

Foreword to the first issue

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For two years 2007 – 2009, I served as the chairman of the Statistics Commission of the government. I am grateful that the Commission could accomplish its main tasks, especially drafting the *Basic Plan for the Development of Official Statistics*, thanks to the effort and cooperation of the Commission members, its secretariat, and people in other related offices. However, I also often felt great frustration finding that statistics were not properly used in planning and implementation of government policies, or not utilized as the objective basis in the discussion over policies. Under such circumstances, I am afraid that all the effort of the people concerned in improvement of statistics may well be wasted in vain.

Admittedly, a part of the responsibility lies on the maker side of statistics. Under the severe constraints on personnel and budget, statistics departments in ministries and government agencies are hard pressed in maintaining the quality and quantity of routine statistical output, and have no further capability to introduce substantial innovations in order to adjust themselves to the socio-economic changes.

Also, under the present decentralized system, each statistics department is expected mostly to provide with the statistical information needed for the administrative purposes of the respective ministries, and it is difficult to perform comprehensive reform of system of statistics to make it more balanced and consistent including areas where no particular ministry is involved. Though some new measures such as inaugurating the Basic Plan have been implemented, the present system of Japanese official statistics has not yet caught up with the vigorous socio-economic changes.

One substantial improvement is the revision of the rules for “extra-purpose” use of micro statistical information, opening to the researchers for possibilities of “secondary” use of original statistical data other than simple quotation of published tables. Thus far, Japan has been much lagging in this respect compared with other countries, handicapping

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the Japanese researchers, and the improvement of the rules, although much is desired yet is expected to contribute to the progress of empirical study of the current socio-economic issues in Japan.

It must be also recognized that the studies on precisely what kind of information can be extracted from statistical data and how exactly it can be analyzed, and also what kind of information is still lacking and how it can be complemented *etc.*, are still far from satisfactory. Such studies are difficult to pursue by statistical departments within ministries, and it is hoped that studies with secondary use of micro statistical information by outside researchers will give clues to solve these issues.

Further relaxation and broader extension of using micro statistical data are expected.

There are problems among academics as well. The researchers and specialists in statistics and related fields, though smaller in number compared to the U. S., are not really few. But still very few among them are interested in such problems as the actual process of production of government statistics, their real contents and limitations in possible applications *etc.*

Researchers engaged in economic or sociological analysis of Japan often complain about and criticize Japanese official statistics, but they seldom go further to the discussion where the problems really exist and how they can be addressed to. I would urge researchers not to simply apply theoretical models to given sets of data but to scrutinize the data, to develop more appropriate models, and also to point out limitations of the existing data and possible improvements.

It is also expected that empirical micro-economic analysis, which is said to have been lagging behind the U.S.A. and other countries because of the lack of availability of micro statistical data, will now develop to the level beyond simple applications of models developed abroad but firmly based reality of Japanese economy and will construct new framework of analysis. In order to achieve such objectives it is prerequisite to understand characteristics and nature of Japanese statistical data and to be careful about the possible difference of contents and implications of statistical data of different countries even when they seem apparently identical, since they may have different meanings in different socio-economic circumstances even if the definition is exactly the same.

Therefore, we also have to be careful about the reality of foreign statistics. Different countries have different institutions for statistics and systems of data collection, and also different socio-economic circumstances. Therefore it is often difficult to make precise international comparisons, even when they adopt unified concepts determined by the UN.

In fact, the reliability of official statistics varies greatly among countries, and economically developed nations do not always have same degree of reliability. Although it is difficult to assess the degree of reliability of foreign statistics, the issue must be always kept in mind when international comparisons are attempted.

We started this new electronic journal, *Statistical Evidence and the Japanese Economy*, with the objective to make it the catalyst for solving issues mentioned above and for stimulating improvement of statistics. We hope that this journal will become a forum for discussion between researchers and practitioners, users and makers of statistics, rectifying the lack of mutual understanding and communication between them.

Through vigorous discussions and controvercies it is expected that understanding of statistical information will be enhanced and quality of statistical products as well as statistical analysis will be improved, leading to realization of *Evidence Based Policies* in Japan.

We would like to invite both academics and practitioners interested in statistics and empirical economic or social researchers to participate in earnest discussions in this journal. We wish many people comply.