESS approach to cooperation that takes national conditions into account can ensure a smooth integration process.

Many countries have already implemented a number of the changes proposed in the Commission Communication or plan to do so; some of them are already at an advanced stage. Just to give some examples, many institutes widely use administrative data or electronic reporting media, data-linking processes to derive new indicators, single surveys for several purposes, or warehouse-oriented approaches for data production. In addition, in some cases the national competencies extend to defining the content of administrative data, national legislation on data security and data protection relating to different national administrative data, etc.

Furthermore, statistical institutes are embedded in their own administrative environment, be it at the national or the EU-level, in particular regarding technology. There are many efforts in public administrations which are - similar to the ambition of this paper - looking for opportunities for efficiency gains by standardisation and integration of services in each branch of IT. This specificity of statistical services, trying to optimise production while at the same time taking into account both needs of their administrations and needs resulting from the implementation of the strategy, has to be acknowledged in order to avoid the creation of unrealistic expectations. Nevertheless, future developments of ICT would seem to leave enough room for manoeuvre for synergies through cooperation on (highly specialised) statistical IT applications, whilst respecting the multiple needs for integration of different IT structures for all ESS partners.

It is a shared ambition to put in place actions to orchestrate these efforts and initiatives towards a more common goal, so as to avoid duplication of work and to exploit synergies to the maximum possible extent. Possible improvements of efficiency should be implemented by the systematic collaboration between the partners of the system, which, as mentioned above, are at different stages in the process. This collaboration should be set up in a way that presents an attractive offer to partners to make progress and so as not to appear as a straitjacket of uniformity that disregards past achievements and investments.

Subsidiarity is an important principle for the partnership in the ESS. Any type of collaboration and modernisation should meet the requirements of subsidiarity. Firstly, this principle is based on the distribution of roles and tasks between the partners in the ESS. For this collaboration to be intensified it is therefore important to distinguish areas and processes which are candidates for co-operation from those areas which prevail under separate responsibility and national competence. Secondly, subsidiarity is a generic concept describing the criteria used to identify those means of action and groups of actors that, together, can ensure optimum cost-benefit by responsibly carrying out a given action. In the context of collaborative partnership, its interpretation should not be restricted to pre-existing national or European administrative boundaries but should instead meet the criterion of a commonly agreed European strategy at the most efficient implementation level. Thirdly, the concrete application of this principle will have

to be translated into the definition and use of working methods in such a way that core statistical activities will remain unchanged and within the competence of Member States, such as survey implementation, definition and use of administrative data sources and dissemination aspects. In particular the "engine room" of statistical production, the development of common tools and methodologies seems to be best placed as candidate for sharing this work and for collaboration. This is fully in line with the Regulation on European statistics. However, the working methods may need to be adapted in order to achieve the most effective implementation of an action, which is in compliance with the subsidiarity principle.

The area of dissemination can be named as an example of the current and future application of the subsidiarity principle. Evidently, national statistical information is disseminated by the Member States and later, together with the European aggregates, by Eurostat. However, some of the dissemination activities could be better coordinated and follow a common collaborative approach, e.g. common release calendars, an integrated release policy or revision policy could be envisaged for the future and would give an excellent example of a European approach, whilst respecting the subsidiarity principle.

- **Principle 5:** Subsidiarity is used as a safeguard of the core business of ESS-partners as well as a guiding principle for efficiency improvements; unnecessary variation or duplication of work is avoided as far as possible

2.2 Partnership

The implementation of the new business strategy requires a set of enablers. At management level, the implementation of the new strategy will mean that many actors, in various stages of development, will have to contribute in their specific areas of competence. Communication and interaction between the ESS management groups should be transparent and lead to synergies so that the sum of contributions support the setting up of a coherent infrastructure. A new generation of framework regulations standardising statistical business processes will act as an additional enabler towards more ESS integration. In addition to a certain redistribution of human and financial resources, if relevant a specific financial envelope for the reengineering of the production methods of EU statistics could be foreseen. The ESS partners should view the ESS as one entity and communication towards the external world needs to be more coherent. Collaborative actions (e.g. ESSnets or research projects) should integrate this perspective and the holistic approach in their design and operational development. These elements are explained in more detail in the next sections of the document.

