

THE EUROPEAN CONVENTION

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COVER NOTE

from	Secretariat
to	The Convention
Subject :	Contribution by Mr Frans Timmermans, member of the Convention - “The future of the European Statistical System”

The Secretary-General of the Convention has received the contribution annexed hereto from Mr Frans Timmermans, member of the Convention.

Secretariat of the European Convention
Rue de la Loi, 175
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The Hague, 9 January 2003,

In October 2002, the Presidium of the European Convention presented “The Preliminary draft consitutional treaty of the European Union. (CONV 369/02)

In the preliminary draft of the presidium for a constitutional Treaty (CONV 369/02) for the European Union, the provisions granting concerning the production of community statistics are not taken into account. The production of community statistics is a competence of the Union and must be laid down in **Title III Union Competence and Actions** of the preliminary draft Constitutional Treaty as presented by the Presidium of the Convention.

Please find attached a contribution by Mr. Frans Timmermans member of the European Convention, representing the Parliament of The Netherlands regarding the future of the European Statistical System.

Mr. Frans Timmermans
Member of the convention representing the Dutch Parliament

**Contribution by Mr. Frans Timmermans member of the European Convention
representing the Parliament of The Netherlands.
The Future of the European Statistical System**

Europe cannot function in a democratic way without objective and comparable statistics. Statistics are the foundation of all policy decisions pertaining to all competencies of the Union as laid down in the Treaties. It is essential for the way the Union functions, and for the European institutions and citizens, that the new Treaty includes the paragraphs enabling an independent, high quality statistical system.

The Amsterdam Treaty laid down the production of community statistics in paragraph 285¹ and specified it in the Council Regulation (EC) 322/97 of 17 February 1997 on community statistics. The role of Eurostat as community institution involved in the production of community statistics is laid down in European Commission Decision 97/281/EC of 21 April 1997.

Together, the Statistical Bureau of the European Union (Eurostat) and the national statistical institutes of the member states form the European Statistical System (ESS). The ESS produces statistical information that is essential for the proper functioning of the European Union in all policy areas.

Some examples are:

- Since the EMU came into force, the ECB has based its monetary policy on short-term (monthly and quarterly) statistics for the Eurozone. Recently the Commission submitted two announcements² to the European Parliament and the Council on improving the quality of statistics in the Eurozone. In both Commission announcements, emphasis is placed on the principles of impartiality, reliability, statistical confidentiality, consistency, and transparency and cost effectiveness.
- The ECB demand for fast short-term statistics and indicators is increasing. This is shown by the recently published announcement of the European Commission³ on reliable statistics for monetary and economic policy;
- The statistics produced by the European System of Accounts form the basis for the contributions paid by the member states to the Union.
- Statistics form the basis for allocations from the structural funds to the member states.
- Joining the EMU and monitoring the member states for the Growth and Stability pact is also determined on the basis of the European System of Economic Accounts and data from the Harmonised Consumer Price Index (HICP);
- The method of open policy co-ordination and benchmarking requires a wide range of structural and other indicators, produced mainly by the ESS.

¹ Paragraph 285 EC The production of community statistics is made on the basis of impartiality, reliability, objectivity, scientific independence, cost effectiveness and statistical confidentiality: it may not pose an excessive burden on the economic actors.

² Brussels, 27 November 2002 COM (2002) 670 final Communication from the Commission to the European Parliament and the Council; on the need and the means to upgrade the quality of budgetary statistics; and Brussels 27 November 2002 COM (2002) 668 final Communication from the Commission to the European Parliament and the Council Strengthening the co ordination of budgetary policies.

³ Brussels, 27 November 2002 COM (2002) 661, Communication from the Commission to the European Parliament and the Council on Eurozone statistics. "Towards improved methodologies for Eurozone statistics and indicators".

There are of course also the more traditional structural statistics in the areas of the internal market, transport, agricultural policy, job market, etc.

The demand for statistical information by the institutions and services of the Union is increasing drastically. The quality demands made of the statistical information are increasing because substantial financial and political interests depend on them.

Community statistics are essential for monitoring progress in the policy of the European Union. In a constitutional Treaty, the current legal basis should at least be maintained.

In the preliminary draft of the presidium for a constitutional Treaty (**CONV 369/02**) for the European Union, unfortunately, the provisions granting the production of community statistics are not taken into account. The production of community statistics is a competence of the Union and must be laid down in **Title III Union Competence and Actions.**

The current legal basis for the production of community statistics should be maintained at the very least. However, an analysis of the current legal basis shows a number of shortcomings in the current system and that implies that there is a structural need for more in the future. This is mainly the case for the political independence¹ of the European Statistical System, and professionalism².

⁴ The current position of Eurostat as part of the European Commission is not autonomous, strictly speaking, where the publication of figures is concerned. This feeds doubts about its independence.

The principle of independence (preventing political influence on concepts or results) is laid down in the text of the Treaty and Regulation 322/97. This does not guarantee that the results of countries, for instance for an extreme shortage procedure, is indeed produced in an objective manner. Recent developments like in Portugal show that this is not absolutely guaranteed.

⁵ Eurostat, as part of the European Commission, has to recruit its permanent workforce through open competition. Only in the two most recent competitions did they recruit statisticians explicitly. The effects so far are minimal. The consequence is that many employees working at Eurostat have insufficient statistical expert knowledge to guarantee professionalism. This should not be taken lightly because there are many examples of the sad lack of expertise. Eurostat is dependent on people stationed there from the NSIs, which is there on a temporary basis and cannot be placed in management positions. Eurostat should get a far more flexible system for hiring and retaining professional statisticians in its staff.

Recommendations:

- The legal basis of the European Statistical System should be included under **Title III Union Competence and Actions of the preliminary draft Constitutional Treaty.**
- The institutional position of the European Statistical System must be strengthened.
- At the same time a start must be made with the reform of the European Statistical System into an independent knowledge centre capable of functioning as such in a Union with 15 member states or more. It is essential that the political independence of the European Statistical System is laid down in the constitutional Treaty.
- One option is a legal basis comparable to the European System of Central Banks (ESCB)¹.

⁶ See paragraphs 107 and 108 of the Treaty of the European Communities and the protocol on the statute of the European System of Central Banks and of the European Central Bank.