How successful is ESCoE?

A discussion paper on the ESCoE Report published 12th February 2020[1]
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Summary

This document provides an opportunity for discussion based upon my personal review of the recent Economic Statistics Centre of Excellence (ESCoE) report. It also includes a summary of the background represented by the Economic Statistics and Analysis Strategy (**ESAS**), originally published for consultation in May 2016; accordingly It covers the period from May 2016 through to February 2020. In fact the latest ONS update on ESAS was published in April 2018 and therefore the ESCoE report also represents the most informative review of progress on ESAS since that time. My own interest is mainly in those projects that refer to the challenges represented by the Bean review, the primary stimulus for the creation of ESCoE.

As will be seen in the detailed review below, I find the report to be extremely disappointing in almost every respect. The general tone of the document is self-satisfied to a degree that the descriptions of those projects selected for publication, does not justify. My specific criticisms are:

   a) None of the 20 projects highlighted as work achieved in the past 3 years, benefits from a statement of the objectives of the work.
   b) In most cases the reports lack any genuine details of the findings gained from the project. Instead findings are couched in vague terms and are frequently associated with the recommendation for further work.
   c) In very few cases are any references provided, which makes it extremely difficult to follow up any interest or to obtain further detail.
   d) There are at most 3 of the projects that can be seen as directly concerned with the principal issues of measuring the modern economy. The stated purpose of ESCoE at its foundation was to address those issues.
   e) In a number of cases the projects are, frankly, banal.

Page 6 of this report makes reference to the House of Commons Public Administration and Constitutional Affairs Committee (PACAC) hearings on the subject of "*Governance of official statistics: redefining the dual role of the UK Statistics Authority; and re-evaluating the Statistics and Registration Service Act 2007*".   July 2019 saw publication of those hearings which were critical of the UKSA on a number of issues, including user engagement. In which context it is interesting to note that there is no reference to user engagement in the ESCoE report nor in any of the ESAS reports mentioned in this document. Further comment is provided in the final section (page 13).

Also of interest is that the PACAC report makes little reference to the Bean review or of ESCoE, other than to note that "*The Bean Review helped UKSA to secure additional resources*". To this observer it is evident that those resources are not effectively used and perhaps PACAC were wrong in concluding that no change is required in the governance of the UK Statistical Authority.

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[1] See https://www.escoe.ac.uk/escoe-report/
[2] See https://www.ukplc.uk.com/the-ukplc-team/

Introduction:

The home page of the ESCoE website explains "**What ESCoE does**" as follows:

The Economic Statistics Centre of Excellence provides ONS with research that addresses the challenges of measuring the modern economy, as recommended by Professor Sir Charles Bean in his Independent Review of UK Economics Statistics.

The progress report as published in February of this year was described as follows:

"*We've published our ESCoE report* '**Addressing the challenges of measuring the modern economy'** *setting out what we've achieved together in our first three years*".

This document therefore provides a personal review of that achievement, as described in the report. However, before reviewing the report in any detail it is constructive to examine the background of relevant activity over recent years.

Section 1: Background

September 2016:
In September of 2016 the Office for National Statistics (ONS) updated its Economic Statistics and Analysis Strategy (**ESAS**) as originally published for consultation in May 2016. The update built upon the National Accounts Strategy, but went further to cover the whole of Economic Statistics Analysis in the light of the recommendations of the Bean Review[3].

Under the heading ***Economic statistics: issues, priorities and plans*** it was stated: *"The strategy articulates 10 themes that represent the key issues and priorities for ONS in the future evolution of economic statistics. The themes – which are interdependent and overlapping – are:*
> *1. Measurement of National Accounts*
> *2. Measurement of trade and international statistics*
> *3. Measurement of services sector activities*
> *4. Measurement of devolved, regional, and local statistics*
> *5. Measurement of the labour market*
> *6. Measurement of prices*
> *7. Measuring the modern economy – the digital revolution*
> *8. Beyond GDP – broader measures of welfare and activity*
> *9. Understanding the productivity puzzle*
> *10. Exploitation, interrogation and understanding of administrative data and*
> *other large datasets"*

