

Whose statistics are they anyway?

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This essay reviews the attempts to create a statistical service independent of the Government of the day as promised by the Labour Party in its 1997 election manifesto.

Tessa Jowell, Minister for Culture, in announcing in April 2004 the appointment of Michael Grade as Chairman of the BBC, claimed that he enshrined the public service tradition and would defend the integrity and independence of the BBC from all comers.

These words are not very different from those used to support the idea of a statistical service independent of government. Jack Straw (at that time Shadow Home Secretary) speaking to the Royal Statistical Society in 1995 advocated a National Statistical Service that would contradict the notorious Rayner doctrine of the Thatcher era that statistics should be produced only for governmental purposes. Straw asserted that official information should serve the “public interest, Parliament, and government, in that order”.

Straw linked his proposal to the setup of the National Audit Office. The NAO is responsible to the Public Accounts Committee and is independent of Ministers. Parliament sets the budget for the NAO. The PAC is chaired by a leading opposition parliamentarian; and the Comptroller and Auditor General is a joint appointment of Parliament and Downing Street. Straw pointed out that the public accounts system is unified, centralised, and based on statute. Straw argued that the public accounts system is a model for the rest of the world, but the system of official statistics was not. Straw’s paper was a prelude to the Labour Parties 1997 election pledge to create a statistical service independent of the government of the day.

Seven years later it is not evident that significant progress has been made. In July 2004 there was an unprecedented attack on the Office for National Statistics by Oliver Letwin, Shadow Chancellor to the Exchequer, who stated that the Government were using the ONS as propaganda to support their position (see Larry Elliot, *The Guardian*, 20 July 2004). It might be difficult to justify this attack, but the fact that the attack was made destroyed with one stroke the long-nurtured Governmental aim of creating a service that would be trusted and seen as independent. A strong counter-attack by Ruth Kelly, the Treasury Minister responsible for the ONS, did nothing to lessen the vulnerability of the ONS that Letwin’s attack had revealed.

The forces that favour an independent service appear to be in a state of denial with regard to the vulnerability of the ONS. The Statistics Commission with the backing of the Royal Statistical Society is calling for legislation to support arrangements that have been made to support the idea of an independent statistical service (Statistics Commission, 2004). But it is not clear that these arrangements have been effective. It is not clear the Government will find time for legislation and it is not even clear that the Government still has an interest in giving more than lip service support to the idea of an independent statistical service. The achievement of an independent service was not included in the leaflet '300 gains from our Labour Government.' that was distributed to members of the Party early in 2004. After problems with the 2001 Census of Population it is not clear that public or governmental trust in statistics has increased. The announcement in July 2004 that the Government intended to reduce the number of 'back-room' civil servants by 60,000 including members of the Office for National Statistics does not augur well for the Government Statistical Service.

Curiously, it is difficult to lay the blame for this apparent failure on other than the Royal Statistical Society and the Government Statistical Service itself. The RSS itself made the first mistake. Jack Straw's 1995 lecture could well have been inspired by the Charter that refers to the objects of the RSS as "to collect, arrange, digest and publish illustrating the condition and prospects of the society .." . The Society welcomed Jack Straw as a Fellow, and a short report on the meeting was published in *RSS News* for October 1995. But the Society did not otherwise publicise or publish Straw's paper.

The Society thereby missed a golden opportunity to involve its members and the public in debate about the government of statistics. One important group excluded from the debate is the large number of social scientists who regard official statistics as facts about government rather than facts about society. Another important group excluded are statisticians who may not have paid much attention to Jack Straw's 1995 speech because they did not expect to see a Labour Government with an unassailable majority elected two years later.

Progress on the surface

On the surface a lot of progress has been made since 1997. The election pledge led to a series of consultations, declarations, protocols, and guidance documents. There has been a Green paper *Statistics – A Matter of Trust*, and a White paper *Building trust in statistics*. The concept of National Statistics as a brand name has been established. A National Statistician has been

appointed. A Statistics Commission has been created as watchdog. There is a new Code of Practice (National Statistics, 2002) supported by a rich set of protocols.

