

The Marriage of Impartiality and Practical Utility

Paper for the International Statistical Institute, 6 August 2009

Richard Alldritt and Denise Lievesley, UK Statistics Authority

Summary

This paper discusses the possible tensions between the pursuit of practical utility in relation to statistical services on the one hand, and protecting and promoting a reputation for impartiality on the other. Enhancing practical utility may sometimes be constrained by the pressures of political expediency; and it may sometimes be constrained by concern to be seen as impartial. But it is also true that if approached in the right way there can be real synergy and mutual reinforcement between impartiality and utility. A marriage can be achieved though the tensions may still not be fully resolved. All statistical offices must aim to pursue the path of greater practical utility but they must also remain alert to the tensions, and tackle them as they arise.

The paper offers some illustrations from the United Kingdom, where new a statutory framework for official statistics has created a particular focus on these questions. The UK experience suggests that when practical utility is given greater weight, statistical priorities often shift towards to identifying and responding to users' needs in terms of accessibility and contextualisation of the figures. In this respect, impartiality is seen as an essential prerequisite for utility rather than a competing priority, but there remains a need to find a way to ensure that the pursuit of one does not impede the other. In the UK case, the new Statistics Authority looks likely to have a vital role to play.

A sound principle

The first of the UN Fundamental Principles of Official Statistics states that:

*“Official statistics provide an indispensable element in the information system of a democratic society, serving the Government, the economy and the public with data about the economic, demographic, social and environmental situation. To this end, official statistics that meet **the test of practical utility** are to be compiled and made available **on an impartial basis** by official statistical agencies to honor citizens' entitlement to public information”* (authors' emphasis).

The 'test of practical utility' is thus set out by the United Nations as the pivotal concept in defining the appropriate scope of official statistics. And it is also clearly central in determining the *nature* of the service to be delivered by statistical agencies, both national and international; in particular it creates an obligation to design statistical products with their utility in mind. Few would argue with this; it is a strong concept. If the statistical products are useful to government or society, and if their provision is affordable and cost-effective, then they should be produced in an impartial way. This is a good principle of universal application.

In national legislation and national codes, it is common for the word *relevance* to be substituted in place of *utility*. However, *relevance* is, in some respects, a lesser and potentially too flexible concept. All statistics are relevant to something, if only the subject to which they relate. And *relevance* can be interpreted as relevance to the

interests of major government policy alone, which is too narrow a definition to best serve the public interest. The UN chose the 'test of practical utility' in preference and this paper follows that lead.

A principle ignored

Good as the principle is, it is one which is too often ignored. The test of practical utility is not how the scope of official statistics is commonly determined. In most national statistical agencies, the scope of official statistics in 2009 will be the same as the scope of official statistics in 2008, plus or minus some changes driven by the allocation of resources from central funds and by the wishes of the government of the day; these two levers being closely related in most national systems.

If, for example, the government introduces new targets for public healthcare, it may commission, and be happy to pay for some new statistical data to show how well it is doing. It will not stop to ask whether those new statistical products are the ones that deliver the maximum practical utility for society as a whole. Indeed, the *political* value of the statistics to the government of the day is often more of a driver to the introduction of new statistical series than any consideration of practical utility.

However, utility is not just applicable to higher-level decisions about what statistics will be available in the future. There are more local and day-to-day decisions about the format, content and frequency of statistical reports and on-line products etc (we might call these 'statistical services') that also need to be taken, and here there is greater potential to take a balanced view of society's needs – and of the utility of each product. Statistics on healthcare may be needed by central government only on an annual basis, and in highly aggregated form. But healthcare managers, local politicians and the public may find it of value to have those statistics more frequently and for smaller geographical areas; not least to hold the government to account for the local implications of its national policies. The statistical agency can and will – at least in a well run statistical agency - take account of those other needs when considering the detailed aspects of the statistical services. In that sense the test of practical utility can be seen to be a realistic goal.