The 2016 report also expressed the intention that:

"*This strategy will be reviewed and updated annually to reflect changing needs and priorities, and availability of resources, in order to give a clear prioritisation for ONS's work on economic statistics, but also our research and joint working agendas.*"

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[3] https://www.gov.uk/government/publications/independent-review-of-uk-economic-statistics-final-report

Accordingly an update to ESAS was provided as early as 17th July 2017 and whilst confirming the principles established the previous year, that update also refined certain objectives as follows:

"The year 2017 is an exciting time for economic statistics, having made a good start in addressing the <u>recommendations of the Bean Review</u>. The Review included some specific recommendations, but it called for a more fundamental change in mindset. The Office for National Statistics needed to be more proactive in responding to changing user needs.
With that in mind, the EU referendum result has inevitably caused us to review our priorities and put more weight on important issues like migration, trade and business investment."

Moreover the document specifically identifies the creation of ESCoE as a significant element of the change in the ONS mindset:

"An important element of this new approach is to work with others to identify issues early and to work collaboratively on improving our statistics. This includes working with the academic community more closely through the new Economic Statistics Centre of Excellence to identify emerging challenges and develop methods to address them, or engaging more closely with stakeholders through our expanding London presence. We will use the new ONS Data Science Campus to get beyond producing the same numbers every month, recognising that the questions we need to inform are changing; we have to change to get the data that's necessary to make sense of those questions in the way they are being posed."

Finally, the 2017 report also summarised the main activities in the previous year under the heading of **Recent achievements** and said: *"In the past year, we have made significant advances in developing a stronger statistical system. We have:*

- *developed methods and processes to allow VAT data to be used in the production of the national accounts by December 2017*
- *launched a new Economic Statistics Centre of Excellence in collaboration with the National Institute for Economic and Social Research*
- *launched the ONS Data Science Campus at its new Newport home*
- *launched the ONS Economic Experts Working Group to provide insight and early quality assurance on our latest developments*
- *delivered the first Economic Statistics Conference at the Celtic Manor in Newport*
- *created a new London-based economist team to strengthen engagement, while also improving stakeholder engagement around the UK – last year we hosted Economic Forum events in Belfast, Manchester, Cardiff, Edinburgh, York and Birmingham*
- *redeveloped our publication model to ensure clearer commentary on economic statistics through "theme days" where similar statistics are published simultaneously to give greater coherence and clarity to users*
- *launched new flash estimates of productivity and public sector productivity*
- *published experimental statistics showing country and regional public sector finance"*

Thus the groundwork had seemed to be laid for some significant developments in respect of the 10 themes as described in the 2016 ESAS.

April 26th 2018 was the date of publication for the next ESAS report, under the title "***ONS Economic Statistics and Analysis Strategy: financial year ending 2019***"

The summary of the third annual Economic Statistics and Analysis Strategy report explained the objectives as highlighting the main achievements of the ONS over the previous 12 months and to illustrate the plans to build on those accomplishments over the following financial year. Specifically, it emphasised that the priorities for the coming year would cover these 6 main themes:

- *Modern economy and the national accounts*
- *Trade and international statistics*
- *Devolved, regional and local statistics*
- *Productivity and the supply of labour and capital*
- *Prices*
- *Beyond GDP – broader measures of welfare and activity*

They also pledged to "*continually horizon-scan for new issues and research new specifications or methodologies for us to use in new or improved statistics*".

With regard to the primary developments achieved during the previous 12 months, the report emphasised enhancing the economic and analytical capability of the ONS in terms of both in-house skills and through engagement with external experts, listing the following specific elements:

- *the launch of the Data Science Campus*
- *continuing the engagement with the Economic Experts Working Group (EEWG)*
- *the collaboration with the Economic Statistics Centre of Excellence (ESCoE)*
- *and activities with several partners aimed at improving the quality and understanding of economic measurement*

Importantly, the report also identified a number of significant improvements that were already in progress and scheduled for release during the next two years covering each of the 6 main themes mentioned above.

