

1. Introduction

This seminar was established as a dialogue between economists and statisticians on the relevance, responsiveness and robustness of the existing system of economic statistics. This dialogue was held in the context of the 2030 Agenda for Sustainable Development and the fast evolving (even disruptive) business models from the global and digital economy. The changing business environment impacts not only the quality of the measurement of the production, consumption, employment and financing arrangements but also changes the dynamics of the relationship with citizens, society and environment.

The Seminar focused on the statistical and institutional update of the system of economic statistics,

- i) to better account for the links between economic activity and the outcomes for citizens, society and the environment in the statistical system; and
- ii) to better support the statistical agencies in their institutional transformation from producers of statistics to data stewards in a new data and technology environment.

2. Statistical update of the system of economic statistics

There was a consensus that the measurement of the interrelationships and trade-off between of economic activity and its social and environmental impacts are more important than ever. Economics (and therefore economic statistics) could no longer consider that externalities of economic activity are excluded from the economic policy model and the system of economic statistics. Rather, the connection between economic activity, their consequences and outcomes for citizens, society and the environment must be articulated coherently and consistently in the system of economic statistics of macroeconomic, business, trade and price statistics.

The Sustainable Development Goals provide such a framework - the SDGs are broad and interdependent, and all member states have ratified them. The economic statistics system should make the connection with the SDGs explicit. Within this context, there were several proposals for how the suite of economic statistics could be broadened to be more relevant to decision makers, in particular the debate has been informed by the OECD report: 'Beyond GDP: Measuring what counts for economic and social performance'.

The debate also recognized that technological changes through the digitalization of the economy and the associated changes in global production arrangements need to be reflected throughout system of economic statistics. More specifically, the domestic and cross border relationships in production, consumption, employment, investment and financing

arrangements from global value chains need to be better incorporated in the accounts and statistics.

It was highlighted that the global production arrangements and the digital economy are impacting employment outcomes resulting in a changing labour market. Broader labour market measures are needed to adequately inform on these changes which typically include more flexible jobs, a faster pace of change in careers/occupations, and less certainty in employment and the conditions of work.

The issues of distribution and vertical and horizontal inequalities need to be better informed in the system of economic statistics. It is no longer adequate to produce 'average' measures such as GDP per capita. Statistics on the distribution income, consumption and wealth statistics consistent with national accounts needs to be produced for population groups of interest. The impact of the Great Recession, and the policy responses to it, have demonstrated the need for broader measures of wealth beyond economic (produced and financial) capital to include natural, human and social capital.

Uncertainty and vulnerability also mean that we need to consider a broader dashboard of subjective statistics as part of the system of economic statistics. Traditionally, statistical agencies have not taken a main role in producing subjective measures, yet good standards and practices have been established in recent years. Building on this progress, subject measures of well-being should be actively explored for inclusion in the suite of statistical products as complementary measures of inequalities and outcomes of economic activity. These subjective measures provide much needed insights and evidence about economic insecurity and opportunity and the impact on trust and confidence in the governance of public and private institutions.

3. Institutional update of the system of economic statistics

The data revolution provides both challenges and opportunities in the utilization of the range of publicly and privately held big data sources. In an apparent paradigm shift, there is now an overriding consensus that both developed and developing statistical system should actively pursue and accelerate the integration of these new data sources in their statistical products and services. Increasing evidence demonstrates that new sources of data can be harnessed for statistical purposes and offer opportunities to better meet policy makers needs. These needs are across a range of dimensions including more timely data, more granular aggregates, and wider coverage. While traditional data sources (surveys, census and administrative) will continue to be used, an update of the institutional system of economic statistics should show how to integrate new data sources into our statistical processes and add value to our statistical products led by emerging practices of data collaboration between the statistical community, academia and private sector.

In this data driven world, there is also a need to revisit the trade-offs between continuity and change that have historically framed our operating models and to rethink our institutional practices. This is particularly true of the setting of statistical standards and classifications. It is no longer acceptable to have standard or classification setting and implementation processes that are measured in the decades. Experimental standards and statistics should be transparently explored in consultation with users which are “good enough” to be released with the intent to be improved in dialogue with users. The international statistical community needs to consider new ways of setting standards which are more adaptive, responsive and timely. However, these need to be managed in a way which preserves time-series, prevents structural breaks and ensures ongoing production of critical information.

Statistical agencies alone do not have the capacity to meet these challenges, they need to work with academia, private sector agencies, NGOs and other government agencies to obtain the data, tools and know-how required. Additionally, the growing interlinkages between economies mean that national agencies may need to rethink how they work with global partners and share global tools and technology for statistical production. This needs to be done in a manner which preserves the independence of the statistical agency and trust in official statistics.

Introducing new operating models and new methods of statistical production need to be done in a manner which ensures user support. This means that agencies will need to take a user centric approach to development, ensuring a focus on communication and fostering statistical literacy among citizens and policy makers.

Thinking about the future of economic statistics must be taken forward as a partnership between economists and statisticians. We need to build enduring networks and mechanisms that support an ongoing dialogue between the two communities at national and global level as part of our institutional update of the system of economic statistics.

