

Session One: How to Achieve Good Governance of the Statistical System

Mr. Hida: We would like to begin session one, "How to Achieve Good Governance of the Statistical System." Session one will be chaired by Mr. Shigeru Kawasaki, Director-General, Statistics Bureau of Japan (SBJ).

Mr. Shigeru Kawasaki, Director-General, Statistics Bureau of Japan: Good morning. I am Kawasaki, with Statistics Bureau of Japan. I will be speaking in English. It is my great pleasure that this symposium is now held in a joint effort by Cabinet Office and Ministry of Internal Affairs and Communication to gain new insights into the future development of official statistics in Japan with an international perspective. At this symposium, we have several distinguished statisticians, who kindly agreed to participate in this symposium to share their expertise with us. I would like to thank all of the distinguished statisticians who are here to contribute to this symposium.

In this session, we will discuss how to achieve good governance in official statistics. As has been explained by Prof. Takeuchi, the new Statistics Act sets out principles of official statistics, such as comprehensiveness, methodological soundness, neutrality, reliability, accessibility and confidentiality of individual data. The act also gives the framework to achieve these goals, and the government's statistical organizations have to collaborate under common policies and goals under the framework given by this act. But the decentralized statistical system has some weaknesses, such as difficulties in ensuring comprehensiveness and consistency among a wide range of statistics. How to overcome such weaknesses is a very important issue for the Japanese statistical system. With this kind of background in mind, we would like to have discussions on how to manage the statistical system well to produce official statistics that meet the principles as set out in the Statistics Act.

Now, in this session we have four distinguished guests and speakers, three speakers and as a discussant. Thank you, gentlemen, for being with us for this session. I would like to introduce each of you one by one. But it is interesting to note that two of the speakers are from the countries that just enacted new statistical legislation this year. Although the statistical systems differ from country to country, I believe there will be much to learn from the different national experiences. I am looking forward to hearing the presentations from each of you. First, let me introduce the speakers.

The first speaker is Mr. Brian Pink, Australian statistician. Mr. Pink was formerly the chief statistician of New Zealand, so he is the chief statistician of two countries, and both countries have a centralized statistical system unlike Japan, but I think there are some common challenges that we can share. I look forward to Mr. Pink's presentation based on his wide experiences.

The second speaker is Mr. Mike Hughes, Director for National Statistics and Policy at the Office for National Statistics (ONS), United Kingdom. He has a long experience in the UK statistical system, having

served in various departments. At ONS, Mr. Hughes has been responsible for the new statistical legislation. I look forward to hearing from Mr. Hughes his ideas based on the experiences of the UK.

The third speaker is Mr. HAN Sung Hee, Director of Training Management Division, Statistical Training Institute, Korea National Statistical Office. In Korea also, the statistics act was revised this year. I look forward to hearing from Mr. HAN the experiences and future directions of official statistics in Korea.

Last but not least, let me introduce the discussant, Dr. Takeshi Hiromatsu, Prof. Of the University of Tokyo. Dr. Hiromatsu is currently member of the Statistics Commission. He was formerly a member of the Statistics Council, predecessor of the Commission. He has been contributing to the improvement of Japan's official statistics very much, for a long time.

Now, in your presentations I would like to ask you to address the following issue. What measures or schemes would be effective for ensuring the efficient production of relevant and reliable official statistics in the decentralized statistical system as a whole? And also, maybe I am putting too many heavy questions, but I would also appreciate if you could also give whatever suggestions in regard to the formulation of the master plan that is now under deliberation in Japan.

Before your presentations, let me tell you the procedure and the timetable of this session. First, each of the three speakers are asked to speak for 20 minutes. Then, the discussant will have 10 minutes for the discussion. After that, I will ask each speaker to give brief responses. Then, the floor will be open for discussion. And before closing, I will ask the speakers and discussant again to make brief, final comments. The session will close at 12:50. I would like to ask for your cooperation for a smooth proceeding of this session.

Now I will give the floor to Mr. Pink, please.

Mr. Brian Pink, Australian Statistician: Well, good morning ladies and gentlemen. It gives me great pleasure to be here. My thanks to the Cabinet Office and to the Statistics Bureau for the invitation to talk a little bit to you this morning about governance of Australia's official statistics system. Prof. Takeuchi noted that the key role of the Commission is to play a control tower role for official statistics. So, I am going to continue this aerial analogy, by providing what I will call a 30,000 foot view of governance of Australia's official statistics system.

Now, it is worth noting at the outset that Australia is a federal system.

We have an Australian government and eight state and territory governments. The Australian Bureau of Statistics (ABS) under the Statistics Act has legislated responsibility to provide statistical services to

both these levels of government. And so, while Shigeru mentioned that our system is perhaps more centralized in some ways than here in Japan, it is still the case that there are a lot of players and a lot of different bureaucracies that contribute to and play part in the national statistical system in Australia. I think it is worth building on some comments that Paul Cheung made, by noting that the role of the ABS as legislated is not only to provide statistical services to government, but it also to support the needs of the business community in their planning, research and investment decisions and of the wider society as well. Put simply, the statistical system in Australia is a fundamentally important part of our democratic processes. Many of the data are used by the community to judge the performance of our governments, and that is a critical element and one of the key reasons why objectivity and independence is so important.

The governance of the system in Australia involves quite a number of different elements. I am going to run through these very quickly. There is a statutory Australian Statistics Advisory Council, which I will talk about a little bit more in a minute. There is statutory independence in the statistics legislation for the role of Australian Statistician and for the Australian Bureau of Statistics. There is the concept of a National Statistical System and a range of frameworks providing strong statistical policies, protocols and practices that are essential parts of the good governance of the statistical system in Australia. Interestingly, our first statistics legislation was the Census and Statistics Act, which was passed back in 1905 and the last major change to our statistics legislation occurred in the early 1990s. Since then, governments and society have felt that the statistics legislation framework in Australia is quite adequate to guide the performance of the statistical system.

Frameworks play a key role in our National Statistical System, and Paul Cheung and Prof. Takeuchi both mentioned one, the United Nations System of National Accounts, which provides the conceptual framework for economic statistics in Australia. The ABS plays a strong role in the international statistical community in reviewing and revising that particular statistical system as it evolves over its different revisions. In fact, there is a whole range of other strong elements that are fundamental to the effective operation and the governance of the system, things such as standard industrial and occupation classifications and their implementation in a range of administrative systems processes, methodological standards where the ABS has quite a strong role in overseeing the methodological standards in the development of sample surveys, providing conceptual frameworks in a whole range of different domains of statistical interest in Australia. And again, it plays an important role in the development, in an international context, of many of the statistical frameworks relevant to these different domains.

Another key component of the governance in Australia is our effective strategic engagement with all of the key stakeholders who are part of this system. I will talk very briefly about the Australian Government Statistical Forum, the State Statistical Forum, our other user and technical advisory groups,

and of the bilateral meetings that I have with all of the heads of Australia's major policy departments. One of the key messages that I will reinforce through this presentation is the fact that the effective operation of the statistical system in Australia is very much built upon effective collaboration of the ABS with a large range of other players who contribute to that system.

Returning to the Australian Statistics Advisory Council (ASAC), I think the first thing to note here is that it is an advisory council. It does not have responsibility for the performance or operations of the ABS or any of the other participants in the national statistical system. It meets twice a year, and its role, as established by legislation is to provide advice to the Treasurer and to myself, as the Australian Statistician, on the improvement, extension and coordination of statistical services provided for public purposes in Australia, on annual and longer term priorities and programs of work that should be adopted in relation to major aspects of the provision of those statistical services, and any other matters relating generally to those statistical services. It therefore has a very broad advisory role, and it looks at the health of the system from the perspective of Australian society, identifying gaps that are emerging in the national statistical system and areas where perhaps the performance is not as appropriate as they would like to see.

