



Statistics, knowledge and policy: towards the OECD World Forum

Enrico Giovannini - OECD Chief Statistician

OECD Breakfast Series
Washington, DC – 22 October 2004



Some aphorisms:

- Information is not knowledge. (A. Einstein)
- An investment in knowledge pays the best interest. (B. Franklin)
- Share you knowledge. It's a way to achieve immortality. (Dalai Lama)
- Beware of false knowledge: it is more dangerous than ignorance. (B. Shaw)
- Enlightenment is man's emergence from his self-incurred immaturity. Immaturity is the inability to use one's understanding without the guidance of another. (I. Kant)



How is knowledge developed and used for decision making by:

- Citizens
- Businesses
- Policy makers



Citizens (1)

- Recent NBER paper by Blinder and Krueger (September 2004). Main findings for the US case:

“Taken as a whole, our survey results hold little good news for those of us engaged in economic education and/or economic policy – or for economic theorists who use *homo economicus* as the backbone of their models of political economy”



Citizens (2)

- “As a broad generalisation ... ideology seems to play a stronger role in shaping opinion on economic policy issues than either self-interest or knowledge, although specific (as opposed to general) knowledge does influence opinion on a number of matters”
- “The contrast with *homo economicus*, who is well-informed, non-ideological and extremely self-interested, could hardly be more stark”.



Citizens (3)

- “Instead our findings seem more consistent with an idea expressed in the political science literature: that people often use ideology as a short-cut heuristic for deciding what position to take, when properly informing oneself is difficult”
- ‘In conclusion there is room for hope that greater knowledge will improve decision making, even though it appears from our survey that efforts in this direction have shown less than impressive results to date’.



Businesses

- New economy “bubble” started with public statements about the importance of Internet and e-commerce:
 - “Internet traffic is doubling every 100 days (2000)
 - “E-commerce: a digital tsunami (1997)
- Competitiveness indicator produced by an “authoritative” international source: Italy is worse than Botswana. Is this information reliable and useful for making decisions about future investment plans?



Policy makers

- Decision on the participation in the Euro Area
 - Huge effort to improve comparability and accuracy of national accounts data
 - Success story
- Greek statistics on public debt and deficit
 - Misleading figures produced in the past and discovered by the new government
 - Eurostat failure in detecting errors
- Recent declaration from the Prime Minister of a G7 country:
 - “I read some statistics which show the bad performances of our schooling system. I do not know if they are true or not and I do not care. However, I decided to address this important issue”



Strong demand for high quality statistical information about the situation and the performance of countries /regions/ communities

- A lot of information is available
- Very heterogeneous quality
- Users are not fully able to distinguish between good and bad quality information
- Need to go beyond the measurement of economic performances (GDP)
- Participation of the civil society in defining society's goals



Three main approaches:

- Integrated economic/environmental and social accounts
- “Key Indicators”
- Composite indicators

Wide range of experiences

	Geographical Coverage			Methodological Issues	
	Supranational Reports	National Reports	Subnational Reports		
Subject Matter Areas	Comprehensive Efforts	<u>7 Documents</u>	<u>22 Documents</u>	<u>23 Documents</u>	<u>17 Documents</u>
	Social Issues	<u>8 Documents</u>	<u>9 Documents</u>	<u>2 Documents</u>	<u>8 Documents</u>
	Environmental Issues	<u>4 Documents</u>	<u>10 Documents</u>	<u>3 Documents</u>	<u>11 Documents</u>
	Economic Issues	<u>4 Documents</u>	<u>6 Documents</u>	<u>2 Documents</u>	<u>5 Documents</u>
	Knowledge, Innovation and Competitiveness	<u>8 Documents</u>	<u>12 Documents</u>	<u>5 Documents</u>	
Creating a System of Indicators	<u>6 Documents</u>	<u>11 Documents</u>	<u>5 Documents</u>		

Full Screen ▾

Close Full Screen



Lessons learned so far (1)

- Four main types of “demands” generate the work on key indicators:
 - *Economic*: go beyond GDP
 - *Environmental*: depreciation of physical endowment of the planet
 - *Social*: quality of life
 - *Institutional*: demand for transparency and accountability



Lessons learned, so far (2)

- Success factors for process building:
 - *Epistemological issues*: do not try to give an “official” definition of progress. Develop coherent frameworks driven by the “values” of the society;
 - *Political issues*: present failures and successes in a balanced way
 - *Institutional issues*: manage the risk of conflict among institutions involved in the initiative
 - *Sociological issues*: widespread use of indicators in public debates and media, and promote the citizens’ access to indicators



The OECD World Forum

- 150 speakers/chairs/discussants
- 500-600 delegates from 43 countries
- 7 Plenary sessions, 16 parallel sessions, 2 visionary speeches, 2 keynote speeches, wrap-up session
- Secretary-General of the OECD, President of the ECB, Vice-President of the World Bank, General Comptroller of the United States, Ministers, etc.
- Knowledge base on the web site



Expected outcomes

- Foster the international dialogue on a fundamental issue for modern democracies
- Promote the dialogue at national level on key indicators initiatives
- Build an international community of practice
- Sustain, from a methodological point of view, national and local initiatives



- For further information:
 - www.oecd.org/oecdworldforum
- Contact:
 - Enrico Giovannini
(<mailto:enrico.giovannini@oecd.org>)