Specifically the report provided the following details of their intentions for each of the main themes:

Modern economy and the national accounts:
- *implement the new GDP publishing model including monthly GDP*
- *UK National Accounts, The Blue Book and UK Balance of Payments, The Pink Book 2018 will include development of efficient trade systems, will utilise new and improved administrative systems and include improvements to the data and methods used to calculate figures for funded public sector employee pensions*
- *Blue Book and Pink Book 2019 will include the introduction of double deflation in the measurement of GDP and a range of improvements to the estimation of capital stocks; full details of the improvements planned will be published in late summer 2018*
- *our research agenda will continue to support these developments, for instance by analysing the impact of double deflation implementation and researching new data sources to understand the impact of replacing existing data*

Trade and international statistics:
- *continuing to build user confidence in UK trade statistics, working to achieve reaccreditation of National Statistics status*
- *providing greater granularity of trade statistics for users to better inform policy*
- *further our work on understanding and resolving asymmetries in trade data beginning with the USA, Ireland and Germany*

Devolved, regional and local statistics:
- *continue to develop local authority level GVA and GDHI data work, exploring the use of administrative data to take these down to more flexible geographies*
- *develop quarterly output indicators for the nine English regions, providing timely real GVA growth estimates by region and a range of component industries*
- *expand the industry breakdown for regional accounts*

Productivity and the supply of labour and capital:
- *publication of a productivity plan, which will comprehensively map out our ambitious plans for productivity statistics*
- *publishing experimental quarterly multi factor productivity (MFP) estimates*
- *continuing to develop the Labour Force Survey model to produce single month estimates*

Prices:
- *continuing to develop household cost indices, including producing an index for the capital element of mortgage repayments and a methodology for student loans*
- *making a number of improvements to CPIH, as reflected in our Consumer Prices Development Plan*
- *reviewing the boundaries for locations in our Consumer Prices Indices sampling frame used for price collections*

Beyond GDP – broader measures of welfare and activity:
- *collecting data on time use, specifically geared towards new forms of digitally-enabled activities; findings of this survey will be important for ONS to address recommendations from the Bean Review*
- *continuing work on the measurement of Sustainable Development Goals (SDGs), including developing indicators by income distribution and lower geographic areas*
- *integrating earnings data from the PAYE system with Census 2011 to shed new light on earnings mobility and progression*

Finally, the report detailed the range of international activities which are the responsibility of the ONS, providing a snapshot of their engagement with each of the following International bodies:

- ESS and ESCB
- International Monetary Fund (IMF):
- Organisation for Economic Co-operation and Development (OECD):
- United Nations Economic Commission for Europe (UNECE):
- United Nations Security Council (UNSC):

<u>July 2019:</u>
Somewhat surprisingly there was no ESAS report provided for 2019 and therefore the ESCoE report, published in February of this year, provides the main source for information on progress subsequent to April 2018.

Meanwhile on the 18th July 2019 the Public Administration and Constitutional Affairs Committee (PACAC) published their report *"Governance of official statistics: redefining the dual role of the UK Statistics Authority; and re-evaluating the Statistics and Registration Service Act 2007"*[A].

The introduction to the PACAC report mentions the Bean Review, noting that "*The review was prompted by concerns that the UK's economic statistics were failing to keep up with developments in the modern economy and that the Office for National Statistics was not operating as effectively as it should*". Then, in the main body of the report it is stated "*The Bean Review helped UKSA to secure additional resources and we welcome initiatives such as the Data Science Campus and Economic Statistics Centre of Excellence. However, we do not think UKSA should have to be subjected to an external review for it to secure what it needs. If the UKSA Chair, National Statistician and Head of Assessment were fulfilling their roles, they would be less dependent on external reviews. ...... It still remains unclear whether all the recommendations from external reviews have been accepted and what changes have been implemented*".

Furthermore, the report provides a number of specific criticisms of the UK Statistical Authority and in particular observed that "*UKSA does not understand who all of today's users of official statistics are or how they use statistics. UKSA must engage more effectively with existing and potential users, ensuring the Government Statistical Service is producing statistics that are easy to access and relevant, while closing gaps in data.*"

Given the above background the expectation for the ESCoE report was that it would demonstrate progress on many of the issues that gave rise to its formation and, in particular, that it would evidence important progress in measuring the modern economy.

