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Fundamental Principles of Official Statistics

History of creation, relevance today, mission for tomorrow
– a message from the creators

Mission of the FPOS in globalized information society and knowledge-based economy of XXI century

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Mission of FPOS in globalized information society and knowledge-based economy

1. Main thesis
2. Law of information and law of progress in official statistics
3. Information environment in modern ICT
4. FPOS as a „co-creator and stabilizer” of information law and order in globalized society and knowledge – based economy
5. Conclusions

Main thesis

- In globalized, advanced information societies and knowledge – based economies the quality of social information environments has on political, social and economic life
- the obeying of the FPOS by governments, managers, producers, distributors and users of political, social and economic data
- is the prerequisite of real democracy, fair international cooperation, information safety of societies and sustainable development.

Information laws pertinent to official statistics

- *Fundamental law of information quality*

Worse information ousts better information

- *Law of progress in official statistics*

**Main driving force of progress
in official statistics is its inertia**

Worse information ousts better information

- **Causes and reasons** of the law of information quality
- **Commercialization of information processes**
 - In knowledge-based economy information is a marketable product
 - In information society the demand for information is high and growing
- **Users – buyers are not able to verify the quality of information, to evaluate its value and – ex ante – its usefulness**
 - „pig in a poke” syndrome on information market
- Production of worse information is much cheaper than good
- Producers and sellers of information do not bear the responsibility equivalent to the effects

Worse information ousts better information

- **Effects and consequences**
- Excessive social demand for information (useless),
- High costs of purchasing and absorption of useless information
- **Extremal redundancy on information markets**
- Domination of worse information on markets, in resources infrastructure
- Overdevelopment of information sector, information markets and infrastructures
- **Total, deep and long-lasting polluting of social and economic information environments**

Conclusions

- **Diagnosis** of negative effects of the universal law of information in globalized society and knowledge-based economy
 - Total pollution of social information environments
 - Informational chaos in politics and economy
- **Therapy** against the impact of the universal law of information
 - Laws protecting societies, economies and governments against worse information and pollution of environment
 - Information infrastructures providing good information supervised by governments and international organizations
 - **Statistics obeying the FPOS is the basis of information order in globalized world**

Main driving force of progress in official statistics is its inertia

- **Causes and reasons**
- **„Dichotomy of statistical offices“: bureaucracy vs . scientific researches**
 - Statistical activity – scientific research
 - Legal and managerial forms – bureaucratized office
 - Supremacy of lawyers over statisticians
- **Statistical offices and divisions are integral parts of government administration**
 - Managers of statistical agencies have the position of government officers

Main driving force of progress in official statistics is its inertia

- **Effects and consequences**
- **The initiatives and impulses of new surveys, indicators, methods, technologies, have to come from outside statistical offices**
 - Best practices of other countries
 - Requirements of governments and businesses
 - Findings of economists and other scientists
 - Products of IT sector
- **Programs of surveys based on the continuation of the past**
- **Long time of implementing new methods, techniques and personalized services „on demand”**
 - Budget of statistical activities is the part of government budget depending on „previous year” expenditures

Opportunities and threats for official statistics in XXI century

- **Opportunities**

- Global, cheaper, reliable, more friendly, commonly used ICT
- Globalization of information processes

- **Threats**

- **Polution of social information environments**

- **local, national, global**

- Total commercialization of information processes
- **Uneffective control of quality of information**
- Democracy ousted by demagogocracy
- **Deep institutional interventionism - new indicators needed**
- **Economic and statistical numerology**
- **IT businesses without statistical expertize offering statistical services**

Priority mission of the FPOS in XXI century - implementing „**statistical ecology**”

- **Protecting the quality of statistical information** produced, disseminated and used by all stakeholders of statistical processes in globalized information environment
- **Ecological approach to official statistics.** On the basis of the SFPO official statistical agencies should be given by laws the competences (rights and duties) of control of statistical activities similar to the competences of national and international ecological agencies

International rules and tools of protecting the safety of information environments refer to:

- **Information in mass media**
 - **General principles of control and responsibility for the quality of information disseminated in infrastructural mass media**
- **Professional information**
 - **General principles of scientific, technical and economic information systems**
- **Statistics**
 - **Fundamental Principles of Official Statistics**

