

Claus Moser, head of the Government Statistical Service for over a decade, took as his subject in the Presidential Address to the Royal Statistical Society (JRSSA 1980 Part 1) "Statistics and Public Policy". One of his main themes is the need for the "visible integrity" of the statistical service, on which question he has some fighting words to say:

... public trust depends above all on the reputation for integrity and objectivity of the statistical service.

I therefore regard it as a prime responsibility for the Head of the GSS together with his colleagues to establish clear principles of professional integrity and to fight, if necessary to the point of resignation, against attempts to circumvent them. This is not solely for reasons of professional virginity. It is also because the statistician must protect his political masters against attacks that they are "fiddling" the figures. Such attacks can do considerable and deserved harm to the credibility of governments.

We see no reason to question the personal integrity of Mr Moser, his preparedness to threaten resignation in cases he has considered of sufficient importance, or his achievements while Head of the GSS in strengthening statistical integrity - the fixing in advance of publication dates, the integrity rules and so on. Accordingly there may well be something in the contrast he draws between a vaguely defined spast, when (he implies) accusations of distortions may have had some truth in them, and the situation he brought about.

Yet Mr Moser seems to believe that statistical integrity is now quite firmly ensured for the future: "I trust that no government would try to falsify figures and that no statistician would tolerate it." And it is here that we cannot help suspecting that he is over-sanguine, for we cannot perceive the institutional conditions that might back up his words and protect his standards from erosion.

Let us start with that ultimate weapon of the civil servant - the threat to resign. A chain of special circumstances are needed for this to work:

- a) the statistician must be prepared to fight and resign if necessary;
- b) his (her) opponents, or people in a position to bring pressure on his opponents, must value the statistician so much that they prefer to back down rather than risk losing him.

Now, as far as we can see, there is very little if anything in either the training or the work experience of the government statistician which equips him morally or intellectually to take principled stands on questions of integrity in an unsympathetic environment. Some statisticians, as with any other group, must be expected to be unprincipled careerists; with very many more, such a label would be too harsh - let us be contented to point out that someone with children and a heavy mortgage, and not even in a position to move into "the banking world at N. M. Rothschild and Sons" as Mr Moser has done, will not so freely wave resignation letters around, especially if (by an unfortunate oversight) knowing no Prime Ministers on whose support to rely. Indeed, it is hard to believe that the influential position of the GSS survives now even at the very top, with Mrs Thatcher (known for her impatience with statisticians as with everyone else) at the helm and Mr Moser's GSS successors inevitably lacking his stature and qualities.

Nor in this respect does the semi-decentralised organisational structure of the GSS help, whatever its merits in other respects. The close relationship with Departmental policy-makers, while it provides easier access to subject-matter expertise and administrative data sources, also strengthens the power of the administrative hierarchy over the individual statistician compared with the power of the statistical hierarchy, which is more likely to uphold statistical integrity. Such an atmosphere must surely erode

the ability, confidence and even inclination to resist dubious requests - "Can't we leave this element out?"; "We'd like to show that ..." (not "find out whether") etc.

If Mr Moser's call for integrity were a bit more clear-cut, it might nevertheless stand a chance of having a clear-cut effect. But:

Integrity issues are often grey, allowing some room for compromise. The statistician in government cannot behave as if he were in an ivory tower. He is a Civil Servant and part of the government machine, and as such must relate his work to the administrative and even to the political context of the day as well as to his own professional ethic.

A subtle game to be learned as you go along, so there is no reason for surprise if statisticians, a naive bunch as Mr Moser complains, find it difficult to play without getting lost.

A part of not being naive is the stress on political calculation - protecting one's masters credibility under attack - as a realistic justification for integrity. But how often can this be countered with the argument that the Official Secrets Act and good press relations can protect credibility quite well, if at some calculated risk, without the need for some awkward bit of integrity? The important thing is that justice be seen to be done. The letter by a group of radical statisticians drawing attention to the pitfalls in price indices, following a totally uncritical article on the Retail Prices Index in the liberal Guardian, was not published.