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[4] See https://publications.parliament.uk/pa/cm201719/cmselect/cmpubadm/1820/1820.pdf

On its inception the ESCoE team adopted the 10 ESAS themes described above as their framework of reference for their work and accordingly they established 3 primary work streams which they also sub-divided into 13 project streams distributed as follows:

| | ESCoE Work Stream and Project Number | | | | | | | | | | | | |
| | National Accounts & Beyond GDP | | | | Productivity & the Modern Economy | | | | | Regional & Labour Market Statistics | | | |
ESAS Theme	1.1	1.2	1.3	1.4	2.1	2.2	2.3	2.4	2.5	3.1	3.2	3.3	3.4
Measurement of the National Accounts	x	x	x	x		x						x	
Measurement of trade and international statistics							x	x					
Measurement of services sector activities					x	x	x	x			x		
Measurement of devolved, regional, and local statistics										x	x	x	x
Measurement of the labour market										x	x		
Measurement of prices			x		x	x	x	x					x
Measuring the modern economy – the digital revolution					x	x	x	x					
Beyond GDP – broader measures of welfare and activity		x				x					x		
Exploitation, interrogation and understanding of administrative data and other large datasets		x	x			x			x		x		x
Understanding the productivity puzzle					x	x	x		x				

Subsequently ESCoE added "*Communicating and valuing economic statistics*" as an additional work stream.

The actual report is divided into two primary sections, the first describing the principal activities of ESCoE, providing descriptions of partnerships with academia, identifying significant visitors received, seminars and meetings held and various other details; including the relationship with the ONS. However, it is the second half of the report, detailing 20 of the projects undertaken by ESCoE, which is the primary concern of this document.

The write up for each of the 20 projects provides a brief outline of the following details:

a) ***Project overview*** – summarising the main considerations forming the reasoning behind the project.
b) ***Methods*** – outlining the main elements of the procedure(s) used.
c) ***Findings and recommendations*** - including Key recommendations.
d) ***Impact and engagement*** - summarising the potential value of the work.

The following commentary on each of the 20 projects is divided into the 4 main ESCoE work streams. As will be noted, my personal interest is limited to relatively few of the projects; moreover each project description is relatively brief. It is therefore a concern that there are no references in the report as to where more detailed information can be readily obtained on any of the projects; as a result I found it very difficult to follow up any interest I had. I consider that fact to be a very serious failure of the report, which is evidently not really intended to inform those not directly involved with the organisation or its various associates.

Incidentally, it is also the case that none of the projects have been specifically allocated to any of the 10 original ESAS themes or even identified as to which of the 13 sub-divisions of the ESCoE themes they belong. In some cases the information can be inferred from the project description but there are instances where the relationship with the ESAS themes remains obscure.

I hope the reader will understand that my primary perspective in this review relates to my perception of the commercial value of the work done, within the context of the stated objectives that underlay establishing ESCoE in the first place.   I comment further on this point below in relation to project 4.2 - *Valuing Economic Statistics*.

1st Stream: National Accounts & beyond GDP:

1.1 Use of Value Added Tax returns to Produce Monthly Estimates of Industrial Output

Frankly this project should have been done years ago and it seems ridiculous that the matter is not far more advanced by now. With this project, as with much else of the work done by the ONS the work appears to be hindered by an over reaching concern with aspects of GDPR, even though it is relatively straightforward to anonymise any sensitive data. The description of the methods is not very informative and the report is not referenced on the ESCoE site nor the ONS site. As a result further information is not readily available.

Moreover the ***key recommendation*** provided is, frankly, banal and ignores the fact that work should be done to relate VAT returns with MBS returns across the ***whole*** spectrum of the business community, by size and activity. I am sure that, if required, permission from sufficient businesses can be obtained to understand the correlations between the two data sets and thus improve the estimates.

The impact and engagement note is also trivial.