ASAC members are appointed by the Australian government. There is an independent chair who is appointed for a period of five years. There is quite a process to ensure continuity in the knowledge base of ASAC as an institution and therefore of the performance of ASAC over time. The Australian Statistician is an ex officio member of the committee, and the other members, whose terms are nominally for three years although they can be renewed, must include one nominee from each of the State and Territory governments and up to 14 other members who are drawn from a wide range of people who are interested in the statistical system in Australia; from government agencies, from the business community, from academia, and from community organizations. So it is an advisory committee that brings a great deal of insight and understanding of all of the various dimensions of Australia's society.

The Australian Government Statistical Forum, which I chair, comprises senior officers drawn from all of the policy departments and other major government agencies, such as the taxation office and the customs department, and again, involves the key producers and users of official statistics at the Australian government level. This forum meets twice a year, with some of my senior staff involved as well, and we talk about the statistical challenges that we have in Australia. We discuss areas where we want to undertake new initiatives and any problems that are emerging. It is a forum that sits underneath ASAC; focusing primarily on the statistical activities of Australian government policy agencies and of the ABS.

The State Statistical Forum parallels the Australian Government Forum. It involves a nominee from each of the State and Territory governments representing the key producers and users of official statistics in each jurisdiction. The states and territories also have statistical priority committees that normally are chaired by this nominee so they look in their own domains at their challenges, at their emerging areas of interest. They advise us obviously on areas where they feel the ABS is not providing the support that they need in their own policy and research domains. Again, I chair that forum which meets twice a year, and provides an important link between the ABS and State and Territory governments.

We also have more focused user and technical advisory groups. There are around 40 of them in total. They generally comprise senior government, academic, business and community representatives who bring expertise from their own domains and provide advice to us in a whole range of more focused areas. So the Economics Statistics User Group is looking at macro economics statistics. The Methodology Advisory Group, which is primarily made up of academics, is advising us on a whole range of methodological areas of research and development. The Social Statistics User Group, as you would expect, are looking at various areas of society; for example there is a group that looks at health statistics, one that looks at family statistics and one that looks at statistics around the aging population. There is also a relatively new group that looks at environmental statistics. In general these groups are much more focused into what I will call subject matter areas, and they bring knowledge and expertise to assist us in thinking about the development of our individual statistical programs, to support those various subject matter areas.

One of the key initiatives that has emerged out of these groupings, and which I think could be thought about in the Japanese statistical system, is what we have called the Information Development Plan (IDP) initiatives. In each of these subject matter domains or areas, in health statistics or in environment statistics, or in statistics about families, experts drawn from Australian society, including from Australian and state governments policy departments, have looked at the sorts of issues that we need to be thinking about and dealing with in this area of statistical endeavor, what are the policy challenges, what are the challenges for Australian society, what information already exists that can inform those areas of interest, where are the gaps, and how might they be filled. So these initiatives are developing for each subject matter domain a master plan for an area of statistics. They are reviewed every two or three years, because obviously things change, but it is very difficult to build a detailed master plan, as I think the Japanese statistical community is talking about, from the top down. These IDPs are looking at more specific areas of interest, with groups of experts who know their subject areas working with the statistical communities to look at how they can evolve the range and quality of information resources in those areas.

I might say that an important part of that work, as Paul Cheung picked up in his presentation, involves looking at information held by different levels of government in their administrative systems that can inform the statistical needs. Although these data are not collected for statistical purposes, they can be seen as a very valuable resource to inform areas of statistical interest. The classic example in the Australian context is the use of taxation data in our economic statistics, where there is a legislative provision in the Taxation Act, not in the Statistics Act, that enables the Taxation Commissioner to make available individual records, taxation records, for use by the ABS for statistical purposes. This provision has meant that we have very substantially reduced the need to conduct direct survey or run a census of sectors of our economy. We can rely, particularly for small and medium businesses, on the data that is provided in the taxation system. And one of the important elements there from our point of view as a statistical community was the decision of the Taxation Commission to industry code the businesses in their system using the Australia and New Zealand Standard Industrial Classification. So there is coherence between the data that comes to us from the taxation system and the data that we collect ourselves using our own business frame.

The last area in the governance story, and one I want to place some emphasis on because I think it is at the heart of why our statistical system is operating pretty well, involves I and my senior staff hold meetings with key policy departments every six or nine months, with the timing dependent on the significance of each policy department's involvement both as a user and producer of official statistics. But once every six to nine months, I meet with the head of each of the major Australian government departments to talk about the emerging broad statistical priorities, the information needs that might flow from that, the initiatives that we are undertaking at the ABS and how that might inform some of their policy and associated research and analysis work, any major issues that are emerging for either of us. So, for example when I meet with the Taxation Commissioner and his senior staff, we always talk about the use of taxation data and the statistical system, and any problems or issues that are emerging. For instance, in the lead up to introducing a new industry classification, in Australia in 2006, we had long discussions and provided a great deal of assistance to the taxation authority to implement the new industry coding into their own system. And in fact, we got funding from the government to assist the taxation office to make those changes.

So, these discussions are quite fundamental, and if there was one lesson that I would pass on I think to the statistical community here in Japan, it is the importance of engaging the most senior member of those other policy administrations to understand the importance of the information they have in their own systems to inform the statistical system, and to ensure that the statistical system is able to deliver the information they need to be able to satisfy their ministries' and their society's requirements in terms of the policies and services that they are providing. Now, all of us increasingly hear from politicians,

businesses and the wider community, about the importance of evidence-based policy and of the importance of being able to evaluate the outcomes of those policies. And so I think, certainly in the Australian context, the climate was right to have these sorts of discussions with those heads of other major government departments recognizing, as I often say to my own staff, that none of them get up every morning thinking about statistical issues. That is not what their role is about. But they do hold a lot of information that is critical these days to informing official statistics. And therefore, being able to get that engagement is fundamentally important.

I would also say that this requires considerable commitment of time and effort on behalf of the most senior people in the central statistical agency. I and my deputies, the four of us, spend quite a lot of time both through these forms of meetings and with senior people in the state governments as well. Because we believe that the administrative systems of government are probably the most underutilized resource currently available for statistical purposes in Australia. All of these engagements and advisory and user communities feed into a number of critical elements in the planning of statistical systems. For example, we run a population census in Australia every five years, so even before we have completed the previous census, we are already planning and engaging with the user communities on the content and the plans for the next census. This feeds into our three-year forward work program which we discuss with all of those advisory groups to the extent that it is relevant to them.

The outcomes of these processes are presented to ASAC who, as I have earlier outlined, advise both the Minister and myself on the appropriateness of those planning processes outcomes. It obviously then feeds into an annual federal budget process. In the state governments, it feeds in as well into state government budget processes. And both the ABS and the Australian Statistics Advisory Council are required to report annually to Parliament on the performance of the Central Statistical Agency and the National Statistical System.

So, in conclusion what would I say are the key messages that I would like to get across this morning? Certainly one is that good governance of the official statistics system in Australia involves the concept of a national statistical service supported by those frameworks and strong policies and protocols that I have mentioned today. But the key things for me are to have the very senior people in the Australian government and state government levels buying into this concept of a national statistical system and recognising that they and their organisations are important contributors too, as well as users of, that system. If you cannot get that buy-in, then it is extremely difficult to develop a national statistical system of real and enduring value.

I think the independence of the ABS is also quite a critical element in Australia. We are highly respected institution within Australian society and I believe that this stems in part from our independence and

therefore our ability to be able to provide objective information to the Australian society. We are also very transparent in what we do in all of our methodologies. We publish our concepts, sources, methods, and other documentation. We have strong policies on release practices, et cetera.

