

## Weight of numbers hard on China's stats

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**Paul Cheung**

*Editor's Note:*

*Paul Cheung (**Cheung**) is the Singapore-born director of the United Nations Statistics Division, Department of Economic and Social Affairs, and a senior advisor to the Chinese government on official statistics. How does he see external doubts about China's official statistics? Is statistical work conducted by NGOs a threat to official statistics? Global Times (GT) reporter Chen Chenchen interviewed Cheung on these issues.*

**GT: Today is the first World Statistics Day. What is its significance?**

**Cheung:** For many years and even many centuries, statisticians have been contributing to government operations, the understanding of societies, and the improvement of societies. But we have never really come together to celebrate what we have done.

Official statistics in the past 100 years or so have really become more modernized, and, since World War II, has become even more organized. We have come out with ways to measure the economy, like GDP, the consumption price index and retail sales index.

We hope that on this particular day, all the countries can come together, and reflect on what has been achieved.

As statisticians, we should make important surveys both of our countries and of the world. That is important.

Moreover, we should do statistics with the highest degree of integrity. Our numbers must be as accurate as possible.

Finally, we must manifest the highest degree of professionalism. We are professionals, and whatever we do is based on a set of standard methodologies.

Therefore, the numbers that we come out with are comparable between different countries.

**GT: The accuracy of China's official statistics has been facing external doubts in recent years. How do you see this?**

**Cheung:** China's statistical system has improved a lot over the years. I know many Chinese statisticians, who are all very capable professionals. They've worked very hard in coming out with the numbers to help the government to understand the very major, profound changes in the Chinese economy.

People outside China do not understand how important the changes are.

China has become the second largest economy in the world, and all the dimensions and numbers required are produced by this national statistical office together with other ministries.

The national statistical system of China is not perfect. It's still evolving. But it has done a tremendous job in putting the numbers on the changes that is going on in this country.

It's very easy to attack China, you know, from the milk powder, the chemicals in the toys and to the statistics. For us professionals, we need to go down to the basics, and look at a few things.

The main issue is whether the country has adopted the standards and methodologies that the world has agreed to. China's statistics, in terms of data dissemination and data collection, are all based on the best practices of the world.

Then why do problems arise sometimes? The problems exist in catching up with the very rapid changes in the economy and the society.

I think people outside do not realize how big the job is to do statistical work in China - the amount of people, the number of companies, the vastness of the country and how few statisticians there are.

There is a catching up job to do. For the professionals, there are so many things coming

**GT: There've been tons of reports concerning China's GDP surpassing that of Japan earlier this year. How do you see the concern over China's expanding GDP?**

**Cheung:** China's GDP is now the second-largest in the world. It's a very big piece of news. It attracts attention, because the absolute size of China's economy is huge.

But China is a big country. When you add all the economic activities together, you get a big GDP. It's not surprising at all that China's overall GDP is still expanding and rising.

Meanwhile, it's also true that China is still a developing country.

If you come to understand China's development, you have to look at different regions and the well-being of individual families. The coastal area of China is reaching developed status, but national development is uneven.

This is also why many national leaders are warning not to put too much focus on a single number. I think that's good and wise.

**GT: The UN has defined some concepts like poverty and middle class through statistics. Do you think some concepts now appear outdated due to social development?**

**Cheung:** Yes. In fact, it's very hard to define absolute standards.

The World Bank uses the "\$1 a day" concept to define poor people, but even that is being criticized all the time. Recently they increased the poverty line from \$1 to \$1.25.

I think in methodology, you have to be country-specific. Each country needs to understand how the income is being distributed from top to bottom.

This is a tremendously important issue. If you fail to understand the dynamics of the distribution of wealth, this can destabilize society and undermine some other aspects of life.

I think China is fully aware of all these concerns.

The question now is to ask whether there are enough studies on the distributional effect on the development or not.

This is a job not only for the UN, but also for each country itself. In the UN, we have devised a set of methodologies for countries to choose from, such as the Gini Coefficient.

There are different ways of measuring. But it's a problem for each government to understand and decide.

**GT: Many grass-roots organizations have also engaged in statistical work. Do you think this is a threat to official statistics?**

**Cheung:** This is a very interesting question. Some people would argue that now there is a focus of social networking on the contribution of citizens so that everybody can contribute to statistics. But sometimes, you have to separate what's noise and what's truth.

That is the problem we are facing. On one hand, we want to make sure that everybody has a right to conduct research, do a good survey, collect good data and do some analysis, because their results can contribute to the understanding of a society.

But on the other hand, we also know that many other organizations out there have a particular political objective. They don't really care about the methodology. And they know what they want to say before they actually start their research.

It's really important for official statistics to stay impartial, to become as good as possible. We should be confident enough to say, "We are the gold standard, and our numbers can be relied upon."

Politicians have to be good at dealing with the noise. But the statisticians have the responsibility to inform the public what is noise and what is good information.

**GT: Are there any grass-roots statistics that have deeply impressed you?**

**Cheung:** There are some NGOs or media organizations that have been conducting public polls for decades.

For example, a very famous Japanese newspaper has been doing a poll for the past 60 years on marriage and family.

If an independent organization does research based on scientific methods, then it's ok. And then the question is how this organization chooses those topics.

If there is a big policy debate, and the organization chooses a relevant topic, comes out with some numbers and starts to join in the political debate, then this organization becomes a political player and things become complicated.

The public has to know why the organization comes up with certain numbers, and for what purpose it conducts those statistics. And the public should be as sceptical of all the numbers as possible.

For official statisticians, we shouldn't assume that the public automatically trusts our numbers. We have to win over their trust. We have to make sure that our statistics always meet best international practices