There have been many benefits associated with these developments. There has been almost unbelievable progress in many areas in making official statistics accessible and freely available. Information technology developments and especially the internet have supported this progress. Britain must now lead the world in giving access to its citizens to the detail of census results for local areas. For the first time since the end of the Poor Law administrative statistics on welfare activities are available to local government and to other bodies interested in local areas.

The political profile of statistics has been raised. The introduction of Public Service Agreements by the Treasury and other performance indicator developments have widened the use of statistics, increased the use of statistics in public debates, and may well have increased the respect shown towards statistical evidence. With every budget speech Chancellor of the Exchequer Gordon Brown has demonstrated the power of statistics to help win political arguments and impress international financiers that he is successfully managing the British economy. The Allsopp Report has put regional statistics high on the political agenda (Allsopp, 2004). The mass media report more generously on both social and economic statistics that they used to. Len Cook, the National Statistician, has become a regular letter writer with up to half a dozen letters published in the newspapers every month.

The profile among what might be called the consumers of statistics has also been raised. Long overdue recognition has been given to user groups and many user groups have revitalised. The Economic and Social Data Service has been created to provide gateways to a wide range of statistical sources and to provide a range of courses on how to obtain and use data from these sources. The Office for National Statistics magazine *Horizons* has already reached its 30th issue. The Royal Statistical Society has followed suit with a quarterly magazine *Significance* – the most readable of its range of publications.

A kite mark of quality

The statistical systems we have in 2004 are different from those we had a decade earlier, and there is much to celebrate in these developments. But the system of official statistics that underpins these developments is quite

different from that envisaged by Jack Straw in 1995. The idea of a National Statistics Service has been transmogrified into a kite mark of quality of the products of the Office of National Statistics (ONS).

This transformation did not, and does not, address the problems that led to the Labour Party's election pledge. The emphasis on quality is actually counter-productive. The GSS has become more vulnerable to governmental control than it was in the demoralising days of the Thatcher regime of the early 1980s.

The Green Paper's title '*Statistics – A matter of Trust*' began a drift away from the idea of an independent service. The Green Paper acknowledged that official statistics should inform the public of the state of the nation as well as fulfil governmental needs. But there was no attempt to define independence. There was no reiteration of Jack Straws declaration that statistics should serve "the public interest, Parliament, and government, in that order". The Green paper gave main emphasis to the need for trust in statistics and the establishment of a Statistics Commission. In its discussion of the machinery needed to support the Government Statistical Service the Green paper did not mention the need to inform the public of the state of the nation.

The RSS played a crucial role in the transformation from the idea of independence to the idea of quality. The RSS response to the Green Paper of February 1998 focused on 'The vision of the RSS for an Independent Statistical Service' and pinned all on the appointment of a National Statistician who, protected by legislation, would establish and defend the integrity of official statistics.

The RSS response did not remind the Government of its Royal Charter objectives relating to facts about society, and the RSS response more or less ignored the Green paper's statement that National Statistics were intended to support the production of statistics intended for public use. The RSS response advocated a kind of super-power status for the ONS - independent of the Government, government ministers, the public, and parliament. ONS responsibilities would include self-certification, quality assurance, and the delineation of the scope of National Statistics.

The emphasis given to quality in the RSS response and in the Green paper leads away from the idea of a National Statistical Service. Proclamations of quality provoke very basic questions. 'You guys are the experts. We have no reason to suspect that you do not carry out your work to proper professional

standards. So why are you going on about quality?’ But the ONS welcomed the growing emphasis on quality.

Following Eurostat proposals, the ONS identified six different components of quality - relevance, accuracy, timeliness, accessibility, comparability, and coherence (ONS, 2003). At first sight this broadening seems commendable. But the broadening of the issue of quality is not what it seems. The assertion of responsibility for all aspects of quality is in effect an assertion of authority by the ONS. Who besides the ONS can decide on the assessment of these components? Who except the ONS can assess the relative weight to be given to the different components? The fundamental mistake by the ONS and the RSS was to assume that the producers of statistics should take overall responsibility for the quality of statistics.