We have been mandated by these different constituencies to take a strong leadership role but I would note that you have to earn that role.

Even if it is a legislated role, it is still the performance of the central statistical agency that actually earns that leadership mandate. The independence of the peer advisory body, in the Australian context this is ASAC, is important as well. And those various key mechanisms that I have described that we have adopted in Australia to engage all of the producers and users that are critical to the effective performance of the official statistical system are really important.

To overall health of a national statistical system inevitably involves collaboration of many players. Each country has to find its own effective means of engaging all of the key participants, both producers and users. I think this is a key challenge, and I hope that my outlining, from a very broad level, the experience of how we go about it in Australia will, both for Prof. Takeuchi and his new Commission, and for Shigeru be of some value in thinking about how to evolve the statistical system in Japan. Thank you very much.

Mr. Kawasaki: Thank you, Brian, for a very comprehensive and very well-described presentation.

Now, the second speaker, Mr. Mike Hughes, from Office for National Statistics, UK, please.

Mr. Mike Hughes, Director of National Statistics and Policy Group, Office for National Statistics (ONS), UK: Thank you, Mr. Kawasaki. Chairman, ladies and gentlemen, it is a great honour to be in your country to discuss this important topic, and I extend my thanks to the Cabinet Office and the Statistics Bureau for inviting me to be here today.

As has been said already, the United Kingdom is going through major reform of its statistical system in much the same way that is happening at this very moment is Japan and Korea. My aim today is to give you a quick overview of the changes that are taking place in the UK. So what I would like to do in the short time available is to give you a background to the present system, to tell you a little bit about the concept of national statistics that we have developed in the UK over the last seven years, and then to move on to the new act and what that intends to do to improve things even further.

It is worth saying, I think, that the UK has a relatively young statistical system compared with that in many other developed nations. Our first formal body, the Central Statistical Office, was only created in

1941 by Winston Churchill as part of the war effort. So the position in the UK compares markedly with many of the major countries who have had their statistical offices since the early part of the 20th century. The next really significant change took place in 1968, when the then Head of the Government Statistical Service, Claus Moser, created the Government Statistical Service. At that same time, the Business Statistics Office was created out of the Department of Trade and Industry (DTI). Also, the Office of Population, Census and Surveys was created out of the Department of Health and the Registrar General's office. And then a long gap, nearly 30 years, in terms of significant developments before the creation of the Office for National Statistics in 1996. This was the creation of the then Director of the Central Statistical Office, Bill McClellan - who later went on to be the Australian Statistician - when he was working as our head, where he merged CSO and OPCS and labour market statistics. At that point, we started to get an element of centralization in the UK. The next major development, in 2000, was the launch of the current national statistics system, which came out of concerns about public trust, which I will talk about shortly. Lastly, through the last year and a half, there has been the development of a statistics act which will actually come into force next April, with enactment of the Statistics and Registration Service Act.

Quickly setting out the characteristics of the current system, it is essentially a decentralized system. I say 30-plus statistical offices on the slide. In my room document, it says 38. The figure is continually changing with machinery of government changes, but it gives you the order of magnitude. The role of the national statistician is to coordinate that system, but it is an unusual system in that it consists of four separate countries. Since the late 90s, we have had devolution in the United Kingdom, so Scotland, Wales, and Northern Ireland have got their own parliaments, have got their own administrations, and that creates tensions in the system. Trying to create United Kingdom statistics is quite difficult at times.

The system is integrated to the sense that we work very closely with economists, researchers and operational researchers. And I will be talking more about that this afternoon.

The other very significant dimension of our system is that the UK is a member of the EU. We are very much driven by European legislation. The European statistical system has a major impact on the way we have to do business. There is now a European code of practice based on the United Nations' principles and, as Paul Cheung was saying, a peer review system to make sure we are all complying with this code. And then last but not least we work in a globalised society with influences from the United Nations, IMF and the World Bank.

But the key feature at the moment is that it is virtually all non-statutory. Apart from two things, the Census Act and the Statistics of Trade Act, we have no formal statistical legislative underpinning.

The role of ONS in the center, as well as being the major producer of a large number of the macroeconomic statistics and social statistics in the same way that Brian Pink has outlined for the Australian Bureau, is to coordinate the official statistics system. ONS performs a number of major coordination roles: it looks after governance and statistical policy; it looks after methodology; it runs survey control; it coordinates international relations; and coordinates dissemination. And an issue which I know is very much of interest to you in Japan, that Paul Cheung, mentioned in his presentation, is the coordination of the recruitment of professional staff and statistical training, which I will touch on this afternoon.

But why have we changed? What have been the drivers, if you like, for the changes in the UK system? I think it is fair to say that over the last 20 years, official statistics in the United Kingdom have become a political football. There have been a number of examples of this what I call "counting problems". You are all very familiar, I suppose, with the fact that the definition of unemployment changed 26 times over a period of about four years, where the government was accused of trying to reduce the scale of unemployment by continually changing the benefit system. We have had major problems about crime statistics due to the fact that we have two systems running in parallel – one reporting crime through the police and their records of the incidents of crime, and then a household survey, the British Crime Survey, which records the incidents of crime on individuals. And a few years ago, we had major controversies about the counting of asylum seekers. Then what I call "release problems". We have a very lax system in the United Kingdom at the moment with pre-release access. When statistics are produced, ministers and officials can see all statistics up to five days beforehand apart from market sensitive figures. This provides opportunities for figures to seep out around the sides, to be appearing in the media before they are actually published and released. There were also examples of burying bad news by publishing figures on a Friday and thus wouldn't necessarily get coverage in the weekend papers.

These sorts of phenomena lay at the heart of why there was a need for change. And the Labour Party, when they were in opposition in the 1990s, made considerable play of the need to actually do something about the problem. So their manifesto in 1997 contained a commitment to an independent national statistical service. And in the green paper that followed on from that commitment once Labour were in power, Tony Blair, the then Prime Minister, actually included the very powerful statement. "The government is pledged to clean up and modernize politics. We want a new relationship between government and citizens based on openness and trust."

That was start of improving the situation in the United Kingdom. And over the next two years, proposals were developed about what kind of independent system it would be. A whole range of models were considered. One of those was actually to break down the decentralized system and to draw all the

statisticians into a large central organization. The general feeling was there were many benefits of a decentralized system in terms of the statisticians being close to policy. So, we retained that structure.

But what was introduced in 2000 was the new concept of national statistics. It was predicated on a framework document that set out the roles of the key players. It introduced a new post of National Statistician. It introduced the Statistics Commission, like you have done. It introduced a new kitemark for national statistics. It introduced a code of practice which previously we had elements of, but never in a formalized way. It placed much greater emphasis on quality, with a five-year quality review program where the expectation and hope was that all of national statistics would be reviewed for quality over five years.

Before moving on, I should emphasise that National Statistics is not an organization and it is not a group of people. The GSS is the group of people, and I will talk about that later today. National Statistics is a designated set of statistical products which are produced in accordance with the framework document that I referred to earlier, that meet the standards set out in the code of practice, and are subject to regular review on quality. And if I can perhaps present it here for you on this slide, you will see that national statistics are but a part of GSS statistics. There are something like 1,400 GSS products. National statistics form some 1,200 of those. But what is quite interesting is that ONS, the central office, is only responsible for about 20% of these National Statistics. And outside the GSS statistics is a plethora of other statistics produced in government that we are not really closely involved in at the moment. One of the issues perhaps for you in Japan is whether this might be the kind of model that actually takes you towards the concept of fundamental statistics that was spoken about this morning.