1.2 Measuring GDP at different publication horizons

This important topic is barely illuminated by the description provided in the ESCoE report. There are references to '*nowcasting tools*' that are not described, nor are any examples of the results obtained from the tools provided in the report. Reference to nowcasting on the ONS website provides no indications of any use of the tools for GDP estimates, but does yield estimates of Household Income for previous periods and experimental statistics for quarterly public service productivity estimates.

However, in April of this year ESCoE published a discussion paper drafted by Ana Beatriz Galvão of the University of Warwick and Marta Lopresto of the Bank of England, the title of which is "*Real-time Probabilistic Nowcasts of UK Quarterly GDP Growth using a Mixed-Frequency Bottom-up Approach*"[5]. It is interesting to note, however, that the project as described in the February ESCoE report references a number of additional authors and contains intriguing references to sources and processes not fully explained; nor are they covered in the discussion paper.
More information please!

1.3 Historical National Accounts Data

Personally, I would consider this work as interesting rather than really important. But I nevertheless thought it worth following up. Unfortunately, I failed to locate "*our inventory of macroeconomic data ...*" as described in the Impact and engagement section of the description of the project. Specifically I could find no reference to it on either the ESCoE website or the ONS website. However the following details are available on the ESCoE site

  a) **A Century of High Frequency UK Macroeconomic Statistics: A Data Inventory by** Jagjit S Chadha, Ana Rincon-Aznar, Sylaja Srinivasan and Ryland Thomas. ESCoE Technical Report 03
  b) **A Century of UK Economic Trends** by Jagjit S Chadha, Ana Rincon-Aznar, Sylaja Srinivasan and Ryland Thomas.
  c) **Double deflation: theory and practice** by Nicholas Oulton, Ana Rincon-Aznar, Lea Samek and Sylaja Srinivasan. ESCoE Discussion Paper 2018-17 Section 8
  d) **Sefton and Weale dataset**, James Sefton, Martin Weale, Reconciliation of National Income and Expenditure. Balanced Estimates of National Income for the United Kingdom, 1920–1990, Cambridge University Press 1995

And there is also quarterly GDP data back to 1948 available on the ONS website.
Presumably more information on the inventory is readily available to other researchers if not to the general public.

1.4 UK Historical Data Repository

This online repository curated by the Bank of England, ESCoE and the ONS is presently untraceable on any of the three websites. I also failed to identify the relationship (if any) between this project and project 1.3 above.

1.5 Democratic Measures of Income Growth

This is another project that I would normally find of interest and is clearly important towards seeking potential alternatives to GDP. However, once again I found it impossible to identify any further information and the detail provided in the February report is inadequate to make any value judgement.   Indeed it is tempting to dismiss the project as fundamentally trivial since there is no clarity provided as to how important concepts have actually been calculated.   The fact that it engaged many interested parties and was featured by the Financial Times is not a substitute for rigour.
It is also of interest to note that "*the ONS views this as a seminal paper on this topic, significantly informing work on welfare measurements*" although I am unable to trace any reference on the ONS website.

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[5] See https://www.escoe.ac.uk/nowcasting-quarterly-gdp/

1.6 Social Transfers in Kind

This is yet another interesting project that lacks any meaningful description. However, it is referred to as having provided the methodology used for the ONS bulletin "*Effects of Taxes and Benefits on Household Income: Financial Year 2018*" and, presumably, also relevant subsequent bulletins on that subject.

The claim of the ONS making use of the methodology (made under the **Impact and Engagement** section of the project description) could be seen as contrasting with the statement in **Findings and Recommendations** that *"A question remains as to whether our preferred result is a reflection of how social care spending is allocated across the income distribution in the UK, or simply a function of our chosen imputation method"*.

2nd Stream: Productivity & the Modern Economy

2.1 Measuring Activity in Service Sectors

I consider this project to be important and the write up is comparatively informative covering a number of different aspects. Nevertheless, once again, important details are not available. I was also unable to locate any further information that might have provided a more holistic view of services rather than the specific areas mentioned in the document.

2.2 Measurement Issues in the Digital Economy

The write up for this important project provides a tantalising description of some of the interesting work done and yet again fails to provide any actual insight into the results. As with a number of the projects, it could be useful to be informed as to its precise objectives. For example there is reference to *economic welfare* in the **Methods** section of the project description, with a hint that this might be a genuine alternative to measures of productivity, however no details are provided. Nor is there any exploration of how time use diaries might be analysed with corresponding digital use records. Indeed I was unable to identify the source of any time use data that may have been used in this project.