- **Principle 6:** The ESS is based on partnership in all its forms. Change management has to be reflected in the legal and financial relationships between the partners as well as in corporate forms of education or training and collaborative networks.

2.3 Integration and standardisation

A key element for the success of the strategy is the increased use of data from different sources that already exist in society (e.g. accounting data, administrative data, etc.) or in the statistical system, to derive statistical information (from data producers to re-users of data). The common actions to be developed can draw on the vast experiences in a number of Member States. There is clearly a need to investigate and commonly reflect on how this experience can be merged and exploited for different purposes, e.g. by eliminating methodological differences, making

classifications uniform, developing estimation techniques for non-available data, studying how these data could be used to compile short-term indicators, etc. In this respect, there are already some initiatives that have been launched in the context of the MEETS programme or population censuses (e.g. "Census Hub"). Other initiatives should be launched in the short to medium term along the same lines.

Beyond these statistical issues, the enhanced use of data that is already available, both in the administration and the statistical system, will require regular collaboration between statistical organisations and administrative bodies, the owners of the data, , to improve as far as possible the design of administrative data and make them fit for statistical purposes.

Linking data at the micro-data level is commonly recognized as an important tool in the medium-term, not only for the purpose of burden reduction, but also to have better comparable data. Should new statistical information be developed, a first exercise would be to define to what extent the new information can be compiled by linking existing data in the system, instead of launching new surveys, and assessing what is the coverage and data quality obtained. Data protection issues need to be carefully studied, as well as possible confidentiality restrictions. In the long-term, and as an ultimate phase of development, it might be envisaged to create a European network of databases via an integrated data warehouse approach.

There are two dimensions to an integrated model: a horizontal one and a vertical one. The combination of both dimensions results in the new European systems method to statistics described in the Communication:

- Horizontal integration means that European statistics are no longer produced domain by domain and source by source but in an integrated fashion, combining the individual characteristics of different domains/sources in the process of compiling statistics at an early stage, for example households or business surveys. There are already many developments along these lines in Member States.
- Vertical integration should be understood as the smooth and synchronised operation of information flows at national and ESS levels, free of obstacles from the sources (respondents or administration) to the final product (data or metadata). This integration could be achieved by building upon interoperability/harmonisation of processes. The management groups responsible for methodology and IT should identify relevant pilot actions and draw up a repository of existing practices at national and European levels.

Vertical integration consists of two elements: joint structures, tools and processes which could be established or further developed through collaborative networks, and the so-called European approach to statistics. The idea of collaborative networks is that several interested countries which are at different stages of development could work together and develop expertise in specific statistical activities which can be used by the whole ESS community, as foreseen in Art.15 of the Regulation on European statistics. These projects could range from the development of methodology to more concrete initiatives. Another aspect to mention is that vertical integration is a precondition to improving quality (in its comparability dimension), timeliness and costs.

- **Principle 7:** Modernisation of processes in statistical domains is based on the strategic principles set out in the paper (e.g. integration, standardisation) and applying "generic" ICT tools and methods, which are developed aiming at a broad variety of potential applications

2.4 European approach to statistics

The European approach to statistics is referred to in Art. 16 of the Regulation, and its use would be justified to maximise the availability of European aggregates and improve the timeliness of European statistics, and on the basis of a cost-effectiveness analysis to reduce the burden on respondents, institutes and other national authorities. The European approach could also include production of European statistics by the use of non-published national contributions or contributions from a sub-set of Member States, as well as the use of partial information by modelling techniques. Users and producers should be consulted in order to assess which areas of statistics may benefit from this European approach (where only aggregated European totals are needed). Accordingly, the mapping of needs would be a useful starting point, and user bodies such as ESAC should be closely associated keeping thus in mind that the integrated approach should also be extended to user needs.