The challenge for decentralised statistical services

Ensuring a balanced approach is yet more challenging when the statistical services are dispersed across many government bodies. In the case of the United Kingdom where the production of official statistics is shared by in excess of 200 agencies, some of which are small units working within large, and largely autonomous, government bodies, there is an added level of complexity in trying to ensure that decisions about statistical services take account of the practical benefit, or utility, to society. A decision that might be taken by such a statistical unit - perhaps to increase the frequency or geographical detail of the published statistics to meet the needs of local users – may sometimes risk being seen as antagonistic to the interests of the government department within which that statistical unit works.

There can thus be an added pressure to put a narrow interpretation on the concept of utility. The UK's new statutory framework for official statistics, introduced under the Statistics and Registration Service Act 2007, seeks to correct that imbalance by have a strong Code of Practice that places substantial emphasis on the identification and

documentation of user needs; and includes a formal 'assessment' process to ensure that the Code is being followed.

Utility for whom

It is implicit in the principle of utility that the test should be whether the statistics and statistical services are capable of being used in a way that is of benefit to society as a whole. It is therefore also implicit that statistical agencies must consider the evidence as to whether its major statistical products are, in fact, used for the benefit of society.

However, it is relatively rare for statistical agencies to investigate the use made of their statistics in any systematic way. To do so would require some documentation on the use made of each major output and, historically, national statistical agencies have devoted little capacity to producing such documentation.

The reasons for this are perhaps to be found in the shared history of official statistics. For most the 19th and 20th Centuries, official statistics were driven not by any systematic analysis of the public interest, or indeed practical utility, but rather by what was possible and affordable. Each set of statistics will have had at least one intended purpose but because there was little flexibility in terms of the product to be produced, the views of the potential users (other than whoever commissioned the work) made little difference. The world has now changed. Technology has transformed the speed and flexibility with which statistical data can be generated and disseminated. But perhaps because of this past inflexibility, statisticians in NSIs do not, for the most part, share a culture of taking great interest in what happens to their product. It seems likely that this indifference to the use made of statistics was reinforced, and is still being reinforced in many cases, by concern that statisticians should not be seen to be taking sides in political debate or expressing personal opinions.

Impartiality as a constraint

The principle quoted at the start of this paper requires that those statistics which pass the test of practical utility should be compiled and made available on an *impartial* basis. In this respect statistical agencies are on firmer ground. Impartiality has long been the cornerstone of professional statistical practice. The professional statistician seeks to inform debate and decisions, not to take part in them. The statistician must understand public debate in order to provide relevant data but does not seek to have personal influence – except in bringing objective statistical data and analysis to the attention of all parties equally. All statisticians are comfortable with that philosophy. However, statistical offices often seem to fear that any steps they might take to enhance the utility of their products will be seen as compromising their impartiality, or as running the risk of compromising it.

In particular, commenting on the strengths and weaknesses of the statistics in relation to their uses (which would clearly be of value to the user) is often regarded as putting impartiality at risk. The statistician who wants to say, for example, that the positive trend in a set of statistics is not a good measure of economic growth, may fear being accused of acting from a political motivation. He will feel all the more concerned about that if he works within the economic ministry rather than in a national statistical institute.

Legislation and codes of practice offer little helpful guidance here. National legislation and codes, and broader codes such as the European Statistics Code of Practice, all stress the importance both of impartiality and of ensuring that official statistics meet user needs. However, few if any of these codes offer any criteria by which statistical offices should determine, or seek to enhance, practical utility; nor who should specify those criteria, nor any explicit tests to determine whether the criteria are being met.

There are, however, good reasons to argue that the relationship between impartiality and utility can be a positive one. It is self-evident that statistics that are not trusted as impartial are of lesser utility than those that are trusted (if only because the user will be reluctant to rely on statistical products he does not trust) and, in that sense, utility is dependent on impartiality. There is also a case for arguing that impartiality requires some measure of utility: a body that produces statistics of little practical value may open itself to questions about its motivation, professionalism and impartiality. However, despite this mutual dependence, the relationship is often problematic.

A statistical office that is seeking to give greater weight to practical utility will want to devote more attention to understanding the needs of users of statistics, and to enhancing the services it provides. This greater engagement may have many benefits but may also increase the risk of some group of users gaining disproportionate influence over the statistical product, or creating the suspicion that this has happened.