Moving on quickly, under this new regime, the National Statistician is head of the system. She is the director of ONS and she is the head of the GSS. She is also the Registrar General, so is responsible for all recording of all vital events: births, deaths, marriages and so on. She acts as the government's chief profession advisor, so has professional responsibility for the quality of official statistics. At the moment, the code of practice belongs to the National Statistician, but that is going to change.

A few words about the role of the Statistics Commission. It was set up to be an independent watchdog. Its terms of reference were to engender trust in statistics. I think that has not really been wholly successful, largely because it got involved in public argument with the National Statistician quite early on, and rather than engendering trust I fear at times it probably hindered it. But it has had a wide range of activities to undertake, set out on this slide. And one of the tasks they were asked to undertake was to review whether the UK actually needed statistical legislation. They produced a report on this topic in 2003, which lay dormant for at least two years.

So, the strengths of the current system as compared with the old were: much more external oversight of what we were doing through the Commission; a raising of professional standards; much greater emphasis on quality management; making sure the statistics that we produced were relevant and fit the purpose; much greater emphasis on confidentiality, which until then had not been a key issue in United Kingdom statistics; and a joined up system.

The fault lines in the current system were that ministers still were controlling what was happening in both ONS and the departments. There was an element of confusion between national statistics and other statistics. At the end of the day, the man in the street - Joe Public as we call him in England - does not really care what they are called. All he wants to be able to be sure about is: are the statistics reliable, can I believe in them? There has been a problem with pre-release access, and we had a situation only last year where the National Statistician had to admonish the Prime Minister publicly for referring to a labor market statistic in his address to the Labour party conference a day before it was released. We face a lack of accountability in the sense that the head statistician in each department reports to their permanent secretary on a day-to-day basis and not to the National Statistician. And a lack of the kind of buy-in to a national statistical system by politicians and top administrators that Brian talked about a few moments ago as so important for the Australian system.

So, statistical legislation: was that going to prove the answer to the problems I have outlined? Many people were asking that question in the UK. The governments had introduced a set of reforms in 2000; were they working? The short answer was probably not. And so the then Chancellor, Gordon Brown, who is now our Prime Minister, made an announcement in November 2005, that he was going to make ONS independent of government. And he based his decision very much on the model of when he created the Bank of England shortly after the Labour government came into power in 1997, where monetary control was passed from the treasury to the Bank of England, and he created a financial services authority which you, too, have in Japan. That concept of independence was very much the model that he was using.

I have often been asked, why now? Why did he do it when he did it? He had ignored the Statistics Commission's report on legislation for two years. And I think the reason lay in the fact that the year before, ONS conducted a survey about trust in public statistics. And these statistics that I am putting up now I think are very salutary. They show that only one person in five actually believed that UK official statistics were produced without political interference. And three in five thought that the government used official statistics dishonestly. The most common reasons for not trusting official statistics were they either contradicted individuals' own perception or experience of the situation, or they just perceived they were open to manipulation.

Perhaps slightly more encouragingly, what the survey did show was that there was innate confidence in the quality and the methodology of the statistics themselves, and of the Office for National Statistics itself. So the conclusions were that the products themselves were of good quality, but the delivery and the presentation of them was untrustworthy.

We have a fundamental problem in the United Kingdom about trust. As this slide shows, only 18% of our public trust politicians, journalists even less, but judges and doctors are trusted very highly as you might expect. We also have a very virulent and hostile press. The Labour government therefore got into news management, and statistics became part of that process. Politicians have used statistics as part of the news management, and I think that has developed the public's cynicism and alienation that I was talking about.

Moving on quickly: the new arrangements. We are going to have a new Statistics Board that will be independent of ministers. It will be directly accountable to Parliament as a non-ministerial department. And that will replace the oversight role that Treasury ministers have had over ONS. Within that Statistics Board, there will be a new executive office: what is basically ONS as now. We are debating at the moment whether we keep the name ONS or we make it a new organization. And the Statistics Commission itself gets abolished. We will have a statutory code of practice produced by the Board. The previous code, as I emphasized, was non-statutory. Also, the development of a new assessment function, to be able to assess and regulate the quality of statistics. Most fundamentally, the act covers the whole of the United Kingdom. That is very important, that we preserve the coherence of the UK statistical system.

The board itself will be largely non-executive and a non-executive chair. The act talks about five people; the chairman-designate is thinking about seven. Plus, there will be three executive members; they will be the National Statistician and two others. And the staff within the executive office will all be civil servants. It was a major concern of ONS staff when the Chancellor made his announcement, that we might be removed from the civil service, taking us away from our policy colleagues, and being put into something like a non-departmental public body. Another major feature of the new arrangements is a special funding provision. All government departments on Whitehall get a three year budget from Treasury; to enable more effective planning, we have been given a five year budget.

The objectives of the board, set out on this slide, are to promote and safeguard the production of statistics that serve the public good. It is interesting that quite independently Britain and Japan have both used that word, the "public good" in their legislation. And it will be doing that by promoting the quality of official statistics, good statistical practice, and what I think is the most fundamental part, by

promoting the comprehensiveness of official statistics. That will give the board the power to look across the whole of the official statistics system and not just the statistics of ONS.

The board will deliver its objectives through three main functions: monitoring and reporting on official statistics across the system; independent standard setting and quality assurance - the assessment function that I referred to earlier; and oversight of the executive office. The assessment function is a particularly strong feature. The board will create the new code of practice. In all probability, it will take the National Statistician's code of practice and merely re-codify it as theirs. That is what I am hoping; it will save me a lot of work. All national statistics will be assessed against that code of practice. And the Board will have to publish a work program to say how they are going to assess the quality of national statistics over the next few years.

Where does the National Statistician fit into all of this now? She now has a statutory role, which never happened before, and her responsibilities are both advisory and executive. She is going to be the board's Chief Advisor on statistical matters. She is the Chief Executive of the Board in as much as she heads up the executive office. A key feature is that she is not going to be involved directly in the assessment function of the quality of official statistics. That will be a board responsibility. Clearly, she will advise and she can comment, but it is not a function that she will undertake personally.

Moving on, we have already heard mention from Brian Pink, and mentioned elsewhere, about the importance of information sharing for public good. Paul Cheung mentioned it in his speech. One of the big problems we have had in the United Kingdom is that while we have been able to exploit data sharing within the limits of existing legislation, we have been constrained in lots of ways in terms of getting access to administrative data, simply because the legal provisions that set up any particular policy have typically prevented the possibility of data sharing. A section in the Act will actually allow us to overcome that problem. They are not powers that we will automatically be able to enjoy. Instead, we have to satisfy Parliament through secondary legislation the justification for any particular sharing of administrative data. But this is a major step in the right direction in opening up that opportunity for us. Associated with that arrangement are some fairly strong laws on confidentiality and the use of data, and the introduction of criminal penalties for unlawful disclosure of statistics.

A big problem, I alluded to it earlier, is pre-release access. This is being excluded from the code of practice. Ministers will still retain control of this. What we do know already, however, is that the Prime Minister has ordained that all pre-release access will be reduced to 24 hours. And very shortly, a government consultation document is coming out to set out new arrangements for pre-release. These proposals will seek to minimize the number of statistics where pre-release access needs to apply and the number of people who will actually receive access. But we in the United Kingdom will still be a long

way behind most developed countries. I was talking to Cathy yesterday. The United States virtually does not have it at all; in some of the European countries it is only matters of an hour or so beforehand. So, it is an area where the board I think will want to make a big impact.

Last but not least, a central publication hub. This is not a legislative provision but the government is very strongly committed to trying to separate the release of statistics from the policy comment that goes with them. So we are developing a publication hub. This will be the conduit by which all national statistics are released.