One reason given by the ONS to justify the attention given to quality is the needs of users outside government. The list of six components of quality in statistics aims to satisfy the needs of all users. But users are disparate. The insinuated claim that the ONS has responsibilities to all users is effectively proclaiming that it has responsibilities to none.

Whatever the ONS says about the six components of quality may make a good advertisement for the statistics. But the assessment of quality does not belong exclusively to the producers or to the distributors of statistical information. Assessment of quality belongs primarily to the users of statistics. To suggest otherwise is equivalent to suggesting that Tesco and Sainsbury should be responsible for people’s diet. Users are aware of the purpose of their use, and users have to be responsible for assessing whether the quality of statistics are appropriate and adequate for their purposes, just as the customers of Tesco and Sainsbury have to take personal responsibility for their eating patterns.

Producers have to take full responsibility for the procedures used to produce statistics. They should be held to account for the quality of those procedures. The producers and distributors of statistics should be responsible for providing information on the detail on the ways the statistics have been produced – just as retailer distributors are responsible for labeling of the contents of foods they sell. Producers of statistics can be held responsible for quality for the intended use of the statistics – just as food retailers can be held responsible for the accuracy of the labeling on their packages. But the ONS and GSS cannot be held responsible for adequacy or appropriateness of the quality related to the wide variety of uses that thousands of users might wish to make of official statistics.

Quality and the role of users

Emphasis on the needs of users has led to a variety of steps to strengthen the status and activities of user groups. Such involvement of users must be welcomed. But the members of such groups are a particular category of users - many of whom are wedded to the culture of existing statistical systems. Members of user groups, and in particular activists in user groups, are far from being typical users. Those who are regular users and members of user groups may even be an extreme category quite unrepresentative of the full range of users.

One important category of user, for example, covers members of the press who act as representative of the population in reporting on and in commenting on official statistics. Only one newspaper, *The Financial Times*, employs a statistics editor. Most reports on government statistics are by regular reporters who have only occasional or intermittent contact with the statistics they report upon. Such reporters are different from regular users in that they aim to represent and influence public attitudes to statistics. To the extent that they achieve such aims they are better representatives of the public, and the public interest, than specialist user groups.

There may be no such person as a typical user. But however wide the range and variety of users, we can be sure that users have specific purposes in mind in using official statistics. Some of the ONS list of components of quality are likely to be irrelevant those purposes. Some purposes demand up to date statistics, but others do not. Some purposes require accurate statistics, others want just a ball park figures. Most important most purposes can be expected to prefer specific categorisations of the statistics - that may or may not be satisfied by GSS/ONS categorisations.

Users of unemployment statistics, for example, have to make their own assessment of the quality of the two statistical series available. If users want to make international comparisons they will use the series based on the Labour Force Survey that defines unemployment according to criteria established by the International Labour Office. But users making intra-national comparisons face a dilemma. The apparent comprehensiveness and wide comparability of the ILO/LFS series based on a sample survey has to be balanced against the qualities of the statistics on claimant unemployment. Claimant statistics, available through the Nomis Service, may be the world's highest quality dataset in terms of accuracy, accessibility, consistency, and in the detail available. The claimant count also includes vital information,

notably on the number of *entrants* to unemployment, that is not available from the ILO/LFS series (see Thomas, 2004).

The ONS and the RSS have plugged the ILO/LFS series as being ‘real’ unemployment and derogated the claimant statistics. That plugging is both unnecessary and misleading. Responsibility for assessing quality and qualities of the two datasets belongs to users. That responsibility should be informed by information relevant to the qualities of the datasets. The production of estimates of ILO unemployment for local authority areas that are of dubious quality - because they do not take into account the distribution of employment - is not appropriate. The ONS should rather be producing information on the comparability of the two series at the national and regional levels.

Users of statistics in Scotland, to take a quite different kind of example, have purposes in mind that are distinct from those of users south of the border. The ONS does not further the cause of devolution when it claims to be arbiter of quality for this set of users.

