In October 2009, the Greek authorities disclosed to Eurostat that government deficit and debt data for 2005–09 needed to be revised. The revisions, completed in November 2010, were of an exceptional scale and resulted in the forecast deficit for 2009 moving from 3.7 percent of GDP to 15.4 percent of GDP, while the government debt moved from 99.6 percent of GDP to 126.8 percent of GDP.

The revisions reflected methodological weaknesses and unsatisfactory technical procedures in the Greek statistical system, but also inappropriate governance as exemplified by lack of clear responsibilities between institutions, diffuse personal responsibilities, and opaque empowerment of officials “which left the quality of fiscal statistics subject to political pressures and electoral cycles” (European Commission, January 2010). The contemporaneous Fund report on Breach of Obligations under Article VIII, Section 5 (IMF, 2010) stated that “the institutional setting at the time failed to ensure the independence and accountability of the National Statistical Service of Greece and other services involved in the production of fiscal data and public debt data.”

The problems reported in October 2009 were not new; in fact, both Eurostat and (to a far lesser degree) IMF staff had repeatedly indicated that Greek statistics were notoriously weak and plagued with problems. A 2004 report by Eurostat triggered “the first Greek data crisis” by showing that Greek government deficit and debt figures had been misreported since as far back as 1997, and that in none of these years had the deficit been below the Maastricht limit of 3 percent per year. Subsequently, as noted in Eurostat’s 2010 report, Greek government deficit and debt statistics were the subject of “continuous and unique attention for several years.”

On its part, Fund staff took a generally approving stance with only occasional expressions of mild concern. Congratulations were offered on the occasion of Greece completing the Fiscal Transparency ROSC in 1999, subscribing to the SDDS in 2002, and completing a data ROSC in 2003. On the latter, staff observed (IMF, 2003a) that: “... Statistics-producing agencies in the main have a legal and institutional environment that supports statistical quality. ... All agencies demonstrate professionalism and are transparent in their practices and policies. In particular, the strong laws protecting confidentiality, rules for civil servants, and internal regulations of the central bank provide a clear set of ethical standards for staff. ...” By 2006, in the Fiscal Transparency ROSC that was specifically prepared after the 2004 data crisis, staff was still maintaining a positive line: “Greek budget processes give assurances of integrity about fiscal data through independent audit and recently strengthened statistical reporting.” In most consultation reports, staff took the general line of “... data are adequate for surveillance but should be strengthened” (e.g., the 2006 and 2007 Article IV consultations). Notwithstanding staff’s generally accommodating attitude, muted concerns about data weaknesses and calls for “further improvements” were an almost constant feature of consultation reports. Only by 2009, on the eve of the government’s acknowledgment of data deficiencies, did staff take a more forceful line, with the Article IV consultation for that year including a quite specific and detailed list of failings in Greek statistics.

Admittedly, even in the best statistical systems, it can be difficult to uncover truth when those in charge are bent on hiding it. Moreover, analyses may be unduly obstructed by insufficient financial sector data—as bemoaned in the 2005 consultation report—by differences across sectors in the coverage or definition of variables, by the complexity of intergovernmental fiscal relations in Greece, or by opaque financing activities—such as the off-market swaps in which Greece frequently engaged—but a more thorough application of the financial programming framework should have allowed staff to get an inkling of the sizable ongoing irregularities.

IMF staff had on several occasions (viz., the 2005 and 2006 consultations) called for granting independence to Greece’s national statistical service. This finally came about when the creation of an independent new office, ELSTAT, was made a condition of the 2010 program and part of the remedial action proposed by the authorities subsequent to the May 2010 report on breach of obligations. Under a new chief statistician, Greek government finance statistics were accepted by Eurostat without reservation in 2011–15, in contrast to the repeated reservations of the previous years—indicating a marked improvement in the quality of Greek statistics. However, ELSTAT’s independence continued to be challenged by vested interests (e.g., a criminal investigation was launched in 2013 against the chief statistician regarding revisions to historic data on public finances and debt), raising doubts about the underlying commitment of the country to truly independent statistics and pointing to risks of re-politicization in the future. Five years after being set up, ELSTAT’s independence was still not assured, as suggested by the Euro Summit of July 12, 2015 when “... Given the need to rebuild trust with Greece ... safeguarding of the legal independence of ELSTAT ...” needed to be included among the required measures.