So, in summary, the strengths of legislation. The reforms we brought about in 2000 are embedded in legislation. Ministerial control is transferred to the board. We retain a UK-wide remit, gain a statutory code, a system of accreditation of statistics, and opportunities for data sharing.

Thank you very much.

Mr. Kawasaki: Thank you very much, Mike, for a very intensive, comprehensive presentation having lots of information, giving us the evolution and future direction of official statistics of the UK. Since he has so much he can share with us, we will have another talk in the afternoon from Mr. Hughes. Now, let us move on to the next speaker. Mr. HAN Sung Hee, please.

Mr. HAN Sung Hee, Director, Training Management Division, Statistical Training Institute, Korea National Statistical Office (KNSO): Good morning everyone. I am grateful to the chair of Statistics Commission of Japan, Dr. Kei Takeuchi, and the Director-General of Statistics Bureau in Japan, Mr. Shigeru Kawasaki, for inviting us to the International Symposium in Tokyo. It is a great honor for me to attend here. Before starting my presentation, I would like to say congratulations on the revision of Statistics Act and establishing Statistics Commission. I am sure these achievements will be a milestone for the development of a statistical system in Japan.

Today, I will introduce key features and reform trends of Korea's statistical system, which are going on. Our reform plan focuses on four parts: the revision of Statistics Law, strengthening the function of Statistical Council, enhancing statistical organization, and introduction of Statistics-Based Policy Management (SBPM). The national statistical system in Korea is decentralized, close to being centralized. Therefore, the KNSO compiled fundamental statistic and coordinated statistical activities, while other ministries and nongovernmental agencies compile various statistics related to specific fields. Our weakness lies on the lack of statistical personnel and organization. With the exception of a few agencies, central administrative agencies need systematic division-level statistical organization.

This chart shows statistics compiled by agencies. The number of central administrative agencies is 44 except the KNSO. The National Statistical System in Korea is governed by three factors: headquarters of NSS, Statistics Law, and Statistical Council. The head of NSS is the commissioner of the KNSO, who is promoted to deputy ministerial level. He has responsibility for compiling and disseminating official statistics. The KNSO is operated from Director-General level to deputy ministerial level, for intensifying the functions of headquarters of NSS in 2005. The Statistical Council is an advisory body to the commissioner of the KNSO on statistical matters.

For further understanding Korea's statistical system, I will explain the functions and organization chart of KNSO. The main functions are as follows: coordination of statistics activities; the establishment of statistical standards and classifications; management and dissemination of statistical data; statistical quality assessment; and so on.

This chart shows the KNSO organization. The KNSO has five bureaus, two institutes, and 12 local statistics offices. I will briefly introduce Korea's statistical system.

As you know, decentralized system has various weaknesses, such as lack of coordination of statistical activities, overlap of similar statistics and inefficiencies in distribution of human resources and budget. As I already explained that Korea's statistical system is a reliable statistical organization of statistical agencies. That is why weaknesses can be found in terms of relevance, reliability and convenience.

Our reform plan launched in 2005. The fundamental ideas are as follows. In terms of relevance, we develop and improve the national statistical system, and establish a permanent system. In terms of reliability, we raise accuracy of statistics, evaluate quality, share administrative information and enhance statistical infrastructure. In terms of convenience, we integrate the national system, setting up database system and provide opportunities to use statistical information.

We have established four strategic goals to complete the fundamental ideas, such as the revision of the Statistics Law, strengthening the function of the Statistical Council, enhancing statistical organization, and then introduction of statistics-based policy management.

Here, I briefly introduce the revision of Statistics Law in Korea. The basic ideas are as follows: promoting national statistical infrastructure in terms of building, publicizing and utilizing; set up efficient national statistical system and statistical plans; increase quality of accuracy and circumstance of national statistics; pursue detailed plans for publicizing and utilizing national statistics; and lighten the burden of respondents of statistical surveys and protect private information of citizens.

Here, I explain the main details. Firstly, enhancing the national statistics infrastructure. We established various codes, such as appointing responsible statisticians of statistical agencies, and guaranteeing personnel and budgets of statistical agencies. Secondly, developing efficient national statistical management system. We established various codes, such as separating category of sex in statistical surveys to provide more information about women; introduce assessment system to decide the relevance of a statistical survey. Increasing the accuracy quality of national statistics: we establish a code relating to quality assessment system, which systematizes a regular evaluation on quality conducted by commissioner. Fourth, lightening of burden of respondents of statistical surveys and protecting private information of citizens, we established codes such as creating criteria for provisions of administrative information, and increasing fines or penalties. Lastly, we establish codes relating to publicize official statistics and provide the opportunity to utilize.

The KNSO strengthens the functions of Statistical Council. The basic ideas are as follows: execution of evaluation results concerning the statistical-based policy management, which increases the level of council by managing and carrying out statistical development plan in the mid-term; developing its trait of advisory council into a consultative council; achieving goals by reorganizing general and sectional meetings and enhance specialty of council members.

The main details are as follows: it is upgraded to consultative council and changed its name from Statistical Council to National Statistical Council; reorganized general and sectional meetings by adding about 30 members from governmental departments and related non-governmental institutions; it enlarged the extent of consultation, such as improvement and development of statistical system, long and short-term plan to develop statistics and so on.

By implementing the new Statistics Law, the Korean government enhances statistical organizations. The KNSO is reorganized into one bureau and five divisions, for increasing support for developing skills of statistical agencies, such as executing and data processing statistical surveys, conducting the statistics-based policy management, et cetera. In addition, other statistical agencies have increased statistical personnel.

Lastly, let me introduce the SBPM. The goals are to prevent cases of policy failures and errors by the SBPM, and promote policy through evaluation. The target is a new policy or system introduced with law enactment, and reform. The procedure is as follows: firstly, the policy department establishes plans necessary for statistical development and improvement relating to planning, execution and evaluation of policies. Then the KNSO confirm the plans, if necessary, attaching recommendations of statistical development and improvement of the law, before submitting to cabinet council.

During an entire life cycle of policies, statistics can be effectively used. In the planning phase, the SBPM provides base statistics supporting decision making. In the execution phase, the SBPM diagnoses the effects of policies based on statistical indicators. Then in the evaluation phase, by identifying the trends over time show by indicators, the success or failure of policies are revealed.

So far I explained the recent reform plans of the Korea statistical system. According to these reform plans, to sum up, establish a statistical infrastructure for better compiling and disseminating official statistics. Our task is to implement the plans by identifying statistical quality in terms of relevance, reliability and convenience.

Thank you for your attention.

Mr. Kawasaki: Thank you very much, Mr. HAN, for your very good presentation. It is very interesting that there are so many similarities between Korean statistical reform and Japan, but of course there are many different aspects also in your system, such as the statistical-based policy management. That is something probably not very much heard of in Japan. Thank you very much.

Now, let us move on to the discussion from the discussant, Dr. Hiromatsu.

Dr. Takeshi Hiromatsu, Professor of the University of Tokyo, Member of Statistics Commission: Thank you, Mr. Chairman. Ladies and gentlemen, I feel very happy and privileged to be invited here and to have the opportunity to hear excellent presentations by three distinguished speakers.

My duty is to make comments on the presentations, but the chairman told me that my comments should be short, because the time-schedule is rather tight and remarks and opinions of the speakers are more informative and valuable to the audience than my comments. Therefore I will make brief comments and ask four questions to each speaker.

We heard about Australia's official statistical system from Mr. Pink, official statistics in the UK from Mr. Hughes, and the national statistical system of Korea from Mr. HAN Sung Hee. Hearing these presentations, I found common features among these three countries. They adopt decentralized system, and also they have the Statistical Advisory Council in Australia, the Statistical Board in the UK, and the National Statistical Council in Korea. I also learned that both the UK and Korea are in the process of reform of their statistical system. This is actually the present situation of the Japanese official statistical system.