Principle 1 - relevance

- **„Personalization of official statistics” – active defining of potential needs of users**
 - Systematic work on elaborating new indicators, methods and techniques adjusted to new, incidental situations, with reference to transborder economies, micro and small countries, countries, regions and branches in long-lasting shocks or catastrophes
- **Monitoring and verification of the relevance of implemented methods and produced data,**
 - eg. new approach to satellite accounts; impact of fuzziness of borders, extremal dynamism of processes caused by catastrophes, political decisions, natural disasters etc
- **Critical evaluation of relevance and improvement or elimination of composite and macroeconomic indicators**

Principle 2

- professional standards, scientific principles, professional ethics
- **Strengthening the coordinating role of national programs** (annual and multiannual) of surveys
 - Detailed description of surveys and other statistical processes
- National statistical agencies should **control** the level of professional knowledge and the obeying of ethical principles by **the producers of official statistics in ministries, banks and other units**
 - The education of official statisticians working outside NSO is necessary; experiences of INSEE seems to be the best practice

Principle 4 – prevention of misuse

- The number and variety of units conducting statistical processes is dynamically growing. Not all of them have necessary statistical expertise.
- **Most of official statistics received by end-users is edited by journalists and disseminated via mass media.**
- In this situation official **statistical agencies are not only entitled, but should be obliged to monitor the misuses** and comment on erroneous interpretation of statistics
- Official statistics should also **react in case of the manipulation of statistical methods**, data and surveys by commercial or other businesses

Principle 5 – sources of official statistics

- **Transition from questionnaires to direct use of big data** (administrative, transactional, monitoring and primary registers) should be given the priority and finalized ASAP.
- All managers of big data files should be obliged by laws to **keep their data available and accessible** for official statistics .
- The forms of big data files should be adjusted to the direct use for statistical purposes, mainly by obligatory use of metadata coherent with statistics.
- **Active cooperation of national statistical offices with the ministries that have the competences of determining the forms and contents of big data is necessary**

Principle 6. - Confidentiality

- The governments and institutes conducting the surveys and producing of official statistics (eg. Ministries, research institutes) **should be obliged by law to adopt the rules of statistical confidentiality** for statistical processes realized by them
- **The administrative confidentiality rules** used by them in other information systems **do not apply to statistics.**
- **Wide education and control** of obeying by external stakeholders the statistical confidentiality is necessary
- **Defending statistical confidentiality** is hardly accepted by other governments and by businesses managing databases (examples?).

Principle 9 – international standards

- Statistical agencies of international and supranational organizations should **continuously review the standards recommended by them from the point of view of relevance, adaptability and interpretability** in the conditions specific to all interested countries and regions.
- If necessary, the **variants adopted to the specificity** of particular class of countries should be elaborated.
- Especially they should be adopted to the specificity of **micro and small countries, transborder economies, extremal ecological conditions**, political or institutional situation (eg. **pandemic, military conflicts**, social or ecological catastrophes and long-lasting etc.)

Principle 10 – international cooperation

- Progress in official statistics is based on the transfer of best practices between statistical agencies and services.
- Three approaches are applied in practice
 - “Transplantation approach”
 - “Gateway approach”
 - „Concatenated approach”
- The „transplantation approach” is preferred by cooperating parties, although it is less effective .
- **The sharing of best practices should be based on the „concatenated approach” realized by specialized experts**

Final conclusions 1

- **Mission of FPOS - official statistics-driven information ecology**
 - Information environment should be treated as the natural environment
 - The polluting of social information environments should be prohibited by laws and adequately penalized
- **FPOS** should be acknowledged as **mandatory basis for laws regulating the** control of the quality public information environments

Final conclusions 2

- **Official statistics** should be treated by governments and international organizations as **basic segment of national and global information infrastructure**
- To meet the needs of the realization of the mission expressed in the SFPO, **the research and development capacity of official statistics should be strengthened and maintained**
- The FPOS and ISI Code of Statistical Ethics should become **the important component of education and training** of all present, future and potential stakeholders of professional information systems

*Thank you
for your kind patience*