The challenge the statistical office faces in pursuing greater utility without introducing doubts over its impartiality is real and problematic. Utility demands close attention, and responsiveness, to the needs of users - including necessarily the needs of those users with strong political agendas, both in government and outside it. In contrast, impartiality demands a degree of insensitivity to political agendas, so that the statistical office is not seen to be led by a particular political view. Similarly, utility demands alertness to the impact of the statistics on public debate; whilst impartiality demands a degree of blindness to the impact of the statistics, so that the statistical office is not seen to be driven by a desire to influence the debate.

An example of the tension

An example from the United Kingdom illustrates this tension. In the early part of 2009 a committee of the UK Parliament considered whether the Office for National Statistics should be sensitive to the political impact of releasing statistics; specifically the impact of releasing statistics relating to the country of birth and nationality of workers in employment. This question touches on both the meaning of impartiality and the meaning that should be attached to 'practical utility'.

It was argued by a Government Minister that a particular statistical release on this topic was likely to stir up public concern about the number of foreign workers in the UK and so undermine the steps the Government was taking to promote a measured and considered approach to immigration. Concerned about this, the Minister had made some strong public comments including that the actions of ONS in issuing this statistical release were either 'naïve or sinister'. This theme was picked up by commentators in the national press who suggested that aspects of how the release

was written, and how it was published, might lead people to think that ONS was seeking directly to influence the policy debate.

The UK Statistics Authority, which has a statutory responsibility to oversee the whole, decentralised, statistical service in the UK, assessed the statistical release against the UK Code of Practice for Official Statistics and presented evidence to the Parliamentary committee.

Some of the messages that came out of the investigations of this issue included:

- Statistical offices only need to be alert to the likely political impact of what they publish to the extent of identifying the need to explain, possibly more fully than usual, what the statistics are and their quality and reliability in relation to their likely uses (in accordance with the UK Code of Practice).
- The release must be neither politically motivated nor politically inhibited (that is to say lacking in useful content for fear of causing offence to a particular political interest), and in that sense it must be 'blind' to its impact on matters of public debate. In the case in question, the release was judged to be impartial but not sufficiently helpful to the reader, leaving ONS vulnerable to the accusation that it was in danger of supporting those people who wished to mislead public debate.
- The timing of statistical releases which are seen to be politically sensitive must be pre-announced and not subject to unexpected, or unexplained, changes. This is a Code requirement for all UK official statistics but becomes a matter of greater sensitivity if the statistics are themselves controversial. In the case in question, the timing of the release was brought forward for valid reasons, but the effect was to raise suspicions of inappropriate motives.
- It is essential to explain the statistics in a way that will be helpful to the user. This will often require an explanation that acknowledges the likely use of the statistics – in the case in question, it was likely that the trends in the statistics of UK foreign workers would be used as a proxy for trends in the numbers of migrant workers from the new European Union member states. The statistical release could have explained the several reasons why such an interpretation would not be valid.

These observations have wider implications for how to secure a happy marriage between practical utility and impartiality. Whilst the explanation of the statistics must be helpful to the user, and must thus take account of the likely uses of the statistics, it is desirable to follow the same approach for each release of a particular set of statistics and, in particular avoid unexpected additions and improvements in the text of the release in response to heightened political sensitivity or in response simply to heightened public interest.

Many statistical offices already recognise the importance of an approach that is consistent over time, from one release to the next in the series, but it is common practice to achieve this consistency over time in an unsatisfactory way, by offering very little commentary on the statistics; and in particular saying very little about the strengths and weaknesses of the figures in relation to their potential uses. This may help to assure the statistical office's reputation for impartiality but it offers little help to the user and seems to ignore the obligation to pursue the aim of practical utility. Here

a one-sided relationship is established, with impartiality seen to be dominant over utility. And one-sided relationships are rarely a formula for a happy marriage. The statistical office treats the avoidance of criticism as being a greater imperative than obtaining the maximum benefit from the statistics for society.