Japan's Statistical Commission—I should correct this, it is not a Committee—under the new Statistics Act just started in October of this year. One of its roles is to form a Basic Plan or Program of around a five-year of time-span. We are now working on this job under the leadership of the Chairman, Prof. Takeuchi. From this point of view, I would like to ask four questions to each speaker.

The first one is how to assess the quality and importance of statistics. This is because one of the roles of the statistics commission is to classify and clarify the present statistics into Fundamental Statistics and others. I think assessment of quality and importance is vital criteria on for the classification.

The second one is how to provide micro-data or anonymous data with protection of privacy or private information of individuals. So far, the Japanese government did not provide micro-data, but the new Statistics Act requires providing this kind of data because of strong needs from various groups, including academia. But I am very worried about the repercussions of respondents, because these days they are very sensitive or very conscious of privacy or trade secrets. So I would like to hear the experiences or lessons of these three countries.

The third question is how to recruit and train statistical personnel. I guess all countries are facing this personnel problem. I hope that I can hear advice from the speakers.

The fourth question is how to cope with the government's "open to the market" policy of statistical surveys. I do not know whether this is relevant to other countries, but now Japan is moving toward a small government, mainly because of a huge budget deficit, and also a trend of privatization which Prof. Takeuchi just mentioned. Official statistics are no exception.

While there are many, many other questions I would like to ask, the time is limited, so I am very keen to hear the experiences and lessons related to these four questions from the distinguished guests. Thank you.

Mr. Kawasaki: Thank you, Dr. Hiromatsu, for saving our time and making your comments rather brief. But I am happy that Dr. Hiromatsu just raised very important and deep questions, some of which may take maybe another half an hour or one hour, so I am wondering to what extent each of the speakers would like to respond. What I would like to propose is that for question number two, the micro-data issue, and the open to the market policy are quite detailed matters. So maybe you can just suggest some kind of reference materials for us later on, not necessarily at this point. Maybe you can focus on questions number one and number three. But of course, if you would like to respond to any of the questions, I am happy that you would do that.

In any order, but may I ask Brian first to respond to these questions.

Mr. Pink: Thank you, Shigeru. To two and four I will respond very quickly. The international statistical community has been discussing and working on the issues around micro-data access over recent years, and I think we can refer you to some reference material through the UN Statistics Commission and the Conference of European Statisticians that will be very helpful. It is an area of challenge for all of us. We do not collect data to lock it away, but at the same time the provision of the data is very much dependent on the trust and confidence of the community in our ability to protect it. So I will provide those references.

Private survey is an interesting one. There are and will continue to be a lot of private activity in terms of surveying, some of which is looking at economic circumstances and social dimensions. The academic community runs a lot of surveys, certainly in Australia. But the collection of information for official statistical purposes, certainly in the context of the Australian Bureau of Statistics, is information collected under the Statistics Act, and the only institution that can place an obligation on the community to provide information under the Statistics Act is the ABS. Certainly, the experience in Australia would be that if you do not have the ability to compulsorily require the provision of information the level of response is significantly reduced, and that does impact on the quality.

On the first question, I think there are a number of aspects here. I think it is beholden on the central statistical agencies to develop their quality frameworks. This is the basis on which you assess the quality of different statistical activities, and there is again quite a lot of work being done both by individual countries and in the international statistical community which I could refer you to. Having frameworks where you consistently assess the quality of different statistical activities is really important. They are initiated, if you like, by the guardians of the statistical system, and I think that Mike has talked about that in the context of the UK as well. I actually think that probably the most important feedback we get as statisticians on the quality of what we are doing is from the users. They are the people that take the data we collect and use it in the context of decision processes public and private. They provide feedback pretty quickly in circumstances where they feel the quality of the data is not appropriate to their needs.

The third question on recruiting and training statistical personnel, I would bring in some messages that Paul gave in his presentation. I think a critical mass is really important; that you have an institution at the core of your national statistical system that is large enough to be able to sustain knowledge and expertise across a range of what I will call the fundamental elements of a national statistical system, so you do need people that understand the frameworks for your statistical endeavors, particularly in the economic side of the system of national accounts. You need methodologists who provide that core set of skills around so many of the techniques and methods that you use in collection and processing of statistical data. So that scale is the first one.

Then I think that you need to have a mechanism that allows you to bring in people who are working in statistical activities in other parts of government, into a professional grouping. In the UK they call it the GSS, but it is ensuring that people who are working in statistical activities across government are part of a community of professionals where the central statistical agency sees that it has a responsibility not only to develop its own staff but to develop and ensure the professional development of the staff working in the statistical activities in other parts of government. I think certainly in the Australian context we outpost people to other agencies, we second people into the ABS from other agencies, and from the ABS to other government departments, both state and commonwealth, to bring certain expertise.

I think the other thing that we do a lot of, and I think we need to do more of, is engage the academic community in working with us in some areas of skills development, and even in secondment and bringing staff in from the academic community so that they do also get to understand in a very practical sense some of the challenges that a statistical agency has that are a little removed from the theory; it comes down to the challenges and the practice.

Mr. Kawasaki: Thank you very much. Now Mike, would you like to respond to the questions?

Mr. Hughes: Yes. And I will try to keep it brief as well, like Brian. If Takeshi will forebear, I will decline to talk about three because I am giving a presentation about that this afternoon.

On the question of quality, I think it falls into two quite different parts. There is the whole issue of the innate quality of statistics, which Brian talked about in the quality framework. We were very lucky to have in our office for a number of years as our Director of Methodology one of Brian's deputy directors, so I think our quality framework is probably very similar to the Australian one. That, if you like, sets the defining template and structure for seeking quality in production of statistics, and that is something that we are trying to roll out across the whole of the GSS. Certainly in the context of the recent peer review, without being too modest, the UK's quality framework was looked upon as being one of the best in the European Union. So that is a great credit back to you, Brian.

But I think the more fundamental issue in some ways is fitness for purpose. By that I mean are we producing statistics that firstly are relevant, and are we producing them to the degree of accuracy that is necessary? Because there is no point in devoting infinite resource to production of statistics if you are going way beyond users' needs. You heard me talk earlier about the proposed assessment function in the UK. The kind of model we are developing for the Statistics Board at the moment is very strongly based around the European system of assessment, which in turn is based on the UN principles of statistics. It is the same for any statistic. Is it meeting these different criteria? Is it being produced in an

open, transparent way, that you provide meta-data so that the user knows exactly how the statistics are produced? Are they produced in a way that is totally compatible with integrity? Et cetera, et cetera. So I think there are two ways of addressing this particular issue.

Moving on to micro-data, we in the United Kingdom have had a long history of actually putting anonymized data, particular for our household surveys, into the data archive at Essex University, which provides a service to all academics. Since then we have moved through a succession of steps where we release under increasingly controlled conditions more disclosive data. We have a special license arrangement in our country at the moment where categories of users that meet a whole raft of very strenuous conditions in terms of how they would use the data can get more disclosive data but not totally disclosive. The act that I talked about has actually introduced the concept of an approved researcher, who is somebody who, if they meet those conditions, will actually be allowed to have disclosive data. But the other side of the coin is the act also makes abundantly clear that there are very strict penalties if you abuse that arrangement: two years in jail and big fines. So we are placing our reliance on that kind of approach. I can share the detail of this with you and Shigeru if you wish.

