

## 2. Legal Basis and Foundation

### 2.1 Main Tasks

*Main Tasks* Statistics Denmark is the central authority for Danish statistics. The key responsibilities of the institution are laid out in the Act on Statistics Denmark section 1, and a series of EU legal acts<sup>1</sup>. There are three principal tasks:

The first and most important task is *to collect, process and publish statistical information* on social and economic conditions and, in connection with this, carry out statistical analyses and projections. These tasks can be carried out in conjunction with other producers of statistics.

The second task is to contribute to *the international statistical cooperation* and promote statistical usefulness by making them internationally comparable. As a member of the EU, Statistics Denmark enters into a binding agreement to cooperate on the collection and processing of statistical information.

The third task is to carry out statistical analyses for private and public customers for a fee, these are the so-called *service activities*.

*Central Authority* Statistics Denmark is established as the central authority for Danish statistics This means:

- The most important statistics revealing social and economic trends in Danish society are produced by Statistics Denmark.
- Statistics Denmark has a special responsibility for providing the statistical information used by the Danish Parliament and central government administration.
- Other public authorities and institutions must coordinate their efforts with Statistics Denmark if they intend to collect and process statistical information.
- Statistics Denmark will be in charge of, or assist in, the organisation of public registers which can be used for statistical purposes.

### 2.2 Independence

*Professional independence* Statistics Denmark is an independent institution within the Danish Ministry of Economic Affairs (see the Act on Statistics Denmark, sections 2-4). The basic principle behind its independent status is that of *professional independence*.

*Management* Statistics Denmark is governed by a *Board*. The Board consists of the National Statistician (Director General) as Chairman, and six other members with insight into social and economic conditions, appointed for four-year terms by the Danish Minister of Economic Affairs. The Board makes decisions on the annual work programme i.e. on the nature of the statistics compiled and on guidelines for the development of statistical areas. It also makes decisions on the nature of information to be collected from public and private enterprises. The Board makes decisions on matters of wider economic significance, and makes proposals for the budget to the Danish Minister of Economic Affairs. The Board establishes guidelines for the co-ordination of activities with other producers of statistics and public registers.

As stated in section 2.4, much of Statistics Denmark's statistical programme is determined by EU legislation. The financial framework and EU legislation naturally

---

<sup>1</sup> Statistics Denmark published the "Statistical Code" in 2001. The Statistical Code comprises national legislation, legislation on EU statistics and the UN's basic principles for official statistics. The Statistical Code is written in both Danish and English.

restrict the scope of the Board to make independent decisions on the work programme. See facts 1 and 8 in appendix 4.

The economic model ADAM (a macro-economic model containing a cohesive and in-depth description of the Danish economy over a lengthy period of time) has its own Board of Governors headed by the National Statistician.

*The Danish Minister of Economic Affairs* has overall responsibility for Statistics Denmark's budget, accounting and personnel policy, as well as for the institution as a whole. The Minister of Economic Affairs also appoints the other six members of the Board for maximum individual terms of four years. The responsibility for the budget and accounts implies a responsibility for the financial conditions of Statistics Denmark. In practice the responsibility for the personnel is delegated to the National Statistician.

*The National Statistician* is the professional and administrative director of Statistics Denmark. If specific matters fall under the legal jurisdiction of the Danish Minister of Economic Affairs, the National Statistician will carry them out on behalf of the Minister. The National Statistician is permanently employed as a civil servant. The various aspects of the role played by the National Statistician emphasise the independence of the institution.



## 2.3 Trustworthiness

<i>Trustworthy</i>	It is imperative for Statistics Denmark that the institution is trustworthy. Users will only benefit from our efforts if the statistical information produced is highly trustworthy.
<i>Impartiality</i>	Statistics Denmark serves the interests of the general public and because of this must retain total independence from economic and political interests. The institution will supply comprehensive and impartial statistics compiled by scientific methods. Statistics produced by authorities or organisations with strong political or economic persuasions may run the risk of being subject to suspicion, irrespective of their quality.
<i>Scientific Methods</i>	Statistics Denmark is committed to scientific methodology, implying that professionalism and academic regard are our principal criteria in selecting methods for the collection, processing, storing and dissemination of data. This also means that the whole process is well-documented.
<i>Other Conditions</i>	There are other conditions essential to institutional trustworthiness. Some of the most important ones are: <ul style="list-style-type: none"><li>• That statistics are reliable. Users should be able to trust our figures, analyses and comments. The <i>quality</i> of statistics should always be so high that there is no doubt that they give a representative picture of society.</li><li>• That statistics should be made <i>public</i> as quickly as possible once they have been compiled and subject to quality control. The time of publication should be announced in advance and all users should gain access to statistical information simultaneously<sup>2</sup>.</li><li>• That information on individuals and business units is handled <i>confidentially</i>. We ensure that statistics not yet published are equally confidential.</li></ul>
<i>Cooperation with other Authorities</i>	<p>In a number of cases Statistics Denmark works with other authorities and organisations on the production of statistical information. Equally, other authorities may collect and process data which we then process further and publish. Such collaboration helps to ensure the presentation of top-quality statistical information.</p> <p>Except for joint publications, Statistics Denmark has final responsibility for the publishing of figures and supporting comments.</p> <p>Drafts of final reports are also confidential and can only be discussed by the relevant staff within the institution. However, discussions with external working partners, or the interpretation of certain figures, are essential in promoting useful and user-oriented statistics<sup>3</sup> of high quality.</p>
<i>Political Objectives</i>	To ensure trustworthiness and political impartiality, Statistics Denmark has defined further principles which address political objectives and business plans.