Getting the balance right

The UK Code of Practice for Official Statistics pushes the balance back towards utility. Among the 74 specific requirements of the Code are these:

- Investigate and document the needs of users of official statistics, the use made of existing statistics and the types of decisions they inform.
- Make users aware of how they can find the information they need.
- Adopt systematic planning arrangements, including transparent priority setting, that reflect the obligation to serve the public good.
- Publish information about users' experiences of statistical services....
- Issue statistical reports separately from any other statement or comment about the figures ...
- Consult users before making changes that affect statistics..or publications
- Provide information on the quality and reliability of statistics in relation to the range of potential uses...
- Prepare and disseminate commentary and analysis that aid interpretation, and provide factual information about the policy or operational context of official statistics.

UK official statistics are produced by a very large number of public bodies. From January 2009, they are all subject to formal review (under statutory powers that include formal reporting to Parliament) against the requirements of the Code of Practice. The requirement to document the use made of existing official statistics is both new and challenging. It is included in the Code to give force to the emphasis on utility. Similarly the obligation to publish information on users' experiences of statistical services enforces a transparent dialogue with users.

The final two requirements in the list above (about including commentary on the quality and reliability of statistics in relation to the range of potential uses, and about providing factual information about the policy or operational context) are also challenging and necessitate research on the potential uses of the statistics and on the policy or operational context.

These requirements go some way to creating a set of tests of practical utility – or at least creating a framework within which it is possible to examine and form judgements about utility. It is too soon to say for sure whether they will work well. In a report in 2007, *The Use Made of Official Statistics*, the former UK Statistics Commission (forerunner to the Statistics Authority) said

“Were a balance sheet for official statistics to be prepared, the costs would be clear enough. The benefit, or value, would however be found to be much more diffuse and harder to treat in traditional accounting terms. Given this, it is possible that the vital asset that official statistics represent is undervalued in public sector planning

processes. And we observe that little systematic consideration is given to how the public value could be maximised”.

There is a crucial point here. In times of economic pressures and constraint on public expenditure, the value of statistics to society must not just be asserted, it must be demonstrated persuasively. Documentation of the use of statistics not only supports a rational approach to the test of utility, it serves to defend and support the statistical office against ill-informed budgetary pressures. The *Use Made* report also included some case study examples of the actual use made of official statistics by bodies outside government, to indicate the important public value that such use can deliver. One example is included at the end of this paper as an illustration of what documentation might look like.

Just as it is too soon to know if the UK’s approach of an enforceable Code of Practice will drive the highly decentralised statistical service into a closer engagement with users of statistics, it is also too soon to be sure that the reputation of the Office for National Statistics and the other UK statistical offices for impartiality will come under pressure as it moves forward in seeking to respond to user need.

In the UK case, the independent oversight and public reporting role of the Statistics Authority will be vital elements in ensuring that the statistical service can pursue practical utility without losing its reputation for impartiality. The Authority may succeed in brokering a successful marriage between the two. Other national statistical offices which want to give greater emphasis to practical utility may need to find their own way to contain the risks to their reputation for impartiality. Such difficult marriages must take account of local culture and custom as well as international principles.

An example of the documentation of use of official statistics

from the report *The Use Made of Official Statistics*

Powergen

Powergen is part of E.ON – a large power and gas company based in Germany. It is one of the UK's largest energy suppliers, the second largest electricity generator and owns the second largest distribution network. It is governed by a board of directors.

The Customer Insight Team uses many official statistics (eg Census data, Expenditure and Food Survey data, DWP benefit claimant information, Index of Multiple Deprivation) along with commercial and internal data sources.

The data are used to monitor customer profitability and to model customer credit risk to the company. Census data on unemployment and morbidity are combined with internal data on energy consumption to indicate areas where people are at home because of unemployment (temporary state) and areas where people are at home because of long term limiting illness (more permanent state). The latter constitute more of a credit risk as ability to pay might be more limited. Such information is used to monitor trends to inform business decisions.

Another example is the internal research carried out to try to target the 'fuel poor' to encourage their take up of energy efficiency measures (eg loft insulation). The research combined internal data (eg number of customers, individual energy consumption, comparative neighbourhood consumption data and past energy efficiency take up) with commercial and official sources (eg Census for information on central heating (amongst others), Index of Multiple Deprivation, benefits claimants and income estimate data). This found that take-up of promotional energy efficiency measures was weighted towards rural and/or more prosperous areas. The research provides a basis for trying to identify disadvantaged households where take up is low but need might be high.