2.3 Sectoral Productivity Estimates

This project is primarily concerned with exploring changes in estimates derived from the use of double deflation, as recommended by the Bean report. I therefore find the title to be somewhat misleading - possibly because I'm not an economist! The description does, however, mention the source data as having been the "*new detailed industry level data developed by ONS to re-examine the UK productivity puzzle*". There is , however, little other detail, beyond the unsurprising statement that "*the UK productivity growth puzzle is concentrated in sectors where productivity is difficult to measure*"!

What does surprise this observer is the continuing reference to 59 market sectors for analysis and I question whether this does not overcomplicate matters. Although the authors claim that 15 broader industry sections were also reviewed, there is no indication whether the latter could be sufficient for their purpose. To me, the continuing reference to such detail ensures working over a lot of historical detail at the expense of understanding the significance of recent developments. Indeed, the authors claim to have estimated "*double-deflated real value added for 79 industries over the period 1997-2015*", an exercise that seems somewhat lacking in the desire to understand todays digital economy

which had barely started in the UK in 1997. As a colleague of mine once said – you don't drive a car by looking in the mirror!

Useful background to this work can be found in the ESCoE discussion paper "*Double deflation: theory and practice*"[6] by Nicholas Oulton, Ana Rincon-Aznar, Lea Samek and Sylaja Srinivasan

2.4 Developing Firm-level Micro Data for Productivity Analysis

This project is based upon analysis of the Management and Expectations Survey (MES) conducted in 2017, which emulated a US project, conducted during the period 2010 to 2015 with similar research conducted in a number of countries. As with all the project reports there is little real information available as to the sample covered or the results obtained although there is the unsurprising statement under findings that *"Further, evidence from the MES suggests that larger and well managed businesses in the UK make smaller errors in forecasting UK GDP."* Possibly more surprising is that *"we have found that management practises correlate more strongly with productivity in the UK than in Germany and Japan".* Those of us with international business research experience (albeit commercial experience) would have been rather less surprised by these cultural effects of the more homogeneous nature of business practice in both Germany and Japan. There is little evidence that this work has actually assisted with any understanding of the productivity puzzle particularly in respect of smaller firms where much of the underlying difficulty lies.

2.5 Granularity in Trade in Value Added Data for Key Sectors

It is difficult to overestimate the importance of this project in the light of BREXIT and it is also difficult to gain a clear picture of the findings. As with most projects it is evident that extensive work has been done with many sources examined, however there is no clear exposition as to what formed the list of key sectors and the inference is that much of the analysis for services was company based rather than sectoral.

2.6 The Rotterdam-Antwerp Effect in the Context of UK Trade Statistics

I am sure this will have been helpful to those engaged in considerations of the effect of Brexit on UK trade but, once again, little real information is provided. Moreover it is difficult to see what lasting value the work may have since the expectation would be that our trade patterns will alter.   I would expect legislation to replace the existing quarterly reporting by business to HMRC of exports to the EU with a report providing details of exports to all key countries.

3rd Stream: Regional & Labour Market Statistics

3.1 Using Administrative Data to Develop New Labour Force and Migration Statistics

The emphasis of the work seems to have been concerned primarily with Migration Information rather than Labour Force data and it is relatively superficial. With the changes expected as a result of Brexit I would have thought it could be worthwhile to investigate national health records and employer information to explore how they might also assist the apparent objective of the work.

3.2 Making sense of skills

This project is one of the few where an interested party can readily get further details and it is evidently a useful piece of work. Indeed it is one of the very few that addresses today's world.

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[6] See https://www.escoe.ac.uk/research/discussion-papers-3/escoe-dp-2018-17/

Nevertheless I consider that 143 clusters of specific skills may be over complicating the taxonomy and I wonder whether a less detailed solution might not prove more effective in operation.

