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EDITORIAL

Getting the figures right

24/06/2010 – by Hans Dembowski

If you can't count it, it doesn't count. Literally. All politicians like to quote statistics to support their positions. Doing so is especially important in democracies, where reasoned arguments matter, not just the top leader's command.

Reality, of course, is often not as clear as numbers lead us to believe. Winston Churchill once reportedly said that "the only statistics you can trust are the ones you have falsified yourself". His predecessor as British prime minister in the 19th century, Benjamin Disraeli, allegedly said there were "three kinds of lies: lies, damn lies and statistics".

If they were living today, Churchill and Disraeli would probably say as much about Greece's membership in the euro zone. People are upset because the leadership in Athens submitted forged statistics with the goal of joining Europe's monetary union. But their European colleagues are to blame too. They did not review the application strictly. Greek euro membership was politically welcome.

The example of the euro shows all too clearly that statistics are not just rhetorical instruments. When used correctly, they are a means of control. They help us gain insights. Without sound statistics, structural imbalances in the global economy cannot be understood, much less remedied. Such imbalances are among the causes of the current global financial crisis. It is still far too early to tell whether the leaders of the



G20, the 20 largest national economies, are up to the task. Nor do we know whether the EU will manage its own crisis well. It is also rooted in imbalances. Global macroeconomics is not the only field where policymakers need sound data, of course. Without reliable statistics, it is impossible to run national education or health systems efficiently. Even public transport management for a midsized town depends on correct figures.

Private sector leaders are number crunchers too. To understand market trends, they need macroeconomic data (inflation and growth rates, for instance) and microeconomic information. What is the purchasing power of a specific segment of consumers? Companies conduct scientific market research to avoid risks and grasp opportunities.

Basic statistics are part of the social infrastructure governments must provide. Censuses matter a lot. In order to extrapolate accurately from samples, one needs to know the exact size of the total population. Social-science students learn in their first semesters that a census should be held every ten years. That is especially important wherever state authorities do not keep other kinds of systematic records, of course.

But even in countries where that is done – like Germany, for instance – the government needs to check at regular intervals whether the various registers in use are still up-to-date. According to EU rules, member governments can do so by comparing such data and controlling for mistakes by interviewing seven to ten per cent of their population as well as all owners of buildings.

In Germany, we like to think that our state is particularly well run. But the last time the Federal Republic conducted a census was in 1987 – two years before German reunification. This gap will soon be bridged; next year a register-based census will be held all over the EU. Until then, Germany will be one of the few countries that has not managed to count its people in more than two decades – along with North Korea, Afghanistan and Somalia.



RULE OF LAW

UN rapporteur condemns the violation of Lumad communities' human rights in the Philippines



ELECTIONS

Why Indonesians chose Joko Widodo to be their president