There have been allegations in the past of cost of living indices being "manipulated" by interference with the weights and there was some evidence of this in the last war. No statistician, and I hope no government, would now tolerate this.

Mr Moser knows of such manipulation much more recent than the last war. In Demystifying Social Statistics, the Government Statisticians' Collective refer to

... the selective application, under pressure from the Treasury, of adjustments to the Retail Prices Index, made with the purpose of reducing the impact on the Index of rapid fluctuations in the prices of eggs, fresh vegetables and other perishable foodstuffs, when and only when such adjustments served to depress the Index.

At any rate, we are glad to have an assurance that this would no longer be tolerated.

Of course, what does and does not constitute "manipulation" is a matter on which different sincere opinions can exist, but from Mr Moser's brief discussion of the new "Taxes and Prices Index" which the Tory government has successfully imposed on the GSS, one doubts his sceptical ability:

A difficult issue may arise if a government's wish to introduce a new measurement arises purely from specific policy reasons. The statistician's stance will be one of caution, rightly so. If the new series is proposed simply to reflect a particular government policy, and makes no statistical sense, he will resist it. But of course a desirable change in a statistical system may come about for what will at first seem to be the wrong reasons.

It may be that the new taxes and prices index (TPI) falls into this category. Looking at it from the outside, I do feel some qualms. It is true that the retail price index (RPI) - quite properly - includes changes in indirect but not direct taxes and therefore fails to reflect the effect of recent government taxation changes. That would make a good case for an annual or even quarterly analysis (along the lines of that already published by the CSO) of the overall effects of taxation and price changes. I see more risk in setting a new monthly index alongside the RPI. The RPI is one of the best consumer price indices in the world technically and one of our best economic indicators. It has gained

widespread respect on all sides of industry and I myself resisted proposals to introduce price indices for special groups or regions partly on the grounds that they might undermine confidence in the RPI itself. Experience in other countries has shown how a battery of indices, or even two, can be used "competitively". The arrival of the TPI carries this danger. It will be all too tempting to use the two indices in a competing manner with the effect that both may suffer, especially if (as is already happening) the TPI is subject to technical controversy. However, that is now past history. But one thing is clear: the index having arrived - and assuming the technical problems are overcome - it is here to stay, whatever direction taxation policy takes in the future.

Surely in fact the TPI has been introduced precisely to compete favourably with the RPI, and surely it does not make statistical sense. Presumably the TPI is supposed to have some coherent meaning and not just be the combination of two arbitrary elements - otherwise, we may just as well combine price changes with snowfall in the Scottish Highlands. As a broader prices index, the TPI can only be interpreted as a prices index for both private and public goods and services, as against the RPI which covers only the former. Taxes then correspond to the price of public services. But as there is no measure of the quantity and quality of public services (except the circular and unsatisfactory one of public expenditures), the assumption must be used that these remain constant. So tax reductions are included, but not the resulting cuts in public services, which are probably considerably greater than cuts in expenditure. Among several influences making for such a reduction in the cost-effectiveness of public expenditure with the cuts, rather than the vaunted increases in efficiency, are:

- the special treatment of "defence" etc;
- the special treatment of administrative structures as compared to services, and the costs of and caused by tighter and more petty administrative controls;
- the inadequate allowance in the budgeting of each agency for the effects of its actions on other agencies (interdepartmental externalities).
For example, achieving cuts in central departments by "devolving" work to local authorities, where it must be done at much greater cost due to massive duplication of functions.
- the demoralising effects on staff attitudes and performance.

Certainly the resistance of government statisticians to established or new procedures with weak or misleading conceptual bases is weaker than it is to obvious "fiddling". The criticism of the old traffic forecasts, based simply on the extrapolation of past trends, came not from in-house civil service statisticians, but from an independent commission.

In conclusion, the safeguarding and development of statistical integrity require the securing of institutional conditions designed with this aim (among others) in mind: the training and encouragement of statisticians to fight for it, more open information and debate, the greater independence of both the statistical service and of the individual statistician within it, democratisation of civil service structures. This need not mean the isolation of statisticians in a centralised service; there is no reason they should not work with administrators and politicians in a semi-decentralised way, so long as they are not subject to their control. Perhaps, though, in the absence of changes on a broader front of government and society, this is just a little naive.