---

<sup>2</sup> Current statistics are always published in *News from Statistics Denmark* at 9.30 p.m. Nobody from outside Statistics Denmark can view *News from Statistics Denmark* before it has been made public. Publications on specific topics and other similar analytical publications may be published at other times of the day. In exceptional circumstances, the National Statistician retains the right to decide that a certain publication may be released under embargo before its official publication time, e.g. to the media. Similarly the National Statistician can decide that a specific statistical figure may be revealed under embargo.

<sup>3</sup> In certain cases some authorities or organisations are so involved in the production of certain statistics that they have access to results before they are publicised by Statistics Denmark. The management has to approve this and any other exceptions to the main rule.

The main principle is that Statistics Denmark (along with other national statistical institutions) does not express its opinion on whether political objectives have been achieved, but simply sheds statistical light on results. Consequently it may be relevant and useful to report the content of political goals and plans in statistical publications, and relate tables and graphs to them.

In exceptional circumstances when Statistics Denmark does express its opinion on whether political objectives have been achieved (for example in the environmental sector), it can be assumed that there is a particular reason for having done so. These decisions are taken when the political objectives are clear and unambiguous, the data is of high quality, and the management are of the opinion that these conditions have been fulfilled.

## 2.4 EU Cooperation

*Consolidation of Working Partnerships* The ever closer collaboration within the EU gives rise to an increasing demand for statistics in many areas. There is a steadily increasing demand for more detailed statistics and for statistics to be produced according to commonly defined standards, thus allowing for comparisons between countries. Consequently, Statistics Denmark is producing an ever increasing volume of statistical information under EU legislation which closely regulates the production.

*More than the EU* The European Statistical System covers more than just EU countries. The European Economic Area Agreement obliges Norway, Iceland, and Liechtenstein to produce the same statistics as EU member states in most statistical areas. Furthermore all countries seeking eventual EU membership need to adapt their statistical systems accordingly.

*Amsterdam Treaty* The Amsterdam Treaty (articles 284 and 285) defines the general provisions for the production of statistics where necessary for the performance of the activities of the EU. Through the so-called "co-decision procedure" the Council and the European Parliament agree on the statistics necessary to plan and monitor developments within the EU and make political and economic decisions within the areas of EU cooperation. The European Central Bank can also make decisions on which statistics should be produced by the Euro-countries.

The Amsterdam Treaty makes the following demands on EU statistics:

*The production of Community statistics shall conform to impartiality, reliability, objectivity, scientific independence, cost-effectiveness and statistical confidentiality; it shall not entail excessive burdens on economic operators.*

*Statistical Law* The general principles and framework for EU statistical activities were laid down in the Council Regulation of 17 February 1997, (EU no. 322/97), also called "Statistical Law".

*The Working Programmes* The EU's working programmes provide guidelines on the processing of EU statistics. The basic programme is the 5-year working programme, which has to be decided on by the Council and the European Parliament<sup>4</sup> according to the Amsterdam Treaty. Once approved, the Commission then agrees on complementary annual working programmes.

*Areas of Cooperation* EU cooperation spans many areas in which statistical information on member states is necessary. The following are the most important areas:

<sup>4</sup> The current working programme is valid for the years 1998-2002.

