

Cooperation between Central Banks and Statistical Offices at Supranational Level

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1. The signing of the Treaty of Maastricht in February 1992 set Europe on the road to monetary union by the end of the century. Eurostat was keen to anticipate the new statistical needs which monetary union would give rise to, in terms of both the economy "proper" (essentially the responsibility of the statistical offices) and the financial sphere (basically the jurisdiction of the central banks). The Statistical Programme Committee (SPC), which was created in 1988 and brings together the Directors-General of the national statistical offices, was able to meet many of those needs, particularly those relating to the economy "proper". Others, however, could only be met with the help of the central banks. The European Commission was all too aware that central banks were accustomed to deciding for themselves what information they required for policy purposes, and that it would not be easy to persuade them to take part in constructive cooperation if their own interests could not be guaranteed. A committee on which only the central banks were represented was liable to take decisions which conflicted with those of the SPC. It was therefore important for that Committee to include representatives of the statistical institutes. Eurostat undoubtedly played a pioneering role by setting up the CMFB (Committee for Monetary, Financial and Balance of Payments Statistics) in April 1991, bringing together senior statisticians from the statistical offices and top-level representatives of the central banks.
2. The CMFB has been in existence for 10 years now, and an assessment of its work thus far is undoubtedly in order. Can it be regarded as a success story? Is it just another talking shop, with precious little to show in the way of action? Or is it the other way round? Certainly, its first few years were less than a dazzling success: the gulf between the central banks and the statistical offices was simply too great. Most of the national representatives of the two sides had never even met until the Committee's inaugural session in Luxembourg in April 1991. The Committee spent its first years in search of an identity, defining its role and trying to resolve conflicts of competence. Gradually, however, the two groups got to know and appreciate each other, and the Committee's "political" importance quickly became apparent, which certainly helped to foster a spirit of cooperation.

A major breakthrough occurred when it was decided that the Committee should no longer operate solely on behalf of the European Commission (its original purpose had been to advise the Commission on the integration of monetary, financial and balance-of-payments statistics in the European Statistical System), but should also advise the forerunner of the European Central Bank on statistical cooperation. Once that decision had been taken, the Committee was in a

position to reconcile central bank autonomy with the aim of creating a genuinely European statistical system.

3. The following events have been milestones in the history of the CMFB:

- Its role in coordinating the compilation and use of statistics by the European System of Central Banks and the European Statistical System (via a network of European statistical institutes);
- The compilation of an inventory of requirements for the future European Central Bank;
- Its role in the process of harmonising European statistics, which has led, in some cases, to European standards becoming world standards;
- Its role as quality watchdog for Maastricht-related statistics, which were crucial for deciding whether the Member States had passed or failed their EMU "entrance exam", and which were therefore politically extremely sensitive;
- Its part in securing greater independence for the producers of statistics vis-à-vis their respective governments, which were keen to apply creative accounting techniques to their own advantage in their national data;
- The development of a new approach to collecting balance-of-payments data: the advent of monetary union meant that transactions which had previously been recorded as foreign transactions suddenly became internal ones; new payment systems will no longer be unable to provide the necessary information;
- Lastly, the CMFB has not confined itself to giving advice in the statistical fields which feature in its name, but has consciously extended its field of activity to include any statistical topic which interests the European Commission, the statistical institutes, the ECB or the central banks.

Conclusion

Statistical offices and central banks tend to be the biggest producers of economic and financial statistics in their respective countries. Even now, the two types of institution often work in isolation from each other. That may have been acceptable many years ago, but more recently, and certainly in the present, growing importance attaches to integration and the production of coherent statistics (e.g. SNA 93 and BOP statistics). The European Commission, in the guise of Eurostat, faced three problems in its attempt to harmonise statistical systems and make them more consistent. Firstly, it had to deal with two sets of institutions which enjoyed a degree of independence and could look back on a long history. Secondly, there are major differences between the various national systems. Thirdly, the distribution of tasks between statistical offices and central banks varies considerably from one country to the next. In order to meet the greatly increased requirements associated with monetary union, it was essential to combine forces, rather than using them haphazardly, especially as the Member States' governments, in their drive to meet the Maastricht deficit criterion (a maximum of 3% of GDP), were not averse to squeezing their budgets for statistical purposes. In response, Eurostat brought together senior officials responsible for statistics at the central banks and senior statisticians at the statistical offices, in order to foster consultation and cooperation in areas where there could be an overlap between the two groups.