3 The way forward

Collaborative developments will in the first stages most probably target processes of a manageable size such as generic methodologies for clusters of statistics, highlighting the needs and opportunities for interoperability/standardisation, as described below. The standardisation of seasonal adjustment or the widespread application of BLAISE might be appropriate examples which can highlight the potential linked to cooperation in the field of methodology. The horizontal and vertical integration of statistical production processes will be strongly helped by implementing data warehouses for groups of related statistical domains, the widespread sharing of IT components and IT building blocks and other tools, implementation of a distributed metadata-driven IT architecture taking into account the SDMX technical and statistical standards, and further use of all available data sources which are appropriate in quality. The MEETS programme provides a case study for possible further action. The next round of population censuses is another example of a modern way to combine different conceptual approaches in a phase of transition in a European framework.

3.1 Production systems, IT, quality and methodology, common tools

The integration that is envisaged will require more harmonisation and standardisation of statistical methodologies for data collection, data validation, dissemination and communication within the ESS, access to microdata for researchers, harmonising the IT infrastructure and sharing IT tools as a way to facilitate the use of agreed statistical methods, and harmonising metadata to permit easy and efficient data and metadata exchange, leading to better quality and higher productivity of the statistical data processing.

This includes creating a harmonised, integrated and consistent system of statistical classifications within the ESS and at international level.

Current trends in technology suggest that IT is becoming progressively “infrastructural” and generic. This implies that in the near future it can be expected that the ESS will opt for greater standardisation, interoperability and common IT infrastructures and tools rather than “proprietary” solutions.

The move towards a more integrated ESS puts much more emphasis and additional requirements in the short-term on cross cutting areas such as data quality, statistical methods, methodology, exchange of tools, metadata and IT tools and IT infrastructure. Along these lines, a "Sponsorship on standardisation" is about to be launched.

With regard to data quality, there is a need for a harmonised and high-level quality assurance in the ESS, and to adapt the current quality framework to new methods for the production of European statistics (further emphasis to data re-users). There is also a need to monitor the quality trade-off at stake when establishing new methods for production, and to better communicate data quality to users. As an immediate action it could be proposed that production and dissemination of quality information is standardised within the ESS based on the European Standard Quality Reporting Structure (ESQRS). The Sponsorship "Quality" should further develop these issues.

As for statistical methods and methodology, the first priority would be to identify and design generic processes for producing ESS statistics, and to identify best practices (repository). There is also a need to develop harmonised and agreed methods for key steps of the new business process (data integration, analysis, etc.), to optimise complex processes, and to define specifications for generic IT tools.

In the area of metadata and classifications (Metadata and Classifications WG and SDMX) the main priority would be to create and implement harmonised ESS metadata (structural, reference and processes) based as much as possible on international standards through the development of Euro SDMX Metadata Structure (ESMS), the ESQRS or other harmonisation efforts, supporting communication between all process steps and across processes, and to make the harmonised metadata and classifications fully accessible through the ESS (via the Eurostat Metadata Handler).

Finally, in the area of IT infrastructure and IT tools development there is a need to design distributed IT architecture and standards for cooperative development, to develop and share IT tools (building blocks and components), and to use the concept of a metadata-driven IT architecture as a guiding principle taking into account the technical and statistical standards and guidelines of SDMX.

In particular, it is recognized that sharing IT tools should become the rule within the ESS. Eurostat would develop attractive and useful tools which would be offered to the ESS with the expectation that, gradually, they would be integrated to the maximum possible extent into national production processes, and that this would be feasible within existing national information architectures. However, changes in IT architectures will also be forthcoming at Member State levels and at this point broad IT sharing would result in cost reductions, better spreading of common statistical methods (being integrated in the IT tools), and a better integration of the IT architecture per se.

Nevertheless, the exchange of tools should not be restricted to IT tools. As an example of other vision-related types of initiatives, Eurostat is currently developing, together with Member States, a network of registers for multinational enterprises (EuroGroup Registers), which in the medium-term will provide an instrument for the compilation of better-quality statistics related to globalisation, or has developed the so-called Census Hub. There are several initiatives along the lines described in the Communication covered by the MEETS programme (e.g. ESSnets on consistency, use of administrative data, data warehouse, methodology for business registers,

etc.) but also others such as the development of common seasonal adjustment methods and tools, data linking methods, etc. In addition, the ESS has already made much progress in the generic CVD infrastructure such as the single entry point, the Eurostat Metadata Handler or also Eurobase as new reference database. To sum up, in the longer term there is full potential for further reducing response burden and burden on NSIs by making the maximum use of IT and methodological innovations. For example, the use of XBRL and internet applications reduces costs, improves the quality of data, and makes electronic data exchange easier.