3.3 Using Administrative Data to Measure New Forms of Working

Personally I find it astonishing that we are not much further down the road with exploiting HMRC data to understand the world of work. In this case it is claimed that both self-assessed income tax records and corporation tax records are '*available to researchers*' but there is no indication as to how these might be accessed! Self-assessed income records have also been used in some of the BIS work on micro companies but there is never an explanation of the sample processes used for such work. I am also surprised that there seems to be no initiatives combining tax records with survey data. For my part I am concerned that the trend towards increasing use of administrative data without a deeper understanding could lead to misunderstanding the true situation as has happened with the introduction of the universal credit.

3.4 Regional Nowcasting in the UK

As far as I can tell this is the only project that actually provides access to the results, although the link is not provided in the report – it has to be searched for! Nevertheless this is a piece of work with some immediate value – see https://www.escoe.ac.uk/regionalnowcasting/

3.5 Improving Regional Economic Indicators

As with many of the projects the work described is largely exploratory and further Information on this project is available at - https://www.escoe.ac.uk/video-mairi-spowage-research-seminar/. It is evident that devolution has made such work more difficult than it might be and one hopes that attention will have been paid to the observation that *"the process of producing the estimates ... have highlighted the need for a co-ordinated effort to improve.. international trade information within the UK".*

3.6 The Impacts of Trade on Income, Employment and Inequality in the United Kingdom and its Regions

As with the majority of the project write ups there are a number of unsurprising assertions made, the value of which would increase if they were supported by actual figures. What I was uncertain about was whether there is any clear relationship between International trade and inequality? Nevertheless it is asserted that "*our research shows new insights into the role of GVCs in different sub-national parts of the UK and a measure of the international competitiveness of these areas."*

4th Stream: Communicating and valuing economic statistics

4.1 Modelling and Communicating Data Uncertainty

This is also an important topic and I personally am a great fan of the fan charts as provided by the bank of England in their inflation reports which serve to make the point in respect of their forecasts extremely clearly. The report makes reference to a survey of public perceptions which I was unable to identify although https://www.escoe.ac.uk/data-uncertainty-what-does-the-public-think/ does provide relevant discussion on the topic.
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4.2 <u>Valuing Economic Statistics</u>

I find it extremely difficult to take this project seriously. The methodology is simply facile and cannot be considered to add value of any kind. In my opinion the critical issue is represented by measuring the *cost* of not having the right data – what is the risk of making a wrong move? Good information can save billions of pounds. It is evident that the researchers have not considered that. However, it is interesting to note the authors' strong commitment to success, a commitment shared by the descriptions of every one of these projects. It is clearly comforting for ESCoE to boast that ***"The UK, on the back of this research, is leading global efforts to develop strong methods for valuing all types of statistical data, not just economic"***

In this instance full details of the research is available in the publication "**The Value of Economic Statistics: Baseline report " as** prepared by Heather Rolfe, Johnny Runge and Sylaja Srinivasan and providing the ESCoE Technical Report 05 as published in February 2020

<u>Final comments:</u>

The report includes a list of ESCoE's various publications, primarily discussion papers but including occasional papers and technical reports. In some cases these documents can be identified as being related to a project but the link is not always clear. Nor is it straightforward to locate details on the website. I hope I will be forgiven therefore if I have not found further information where it was (is) available.

To this observer the manner in which references are not always identified in each report is a clear case of failing to adhere to the ***Code of Practice for Statistics***[7]. Specifically the ESCoE report fails to adhere to the principle of **Accessibility,** which states '*Statistics and data should be equally available to all, not given to some people before others. They should be published at a sufficient level of detail and remain publicly available'*.

I also believe that the ONS fails to consistently adhere to the code in respect of assuring quality. In particular they do not always adhere to the requirement to describe limitations in methods as required by the admonition that '*Relevant [limitations] arising from the methods and their application, including bias and uncertainty, should be identified and explained to users. An indication of their likely scale and the steps taken to reduce their impact on the statistics should be included in the explanation*.'

It is also the case that on occasion their descriptions of methods fall short of the standards I consider desirable, especially in describing the samples achieved for business surveys.

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[7] https://code.statisticsauthority.gov.uk/the-code/