Moving onto the fourth issue, the whole question of contracting out or open-market policy. The British government—and Margaret Thatcher is very much responsible for this—went into market testing in the late 1980s, so the whole area of statistics has been exposed to those sorts of market tests for a long time. Typically what we have found in statistics is that it is cheapest and most cost-effective to be done in government. That may sound very chauvinistic, but it is what the market testing shows. However, what market testing also shows is that the private sector are much better at providing the infrastructure—the IT infrastructure and so on—than we are. But within that framework the Office of National Statistics and one of its predecessor organizations, the Office of Population Census and Survey, has had a long tradition of conducting surveys for other government departments. We compete with two or three other big research organizations in the United Kingdom for most of the big surveys, and it is part of our policy that we will continue to do that, to provide that service, because it ensures that we have both a field force and a survey team that are continually enhancing their methods and techniques, and they are at the cutting edge all of the time, and they are competing with the top companies in the country to deliver those surveys. Sometimes we lose them and sometimes we win them.

Mr. Kawasaki: Thank you very much. Next, may I have comments from Mr. HAN.

Mr. HAN: Thank you, Mr. Takeshi Hiromatsu, for your comment and questions. We have started correlating our assessment system since 2005. We assess the quality every year, regularly. We have achieved various outcomes, such as producing guidelines for compiling official statistics, and enhancing statistical mind. However, the problem is that we do not have a tool for helping them for improvement

of official statistics. Therefore we established various codes, such as quality assessment system and appointing responsible statistician of each agency, and guarantee for personnel and budget of statistical agencies.

We will now provide micro-data and anonymous data for statistical purposes, starting with individuals. For intensifying the utility, we established codes for providing raw data and anonymous data.

Thirdly, I answer, we recruit statistical personnel according to open and limited competition. They are majoring mainly in statistics and economics and social areas. But we do not have a limitation for majoring. I introduced our statistical training system. We have a statistical training system in the KNSO. For training statistical personnel, we have various ranges of statistical courses. But our weakness is focusing on very basic courses. Therefore, we are reforming statistical courses. Our basic idea is for organization to organization and individuals, our goal is to raise development of career by individuals.

This is my answer.

Mr. Kawasaki: Thank you very much, Mr. HAN. Now we have listened to the presentations and questions and answers from the speakers. I am sure there are many in the audience who would like to ask questions or make comments regarding the presentations so far. I personally think that hearing these different practices and methods done in foreign countries is quite thought-stimulating, so I am sure there are many on the floor who would like to ask questions or comments. The floor is now open for discussion.

Let me switch into Japanese. We would now like to entertain questions or comments from the floor. If you have questions or comments, please raise your hand. Questions or comments can be posed in either English or Japanese. Please be brief and concise to allow for good discussion.

Mr. Kainuma, MIC: I am with MIC and I am responsible for statistics. My name is Kainuma. I would like to thank the three panelists for giving very valuable information about the statistics system of each country.

I have a question. Earlier, keynote presenter Prof. Takeuchi mentioned this point. That is, going forward, in order to manage statistical systems, continuity and flexibility are both important. Flexibility in that we have to manage changes. In Japan we have a decentralized statistical system, and in countries with a decentralized statistical systems, to meet the changes in the society is a major issue. When needs change, for example the personnel in the statistics or budget for the statistics may have to be shifted from one sector to another. You may face such challenges. But in each of your countries, when there are

changes in the needs, and if your needs shift away from one sector to another, how do you re-allocate personnel and budget?

Mr. Kawasaki: Would you like to respond to this question from Mr. Kainuma? Brian, please?

Mr. Pink: This is a very tricky question. The first principle of statistical users is that they will not volunteer to give up anything that they have for the benefit of a group who have not yet received statistical support, so that is always a challenge.

I think there are a number of ways that one has to address this, but in the end you have your advisory groups with users who are looking in their own domains, then you have advisory groups—this is in the Australian context—as I talked about, the Australian government and state governments, that are looking across their information needs in total, and we begin to ask them to provide advice and to provide input to where the emerging needs are, and in contexts where new funding is going to be difficult to achieve, then you really do have to have a discussion at those sorts of senior levels around how to re-shape the overall program.

In the Australian context, that in the end goes to ASAC, the Australian Statistics Advisory Council, and they will advise both myself and the government around any shifts that they feel should need to occur in circumstances where no new funding is available. Those decisions' advice will then feed into decisions in my context that I would take to the government around our annual work programs and forward work programs. In the end it is difficult judgments that have to be made, and I think it is why it is important to have decisions that have been made by an independent statistical community advising government on where the investment should change.

Mr. Kawasaki: Thank you very much. Please.

Mr. Hughes: I would only echo what Brian has said already. I think if statisticians can find an effective way of actually turning off redundant series I think that would be helpful to the whole statistical community. It is a recurring problem.

The situation in the UK is slightly different from Australia in so far as, as I have said already, we have a decentralized system. Within any department, as emerging policy issues arise I think the statisticians in those departments have to be flexible and responsible to change, and typically they are. When I was the director of statistics in transport I faced a number of occasions where policy issues were coming up very fast, and we just had to be responsive to them. You just manage the process in a collective way with your colleagues, within an overall plan. Within ONS at the moment we are going through a huge

exercise of a five-year work program to take due account of external users' needs. We are not going to satisfy all of those needs, but we will try to be as responsive as possible.

The weakness of the UK system at the moment—and it will draw a sharp contrast to what Kathy Wallman will tell you this afternoon about America—is we do not control the budget across the piece; there is nobody that does that. So statistics work in departments is controlled by the departmental budgets. If too much money is being spent on agricultural statistics at the moment at the expense of certain social statistics, for instance, there is no way of regulating it. The national statistician does not have that power and influence. What we are hoping is that through the Board's objective that I talked about at the beginning, which says the board has responsibility for the comprehensiveness and coherence of official statistics, that, while the Board will not hold the purse strings, they in the same way as Brian has talked about in Australia, will expose the imbalances and point out to government that things should be done differently. The very fact that the board will be reporting to parliament directly will give it much more influence. But this will always be second best to the kind of situation that I know prevails in the United States.

Mr. Kawasaki: Thank you very much. Now Mr. HAN.

Mr. HAN: Thank you very much for your question. Recently, we started to dispatch our staff to other statistical agencies. We want to increase the system. Also we introduced an executive statistical survey for other statistical agencies. For them, we increase our organization. We made the Bureau of Survey Management. Statistical budget is a very important tool for a decentralized system. So far our KNSO does not have any coordinated budget for other statistical agencies. Our new statistical law put in a clause related to guaranteeing the budget of the statistical agencies. Therefore, we want to construct a close relationship with the budget department for better compiling and disseminating of official statistics.

Mr. Kawasaki: Thank you. Perhaps Brian would like to add some more.

Mr. Pink: The other thing I should have said and I think it is quite important is that it is beholden on people who are undertaking statistical activities to continue to look for more effective ways and more efficient ways of producing what we currently produce. And certainly in the Australian context, we have reinvested quite a significant amount of resources over the last couple of decades without further budget assistance by finding more efficient and effective ways of doing what was the current portfolio of statistical work and reinvesting that into the new and emerging areas such as information technology, etc. And now we are confronted with the same challenges as we are coming under increasing pressure to deliver statistics in the environmental areas.

Mr. Kawasaki: This seems to be a very difficult question and perhaps we have to keep working on and on. Thank you. Are there any other questions, please?

Prof. Sakuma, Senshu University: I have a question for Mr. Michael Hughes. In 1998, the Green Paper was issued. The Green Paper was published. As a governance framework, you had four plans being studied, of which in the year 2000 of the program, the Independent Statistics Commission was the policy adopted. It has been seven years since then. Now, you have a completely new system. You have a governing board, which was another proposal based upon the Green Paper and you are now trying to adopt this governing board system. So my question is in order to build the reliability and trust and confidence of the people over the statistics system, do you think that the Independent Statistics Commission was successful or not. What is your assessment? Do you think that the Independent Statistics Commission was successful or not successful? In addition to that, trying to adopt the governing board system, what is the motive in adopting the new governing board system?