3.2 Statistical domains

Notwithstanding the fact that the implementation of the methodological/technical issues described above constitute essential elements, statistical "domains" should be the drivers and owners of the process and a permanent and intensive interaction between the development and application of new tools and instruments should be promoted. "Domains" are broader clusters within the official statistical system, like price statistics or agricultural statistics, which address a broad set of homogeneous user needs. They have to envisage a substitution of the traditional stovepipe separation of production processes through integrated approaches for their particular field of work.

During the last few years, there has been a progressive move towards the main ideas included in the Communication in most statistical domains although there is a need for further progress. Just to mention a few examples, in the area of economic statistics, concepts and definitions have been gradually aligned to national accounts (SNA/ESA) methodology, including data used for administrative purposes such as for government accounts. In addition, Eurostat has launched an internal process in order to set-up, prepare and facilitate the production processes of national accounts in the framework of the evolving changes that will affect national accounts in the coming years, in full alignment with the strategy adopted in the Communication. This is also the case for other areas such as prices, social, sector and regional statistics. In the area of enterprise and trade statistics, the MEETS programme breaks the main principles included in the Communication into concrete actions, in full cooperation with Member States through collaborative networks.

- **Principle 8:** The vision is not a one-dimensional process. It should be incorporated into the regular ESS dialogues at domain level, in order to steer the process and to facilitate the application and appropriation of the results.

3.3 Instruments

The "instruments" in order to implement the European system method for statistics involve three components: Community legislation, the promotion of common tools and values and sharing of knowledge throughout the ESS, as well as financial issues.

Community legislation will continue to be mainly output oriented, setting up minimum standards for the production of statistics in a particular area. A corollary to this principle is that there should be no financial support to Member States for fulfilling such minimum standards. Future legislation should be formulated in such a way as to enable and to promote the emerging architecture of interdependent production systems, drawing upon multiple sources. The new generation of statistical acts would deal with broader areas of statistics and most of the technical aspects of the legislation would not be part of the "basic" legal framework of a particular

statistical domain, but would be laid down in implementing legislation which will be developed in close cooperation with Member States. This new legislation would also emphasise the use of multiple data sources, would concentrate on quality considerations, and reflect on innovative data collection methods.

In general, there is support for simplifying and improving EU statistical legislation. While the ESS already has some experience with this, results have so far been rather unsatisfactory. On several occasions proposals for output-simplification have been rejected by the legislative authorities, or by technical working groups, because the information is arguably needed for national purposes. Eurostat should, together with the Member States and based on priorities, examine the existing legislation in order to identify unnecessary statistical requirements, decrease the burden on respondents and NSIs, identify and eliminate recurrent indicators, reconcile definitions, and, in general, increase the efficiency of the ESS. As part of this exercise, recent developments, like the foreseen extension of supervision powers for the Commission in the area of EDP as well as the consequences of the Lisbon Treaty, have to be taken into account.

- **Principle 9:** Legislation for European statistics continues to be output-oriented and covers broader statistical domains

While, as mentioned above, the ESS legislation should be output-oriented, the answer to the question of process and input harmonisation should depend, in addition to user needs, on the statistical area in question and the existing methodological framework conditions in the respective statistical areas. The labour force survey provides an example where input harmonisation had a positive impact on accuracy and comparability of the results. The output-oriented approach of the legal component of the strategy could be complemented with input harmonisation through the use of common tools within the ESS. This second instrument should not be restricted to IT tools or metadata, as described above.

As the responsibility for the development of the strategy will have to be shared between Eurostat and national institutes there is a recognized need for a substantial Community financial contribution, and to this end several forms of ESS-wide collaboration, including ESSnets, can be mobilised. As mentioned in the Regulation on European Statistics, an adequate financial structure will be developed. It is important that all countries are associated in the various projects and participate in the collaborative developments.