In considering the future of economic statistics there is also a need to ensure voices from all regions are heard. To achieve this, there needs to be operational support from multi-lateral development agencies for an enduring series of regional and global seminars and workshops on economic statistics to sensitize, coordinate and prioritize our actions under the purview of the Statistical Commission.

The international statistical community should continue to reflect on the findings of the dialogue between statisticians and economists during the Friday Seminar on the statistical and institutional update of the system of economic statistics to stay relevant, responsive and robust in the fast-changing data landscape. The upcoming 50th Session of the Statistical Commission is the global statistics forum to consider and decide on the best mechanisms for taking forward the dialogue on the update of the system of economic statistics forward in 2019 and report back in 2020.

Annex

Emerging Themes on the Update of the System of Economic Statistics

Friday Seminar on Emerging Issues- *The Future of Economic Statistics*

1 March 2019, United Nations Headquarters, New York

1. Update of the statistical system of economic statistics for the 2030 Agenda for Sustainable Development:
 - Make the measurement of the linkages between the SDGs a central objective in the update of the system of economic statistics. Vital to make the connections between the economy and the wider outcomes for individuals, society and the environment explicit in an extended circular model of flows and capital stocks.
 - Coordinate the update of the system of economic statistics across the suite of methods for macroeconomic, business, trade and price statistics and related classifications to ensure their coherence and priorities.
 - Incorporate in the update the measurement of the production, consumption, financing and employment arrangements of the global and digital economy and their impact on individuals, society and the environment.
 - Standardize measures of (vertical and horizontal) inequality in income, consumption and wealth consistent with the macroeconomic aggregates – in concept (income, consumption and wealth) and in practice (use and correction of source data (surveys, administrative sources, price indexes for volume terms).
 - Call for a wider set of measures of capital and sustainability– expand beyond the economic (financial and produced) capital to include natural and human capital
 - Improve existing measures of subjective wellbeing and introduce new measures of wellbeing related to confidence and trust.
 - Consider new fields to be included in system of economic statistics – economic insecurity (drop in income and buffers of funds to meet the shock) and inequality of opportunity – intergenerational mobility building on longitudinal panel data.
2. More dialogue and consultation on a relevant, responsive and robust system of economic statistics:
 - Ensure ongoing collaboration with economists and policy makers is scaled in the design of the system of economic statistics to set the priorities for the update of the system of economic statistics
 - Initiate regional consultation events in 2019 to ensure representative global perspective for the priorities of the update of the system of economic statistics
 - Adopt an user centric approach to development, ensuring a focus on communication and fostering statistical literacy among citizens and policy makers.
3. New methods and approaches for a responsive design of the system of economic statistics:

- Pursue the release of experimental “good enough” methods and related statistics to be responsive to new statistical demands in consultation with the scientific and policy community.
 - Call for actively scaling the integration of new data sources including big data in statistical production process in consultation with data owners of the private sector.
 - Call for actively scale partnerships with other sectors (private sector, NGOs, academia) who have data, tools and/or capacity.
 - Provide new services and products related to the access and use of microdata that support microdata linking and analysis and longitudinal studies using panel data.
 - Call for NSIs to move from being producers of statistics to broaden the statistical services to become data stewards supporting public administration and private sector – moving to one data, one method and one map as a public good.
4. Institutional update of the system of economic statistics for the transformation from producers of statistics to data stewards
- Continue strengthening the independence of statistical offices to allow societies to prosper on principles of trust, truth and reliability in official statistics as a public good servicing its multiple constituencies equally.
 - Initiate a review of existing statistical legislation and where feasible introduce an update that incorporate the shifting interpretations of confidentiality, privacy and trust with regards to the access and use of new data, national and cross border data sharing and exchange arrangements, demand for more granular data and release of experimental data in a global and digital economy.
 - Explore ways for the global statistical community to have more flexible and adaptive standard setting and the release of experimental “good enough” data, which are improved over time in cooperation with the users.
 - Scale the regional and global cooperation between statistical agencies to increase the pace of innovation for the system of economic statistics in updating more timely and flexibility statistical standards, in setting priorities for coordinated and collective actions, in sharing trusted data, methods and learning in the use of new data and cloud-based technology, in adopting a data steward function, in communicating the role of official statistics as a public goods for evidence based policy making in today’s diverse data ecosystem.
5. Actions for the consideration and decision of the 50th Session of the Statistical Commission:
- Establish a Friends of the Chair Group to take forward this initiative. Membership to include both statisticians and economists and the Group to be tasked with:
 - Undertaking further engagement and regional consultation in 2019
 - Developing a vision for the update of the system economic statistics and its priorities
 - Articulating a roadmap to achieve that update and its priorities
 - Reporting back to the Statistical Commission in 2020
 - Set up regional consultative seminars between statisticians and economists on the future of economic statistics in 2019

- Organize in 2020 a UN Global Forum on Economic Statistics to set the update agenda for the system of economic statistics
- Develop a mechanism for ongoing dialogue between the Group and networks of Economists