In my current job I have had the interesting experience of visiting the boardrooms and the dining rooms of many of the larger manufacturing companies in the United Kingdom. I believe that if this had been done ten years ago, such visits would have involved discussions that were mainly profit-oriented and economics-based. Over the past year it has been borne in on me that increasingly the top management of our larger companies, be they multinational or U.K.-based, are finding themselves compelled to consider as priority subjects the human aspects of their functions. Meetings of top board members are held to discuss political and social developments, to put into political and social context the possible development of the organisations, to consider how to manage people - organisations of people - who have been educated to choose. Unless statisticians can bring the science of doubt to bear on these problems we statisticians will rapidly become an extinct genus interesting to historians but irrelevant to the future.

- Stella Cunliffe, former President of the Royal Statistical Society and former Director of Statistics at the Home Office, replying to Claus Moser's Presidential Address.

... Statistical studies of mass phenomena in the sphere of social relations and of spiritual life, family life, and everyday activities in the USSR call for further improvements. At the present time statistical studies are generally limited to the sphere of economic events and do not answer questions relating to specific linkages between economic phenomena and social and spiritual phenomena, how changes in the economy are reflected in social life, influence relations among classes, social groups, collectives and individuals, and alter the behaviour and way of living of individuals as well as their thinking. In short, while economic statistics are being supplied to regulatory bodies, an optimal regulation of society also requires social statistics. Without a sociological service within the system of government statistics and a system for the sociological analysis of mass data, it is difficult to regulate the whole variety of socio-political and spiritual relations.

- V. Afanasyev, Editor of Pravda, in "Social Information and the Regulation of Social Development" (Progress Publishers, 1978), p 98.
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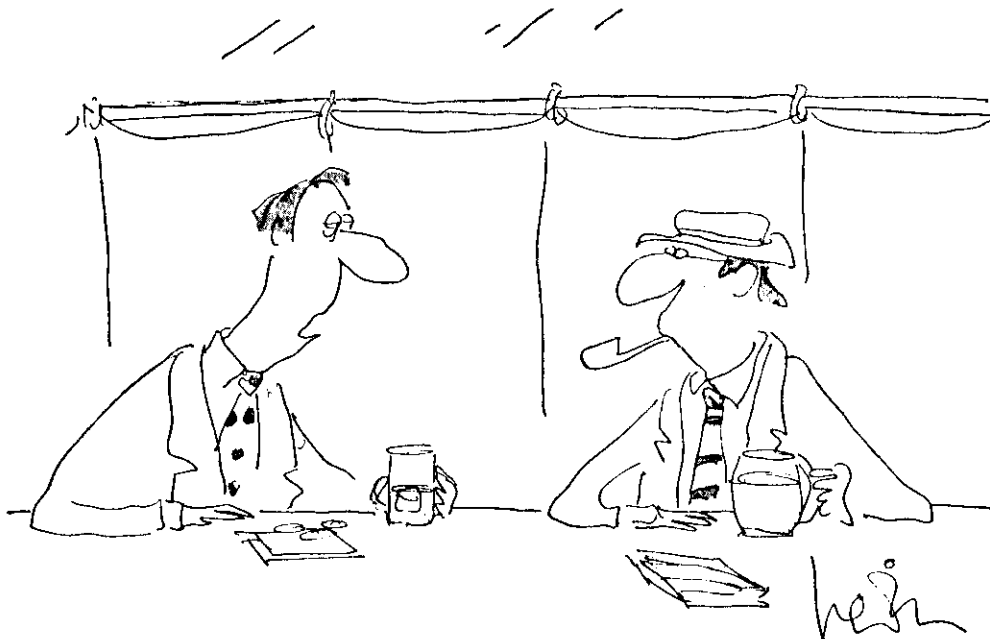
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[New Yorker, 7 Jan 1980]