Finally, there is also overall agreement on the added value of the idea to exchange available knowledge and know-how within the ESS, and in the longer term to create a European research and training facility for statistics as well as beyond the ESS through intensified cooperation with universities. The developments that have been pursued as part of the Cracow Action Plan will be continued accordingly. One of the options that should be investigated more thoroughly is the establishment of a "European Master of Official Statistics". A common effort of the ESS in cooperation with a network of universities could potentially open this opportunity for improvement of skills and capabilities of the next generation of professional statisticians.

- **Principle 10:** HR development in the ESS is strategy oriented

4 Conclusion

As this document has set out, the ESS is united in recognizing the need to mobilize all the actors of the system to step forward in the modernisation process in order to assure that the European statistical system will continue to deliver the service called for by its users to the level of quality expected and at an acceptable cost for society. While this paper mainly concentrates on meso-processes (technology, quality and methodology, instruments, etc.), the strategy should not be one-dimensional. Statistical domains should be drivers of the process and a permanent interaction between application and development of new tools should be promoted.

This will only be possible with a long term effort and by closer and more intensive co-operation between all levels of the system managed by the ESS Committee, which will thoroughly monitor and review progress.

	2010	2011	2012
IT tools and architecture / data quality and metadata	Establishment of a coordinated action plan, including resources, involving the following bodies:	Actions to be launched are as follows:	Continuation of the actions and implementation of the outputs
Data quality	Data quality (Sponsorship quality and quality working group)	Data quality <ul style="list-style-type: none"> • Harmonised and high level quality assurance in the ESS and adaptation of the code of practices • Adaptation of current quality framework to new modes for production of EU statistics • Standardisation and streamlining of quality reporting in the ESS • Monitoring the quality trade-off at stake • Better communicate to users on data quality 	
Statistical methods and methodology	Statistical methods and methodology (DIME)	Statistical methods and methodology <ul style="list-style-type: none"> • Identify and design generic processes for producing ESS statistics • Identification and wide sharing of best practices (repository) • Develop methods for key steps of the new business process (data integration, analysis, etc.) 	

		<p>and for optimising complex processes</p> <ul style="list-style-type: none"> • Definition of specifications for generic IT tools • Methodological knowledge and competence management 	
Metadata and classifications	Metadata and classifications (metadata and classifications working group and SDMX)	<p>Metadata and classifications</p> <ul style="list-style-type: none"> • Create and implement harmonised ESS metadata (structural, reference and process) based as much as possible on international standards • Develop Euro SDMX Metadata Structure (ESMS) supporting communication between all process steps and across processes • Integrate better ESS and international classifications • Render the harmonised metadata and classifications fully accessible within the ESS 	
IT infrastructure and tool development	IT infrastructure and tool development (ITDG)	<p>IT infrastructure and tool development</p> <ul style="list-style-type: none"> • Distributed IT architecture and standards for cooperative development • Development and sharing of IT tools (building blocks and components) 	

		<ul style="list-style-type: none"> • Development of metadata-driven IT architecture taking into account the SDMX technical and statistical standards and guidelines 	
Instruments			
Legislation	Elaboration of a revised legislative strategy and implementation plan for Regulation 223		
Promotion of common values / human resources	<ul style="list-style-type: none"> • Preparatory actions for the establishment of a European Master in official statistics • Analytical work on the establishment of an ESS research and training facility • Establishing the relevant training needs for the ESS in the context of the new framework contract on training 	<ul style="list-style-type: none"> • Preparatory actions for the establishment of a European Master in official statistics 	<ul style="list-style-type: none"> • Preparatory actions for the establishment of a European Master in official statistics
Financial issues	<ul style="list-style-type: none"> • Review of the administrative set-up of ESSnets • Establishment of a long-term strategy for expenditure for the next financial perspectives 	<ul style="list-style-type: none"> • Mapping of possible new financial instruments based among others on the proposed revision of the Financial regulation • Establishment of a long-term strategy for expenditure for the next financial perspectives 	