- EMU*
- The Economic and Monetary Union (EMU). Denmark is taking part in the cooperation on economic policy. This cooperation was outlined in the 1997 Stability and Growth Pact which requires Denmark to meet the so-called convergence criteria: low inflation, low interest rates, stable exchange rates, as well as maintaining a government deficit and debt below certain limits. This makes considerable demands on comparable statistics – especially with reference to prices, public finances and the national accounts, and also to a number of short-term indicators such as industrial production, trade, employment, the balance of payments, capital markets, earnings, etc.
- Denmark is not participating in the common European currency. However, the Danish currency is linked to the Euro via the exchange rate mechanism ERM II. This means in practice that Danish statistics should live up to the same standards as other member states, as stipulated by either the Council or The European Central Bank. The ECB has set out its own requirements in the so-called "statistical package", which the Danish Central Bank and Statistics Denmark will cooperate to meet.
- The Internal Market*
- The internal market. The freedom of movement of goods, services, people and capital has been gradually introduced, but became a reality from 1 January 1993. In connection with this a new statistical system has been introduced for EU trade between member states (INTRASTAT). Furthermore, the internal market requires such statistics as e.g. those on immigration and emigration, transport, tourism, business structure, economic capacity, and production in manufacturing, construction and the service industries.
- Agriculture*
- Agricultural policy. Agricultural subsidies take up about half of the EU budget. In order to monitor development and make political decisions on agricultural issues there is a great need for statistical information on such areas as structure, prices, revenue and production.
- Employment*
- Employment policy. The European Council, consisting of heads of government from each of the member states agreed, at the Summit on Employment in November 1997, that each of the EU member states would prepare a national programme on employment. These programmes on employment would be prepared and evaluated on the basis of comparable statistics on employment, unemployment, and active labour market measures.
- Social Conditions*
- Social and regional policies. The European Regional Development Fund and The European Social Fund take up almost a third of the EU budget. In order to monitor developments and make decisions on the allocation of these resources, statistics are needed on the following: income, unemployment, integration of the long-term unemployed and physically disabled, equal opportunities, the working environment and social expenditure. There are also various needs for regional statistics.
- Environment*
- Environment and energy. In order to monitor developments and make political decisions there is increasing demand for statistics in these areas. Among more recent requirements are those for the development of environmental indicators, and green satellite accounts to the national accounts.
- EU Budget*
- The greatest part of EU revenue comes from VAT and the GNP based own resource on member states. The national accounts provide the necessary basis for the calculation of such contributions<sup>5</sup>. This imposes high demands on the comparability and accuracy of the national accounts of member states.
- Eurostat*
- The production of statistics is done in cooperation with Eurostat (The Statistical Office of the European Communities) and the national statistical authorities. The role of Eurostat in the production of statistics is laid down in the Commission decision of

---

<sup>5</sup> Denmark's total contribution to the EU was in the region of DKK 14 billion (2 billion euros) in the year 2000.

21 April 1997. The organisation of EU cooperation and working partnerships is further described in appendix 2.

*The Consequences of EU Cooperation* The obligations which arise as a consequence of EU cooperation have a decisive influence on Statistics Denmark's activities – see appendix 4, fact 1.

*Danish Considerations* It is Statistics Denmark's intention to influence EU's statistical programme as well as proposals on EU legal acts. The efforts to fulfil these objectives will be based on the following considerations:

- Comparable statistics are a substantial improvement in data quality, and should be supported.
- The harmonisation of the European statistical system should be in accordance with the general harmonisation of systems at international level, and should in no way impair the quality of Danish statistics.
- The needs of statistical users should be weighed against the response burden imposed on industry, which should be kept to a minimum.
- The costs to Denmark, and to Statistics Denmark, with reference to the European statistical programme should be minimised, taking into account the purpose of the statistics.
- To the greatest possible extent, Statistics Denmark will use information from public registers in the production of statistics in order to keep both the response burden and costs to a minimum.

## 2.5 Other International Cooperation

*Organisation* Statistics Denmark also participates actively in other international cooperation, the most notable being the UN and its affiliated organisations, as well as cooperation with the Nordic countries. The organisation of these international activities is described in appendix 3.

*The Aim* The UN and other international organisations work towards international statistical comparability. In this context, classifications and guidelines for compiling statistics are decided, and demands are made on the statistics that are to be reported to the organisations by Denmark and other member states.

*International Consulting* Statistics Denmark frequently receives requests from other countries which are seeking assistance to improve their production of statistics. To meet these requests we have formed an international consultancy division. The work involves sending experts abroad for long and short-term projects, hosting study visits from other institutions and the running of a series of training programmes.

This cooperation extends to countries in central and eastern Europe, where extensive work and adjustment is needed to adapt their statistical systems and methods to EU requirements. The consultancy also works with countries in Africa and Asia.

International consulting is subject to user charges. The greatest contributions are in the form of Danish foreign aid and EU funding.

*The Danish Points of View* Statistics Denmark actively contributes to international statistical activities and seeks to influence them along the following lines:

- The harmonisation of statistics at international level is vital to the improved quality of statistics and this should be supported.

- Cooperation with other countries and international organisations allows the exchange of experience to the benefit of all involved. The division of work within the statistical field needs to be strengthened so that developmental work is not pioneered simultaneously in several countries.

## 2.6 Objectives for International Cooperation

*Objectives* Statistics Denmark takes active part in international cooperation and thereby seeks to achieve the following objectives:

1. Statistics must be *internationally comparable*, and thus facilitate comparisons of developments in Denmark with developments in other countries. The cooperation in, e.g. the EU and the UN, contributes to enhance international data comparability.
2. When Danish statistics on social and economic trends are published *comparable results* from other countries are, to a greater extent, to be included.
3. An *international benchmarking report* is published annually. The aim of benchmarking is to conceive ideas of improvements throughout Statistics Denmark. Benchmarking implies that Statistics Denmark will make systematic comparisons of results with those from national statistical institutions in other EU and OECD countries, especially institutions with the best performance in specific areas.
4. To improve the conditions of international statistical cooperation increasing amounts of information about Statistics Denmark and Danish statistics will be made available in *English* at [www.dst.dk](http://www.dst.dk).
5. To cater for the Danish points of view in the context of international statistical cooperation Statistics Denmark works towards the appointment of employees to *international statistical committees* at a high level and to strategically important statistical committees.
6. A *report* on international statistical cooperation is prepared and published annually. The achievement of the above objectives is described in the report.