The extravagant and unnecessary claims of quality made for the National Statistics kite mark run counter to the development of a service independent of government. He who pays the piper can be expected to assess the quality of the tune. Government and individual ministers can be expected to make judgements about the need for quality in statistics, just as they are expected to make judgements about how much money needs to be spent on statistics. As principal user it is easy for any government to cut back on the ONS and other parts of the GSS – just as the Government seems intent on doing in 2004. The government of the day can strangle the ONS simply by tightening of the purse strings - almost as noiselessly as Thatcher’s governments strangled the GSS in the 1980s.

Trust and the public

The common juxtaposition of statistics and ‘lies’ indicates that trust of statistics does not come easily to most people. A low-key approach can make statistics acceptable. But greater exposure of statistics feeds awareness of problems as well as strengths. Brandishing quality can lead to focus on problems that are inherent and inescapable - such as the unavoidably arbitrary nature of many statistical categorisations.

A full appreciation of the unavoidably arbitrary nature of many statistical categorisations brings understanding but not trust. The categorisation of

Network Rail as a private company, to take an important example, was done in accordance with clearly defined rules. The Government drew up the constitution for Network Rail that put Network Rail on the desired private side of the private/public distinction. Making the public aware that rules were followed in this case formally absolves the statisticians. But it does not demonstrate statistical independence from government. (see report on RSS meeting on Network Rail classification in *RSS News* for Dec 2002)

The use of statistics as performance indicators provides a more general example. The individuals and organisations whose performance is being measured can be expected to be very aware and critical of the strengths and weaknesses of the categorisations used. Those involved are unlikely to ask whether or not the series has been blessed with the National Statistics kite mark. The many revolts against the use of performance indicators testify to the problems that arise when statistics are given a prominent role.

Does the government trust statistics?

The acid test of progress to independence is the attitude of the government. The Government played an active role up to the publications of the *Building Trust* White Paper of 1999. Tony Blair declared in the preface that “statistics . allow people to judge whether the Government is delivering on its promises”. But the idea of using statistics to monitor government performance was not echoed in the Preface of the Code of Practice published in 2002.

Increasingly the Treasury appears to be playing a dominant role in statistical policy making. A minister responsible for National Statistics is located in the Treasury, and other indications that the Treasury plays a crucial role. The Treasury has never relinquished direct control of the Retail Price Index to the ONS – although the RPI is arguably the most important single set of series produced for the UK. The Allsopp Report (*Review of Statistics for Economic Policymaking*) was made in the Treasury and was guaranteed financial support by the Treasury. Beyond reinforcing the role of the Treasury is not clear that the Government is still interested in statistical reform.

There are other straws in the wind. When doubt was expressed about the quality of asylum statistics it might have been expected that the Prime Minister and the Home Office would turn to the National Statistician to investigate and issue, or withhold, his National Statistic kite mark. But this was not seen as the appropriate solution and instead the Government asked the National Audit Office to intervene and report on the statistics.

Waiting list statistics provided earlier parallel example. Allegations that that the statistics were being fiddled led to referral not to the ONS but to the NAO. The NAO Report produced a substantial report that referring exclusively to 'waiting times' and carefully avoided using the word statistics. (Audit Commission, *Waiting List Accuracy*, Mar 2003)

It appears that when statistics are seen as controversial or political the Government itself prefers to trust the NAO that is responsible to Parliament over the ONS that is responsible to the Government itself. Presumably the reason is that the NAO is independent of government and is seen as independent because it is controlled by Parliament. So why had the Government not entrusted the ONS and other parts of the GSS to Parliamentary control – as Jack Straw proposed in 1995?

Parliamentary control

The formal objection to parliamentary control is that administration and statistics are inseparable. Statistics are typically the by-product of administrative processes and it is impractical, it is argued, for the production of statistics to be separated from the systems of administration they support. It is difficult to sustain this argument.