Mr. Kawasaki: Did you get the question, Mr. Hughes?

Mr. Hughes: A very interesting question and one in which I may have to be just a little bit circumspect in replying fully. As you quite rightly pointed out and as I said in my presentation, when the Green Paper was produced in 1998, it put forward a number of different models but it led to the creation of the Independent Statistics Commission. The Commission was given the task of improving trust. That is a very noble objective, but you can improve trust in a number of ways and the model that I think all of us expected was that the Commission would not undermine the current national statistics. And as I said earlier, that was a particular problem with the Statistics Commission.

The issue that I allude to was the public debate that took place between the Chairman of the Statistics Board and the then-National Statistician Len Cook about a national accounts classification issue. When our privatized railway network structure, the company responsible for it, went into liquidation and it was replaced by another company set up by the government, the key question was whether the liability fell to the government or not. I will not go into the technical issues but that was the debate. Those sorts of issues should have taken place behind closed doors, in my view—not in public. That did not help the situation.

The Commission did a lot of good. It has produced a lot of reports on different subjects. But at the end of the day, its fundamental weakness was that it had no power. It produced an annual report every year that went to Parliament but it was never debated, it was never discussed. So the Commission had no leverage. Their review of legislation was to say give us, the regulator, the legislative powers. Well, government was not particularly keen with that and that is why it gave it to the Statistics Board instead

and has asked the Statistics Board to take on that regulatory function from the Statistics Commission. Does that answer your question sufficiently?

Mr. Kawasaki: Thank you very much. Would there be other questions? Yes, please.

Prof. Ito, Hosei University: The keynote speaker, Dr. Paul Cheung, I believe will be a panelist in the afternoon and perhaps my question should be addressed to Dr. Cheung in the afternoon but I would like to address a question to Mr. Hughes from ONS. In February, at the UN Statistics Commission, there was a high-level forum where Ms. Wallman served as the moderator. During that conference, the Canadian Ivan Fellegi discussed the politicization of statistics. He strongly warned about the prospect of the politicization of statistics. I was not quite sure what he meant but earlier in the examples that you have mentioned, I felt that maybe those are the politicization of statistics. Other than those examples that you raised, what are other types of politicization of statistics. If you could elaborate on that further, I would appreciate it very much.

Mr. Kawasaki: Mr. Hughes or would it be better to have Dr. Cheung or Ms. Wallman to respond to this question? Perhaps your first reaction, please?

Mr. Hughes: I seem to be doing a lot of talking at the moment so I would be quite happy for either Paul or Kathy to talk. I am not familiar with the situation that was alluded to but I am more than happy to offer some further examples of politicization after Paul and Kathy.

Mr. Kawasaki: Yes, then Kathy, please.

Ms. Katherine Wallman, Chief Statistician, Office of Management and Budget, USA: I am Katherine Wallman, and I am addressing this question not from my position in the United States but from a role I was playing at the Statistical Commission, chairing the special session being referred to. Before answering, I want to be sure—I think you were referring to something that Ivan Fellegi said at that meeting, the Chief Statistician of Canada. Yes? I think what Ivan was trying to do was to encourage us all, and those above us, if you will, to ensure that the Statistical Commission remains a technical body. It is the only technical body left at the UN, as far as I know, where politics hopefully have not had too much influence on the work of the Commission. During my personal tenure as Chairman we did have the beginnings of an intrusion of political concerns into the work of the Commission and it was a difficult—I am choosing my words carefully—it was a very difficult session to chair. In the end, I think the Commission retained its technical focus, but I think we have to be in the Commission even more vigilant than we have in the past. The luxury of taking for granted that everyone understands our technical nature, that luxury I think has somewhat disappeared because others have introduced other interests. But I think that is what Ivan Fellegi was trying to emphasize—in the Commission sense we

need to be very careful as we move forward that we keep that very special character of a technical body. Thank you.

Mr. Kawasaki: Thank you very much.

Mr. Hughes: Could I just add a few words to what Kathy said? I think we have to be careful here that we do not damn politicians out of sight. I think the politicization you refer to is not done necessarily by politics; but is done by the media. This is a particular characteristic of the United Kingdom, where we have a very strong and a predominantly right-wing media. Since the Labour Party came in to power, the media has used any opportunity they can to play on statistics to make political capital. A classic example of that—you asked for an example—occurred a couple of weeks ago in the United Kingdom where the Department of Work and Pensions, which is responsible for some of the statistics on migrant workers, sought to correct an earlier statistic they had released. Within a matter of hours this became front page news, to such an extent that that it was the main news story on the banner line that goes on the bottom of the television news programmes, for example Sky News. And the basic storyline was that the government does not know how many migrant workers there are. And that all came out of that one simple statistical issue. This is where I think this whole question of politicization comes about. It puts a lot of emphasis on us making sure we do not make mistakes in the first place to give the opportunities for those end goals. I think a major task for us in the UK—it is not so nearly a problem I am told in most other developed countries—is to try to educate the media better about these things.

Mr. Kawasaki: Thank you very much. Any other questions or comments from the floor? No? Yes, Ms. Wallman, please.

Ms. Wallman: Now I will change my hat. I am back representing the United States. I just wanted to add a comment on the discussion of the question about privatization. Sometimes we use these words and we mean different things—it is more difficult when we speak different languages to be sure we all are talking about the same thing. In the United States, there is interest in privatizing certain government functions. As statisticians, we would argue that the control of the statistical activity needs to rest with the government—with the statistical office of the government, whether centralized or decentralized. However, in my country, we do take advantage of a network of public and private organizations that have survey capability.

I was told by a university colleague that this public private partnership was rather unique, but having heard Mike talk just now, maybe it is not so unique. We have a huge household survey capability with staff at our Census Bureau, and that is an ongoing regular workforce. Sometimes other agencies of government will have the funds, money, to carry out a survey of households and they may go to our

Census Bureau and take advantage of that field staff to carry out the work. So in the first instance, the National Center for Education Statistics or Health Statistics does not set up its own field staff. That is one way of not duplicating that kind of resource within the government. Thus, choice number one might be to go to the Census Bureau as Mike suggested and have them carry out the work. But an alternative choice would be to go to an organization known as Westat or another organization known as the National Opinion Research Center or the Research Triangle Institute—I hope have not forgotten one of my country's premier organizations—but to go on a competitive basis and pay for their field staff to carry out the work. Yet, the control of that activity remains with the government agency that is funding it. So I just wanted to add a little more flavor, a little more context to how that might be handled in different areas. Thank you.

Mr. Kawasaki: Thank you very much. Perhaps the US is one of the countries that has the largest survey industries, I would say. Other countries may not have such a large survey firms, like Japan for instance. So perhaps the situation is different from country to country and maybe one country may evolve into the next step. So thank you very much for explaining the situation in the US. Any other comments or questions?

Now I think we are running out of time. I think we have had a very good discussion and presentation also. We have heard different mechanisms of getting the users voices and digesting the user needs and putting it into implementation. Different countries may have slightly different practices but in principle, I think what we are trying to achieve is perhaps in the direction. I cannot summarize too well because there have been so much detailed good information but I think we will digest them later on and reflect them into our future deliberation of our master plan and make the future direction of official statistics in Japan.

I wonder if any of you would like to add any final comments? No? If not, I would like to close this meeting, thanking all the speakers and the discussant for the excellent presentations and comments, and I would also like to thank the speakers from the floor who made good contributions. Thank you very much.