One weakness is the growing reliance on social surveys. All major aspects of life in Britain are now covered by regularly conducted social surveys organised and financed by government. The only major exception is sexual behaviour, where a major survey was supported by the Wellcome Trust after the government of the day declined to give financial support.

That exception underlines the general point that social surveys can be commissioned and conducted quite independently of operations of government. There is no intimate or direct connection between the conduct of such surveys and the administrative activities of government. And there are significant advantages in independent production. The results of such surveys could be used more credibly to monitor the performance of government if they were commissioned and conducted by a statistical agency responsible to Parliament rather than one that is part of the government machine.

The inter-relationship between administration and statistics, far from being inescapable, can be seen as the crux of the problem of establishing an independent service. Nearly all the documents produced in support of the idea of National Statistics have supported the idea of the production of

statistics derived from administrative activities. The provision of a range of administrative statistics available at a local level already noted is a significant advance whose importance is difficult to overestimate.

But there is little evidence of advances in the use of administrative data other areas. Administrative data reduce the burden on the suppliers of survey data and helping to produce more detailed and reliable statistics. In general administration appears to inhibit statistical use. In many areas it seems to be easier to conduct a survey than to iron out problems associated with procedures followed within the governmental machine.

The labour market richly illustrates the situation. The statistics for claimant unemployment are derided because they are administrative statistics. As noted above the ONS has gone so far as declare that use of word unemployment should be restricted to that as measured the ILO/LFS series. Reliance on sample survey statistics has been stretched to the limit with dependence on LFS data for monthly statistics for unemployment and employment.

Every month the Inland Revenue Section of the Treasury receives returns from all employers for tax and national insurance. Such returns could provide the basis for the production of a reliable monthly statistics at the national, regional and local area levels. There is potential for a set of statistics for employment that could match the availability, detail and up-to-date character of the dataset for claimant unemployment that is provided through the Nomis service. But any statistics derived from tax returns are used only by the Inland Revenue.

Even the Treasury itself relies on the ABI (Annual Business Inquiry) for statistics on employment rather than upon those that should be available from tax records. Ironically Inland Revenue tax records provide the sampling frame for the ABI survey. But the ABI statistics are produced only on an annual basis and they are out-of-date. Difficulty of access limits the number of users of ABI statistics and makes any judgement about the quality of the statistics a matter of speculation. Understandably, the Allsopp Report repeats the mantra with calls for access to tax records to help develop regional statistics.

The major obstacle for the use of tax records for statistical purposes is seen as laws that inhibit access. It is believed that new legislation is necessary in order to make this access possible. It is doubly ironic that the Government will probably have to go to Parliament to bring about reform that Allsopp and

the Treasury quite rightly see as crucial to the development of regional statistics. The question has to be asked as to whether access to these records would have been achieved decades ago if Parliament had control and responsibility for the production of statistics. Does not this case illustrate that it is departmental interests and governmental interest that inhibit the development of administrative statistics?

Conclusion

It is difficult to find evidence of building of trust in official statistics as envisaged by the Green Paper of 1998. It is difficult to find evidence that the governmental statistical system has become more independent of government. Responsibility to Parliament was only one component of Jack Straw's 1995 vision of a National Statistical Service that would be devoted to the public interest. But is not this a necessary first step towards the achievement of national statistical system that puts the interest of the public in first place?

It might be a mistake to assume that giving control to Parliament would make a dramatic difference to the nature of official statistics. The major change would be one of political responsibility. We would not have government/official statistics. We would have a national statistical service providing information. It would not be meaningful for the official parliamentary opposition to attack the ONS, as Oliver Letwin did in July 2004. The remedy of anyone in Parliament would be to take such matters through whatever machinery was established for Parliament to manage the production of statistics.

It would be reasonable to expect that Members of a Parliamentary Statistical Service would be outward looking to society - rather than inward looking to departmental interests. They would be public servants like the staff of the NAO - rather than civil servants. There would be hope that such a national statistical service could acquire some the rich image of public service that is so well embedded in the BBC. We might even hope that the image of statistics as facts about society might take on a positive hue.

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