

Change in Korean Society and Its Impact on Statistical Developments

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1. Current System of Official Statistics in Korea

Official statistics in Korea are classified into two types according to the Statistics Law: designated statistics and general statistics. Governmental and public institutions as authorized by the Commissioner of The National Statistical Office (NSO) compile both designated and general statistics. If a survey or census qualifies as designated statistics, the general public is obliged to provide information to the authority. As of 1 Feb. 2001, 130 producers designated as statistical agencies in Korea compile a total of 407 kinds of official statistics. NSO itself is also one such statistical agency, playing a key role in the Korean statistical system. It has the responsibility of integrating and coordinating the national statistical services as well as compiling fundamental statistics and disseminating the integrated statistical information. The total number of statistical personnel working for the central and local governments in Korea is 4,809 as of 1 July 2000. Out of them, 1,671 persons are in NSO, 1,252 persons are in The Ministry of Agriculture & Forestry, and 208 persons are in The Bank of Korea. Apart from the above three agencies, the statistical activities of other central governments are found to be very weak, having a very small number of statistical personnel.

2. A Few Important Changes in Korean Society

The statistical measurement of the events, which describe our society, is now going through dramatic changes. In the economic sphere, the globalization of activities at regional and world level is accelerating, and is accompanied by strong deregulation, resulting in the loss of traditional statistical sources. Korea is no exception in this globalization trend, especially after becoming one

of the OECD member countries since the end of 1996. In the social sector, our societies become more complex, traditional core values of the 20th century are changing, which is a reflection of the changing world. Since local autonomy was introduced in 1995, demand for regional statistics has been more conspicuous than ever. Policies in several fields, including agriculture, fishery, tourism, transport, environment and others, have to take account of regional and local consequences and not be in contradiction with regional policies or with town and county planning. Also, as the digitization of the economy progresses further, we will move into a knowledge-based economy where knowledge and information are more highly valued. At this juncture, policy makers and researchers demand that statisticians measure and explain these socio-economic changes.

3. New Emerging Issues

The changes in Korean society have undoubtedly influenced many fields and raised new emerging issues in the area of official statistics. Firstly, one of the most important phenomena arising from the changes is the big increase in the demand for new information. Several factors contribute to the big increase in the demand for new information: trends of globalization, increasing complexity in society, localization and rapid advancement in information technologies. Secondly, it is seen that the privacy and confidentiality concerns are heightened. There is an increasing reluctance of individuals and firms to accept and respond to statistical enquiries. Reluctant individuals refer to respect of privacy as their main rationale to refuse responding, while firms refer to response burden and protection of individual data. As a result the statistical information collected about society would diminish its quality. Thirdly, the role of private sectors in producing statistics has been increasing. There has been a big increase in the volume of data that is being collected by non-governmental organizations. Fourthly, the loss of unquestioned authority of official statistics is found in our society. Nowadays the lay public, including politicians, gave deference to the authority of the official statistician in his or her field. Fifthly, the rapid developments in electronic data processing and data transfer technology directly affect the relationships between suppliers and customers of statistics.

4. Statistical Development Schemes

Users of a statistical agency's data must be able to trust that the data were collected and analyzed in an objective, impartial manner and that they are as reliable as the agency can make them. If a statistical agency cannot gain users' trust for statistics, it is possible that the respondents will not be cooperative with statistical surveys or censuses. As a result the quality of the statistical information would diminish, which is undesirable for the society. In any event, basic principles should be practiced by statistical agencies as a way to gain the trust for official statistics from the general public.

Since the local autonomy has been practiced in Korea since 1995, demands for regional statistics has been increasing. Regional statistics are compiled two ways: one is through the regional offices

of central governments, and the other is through local governments. However, their major functions are to publish annual statistical yearbook and to cooperate with central governments in case of conducting censuses or large-scale surveys. Still, the regional statistics in the annual statistical yearbook are lacking in accuracies, timeliness and relevancy. Local governments need statistics on employment, industrial activities and prices, which are important in policy making for local government. It is therefore essential for central and local governments to compile small area statistics that can be used for various ways.

We are now in an era where: (1) our previous unquestioned authority is now suspect in many people's minds, (2) the demands for timely and relevant information exceed our capacity to supply it, and (3) we have powerful competitors able and willing to supply information that was previously only the domain of the statistical agencies including NSO. These challenges should be taken into consideration in the side of official statistics: how do we prepare ourselves for this future? One of the feasible solutions is to introduce marketing approaches of statistical products. The more important change is to understand that we will be entering a highly competitive world where new marketing approaches and marketing concepts, such as brand identification, are fundamental to the survival of the NSO.

Under the decentralized statistical system in Korea, it is not easy to take advantage of the economies of scale, especially in terms of the utilization of skilled human resources. It is also found not to be easy for a Central Statistical Organization to maintain balance in the priorities assigned to different statistical fields. Furthermore, it is not easy for NSO to maintain effective horizontal influences with other agencies since NSO Commissioner's post is at the assistant minister's level in the governmental hierarchy. It is essential to establish a central coordinating body to promote the integration of statistics and coordination of activities.

It is found that the ratio of total statistical personnel to total population is only 102 in Korea. The level is about half of that of other countries such as Indonesia(255), Germany(212), Netherlands(210), Japan(195), Australia(179), France(172) and Italy(171). It is also observed that the ratio of NSO personnel to population is calculated to be 37 in Korea, while some other countries shows a bigger number: Canada(234), Australia(176), Germany(147) and France(121). Although one takes into account the high degree of centralization in those countries, the number of personnel at NSO is still relatively low. All of the above situations in Korea indicate the necessity of reinforcement of statistical personnel.

Exploiting new data sources such as administrative and transaction data holdings both in government and business can expand the range of statistics produced by statistical agencies. It can reduce the costs and the burden to respondents by using the administrative records for statistical purposes. The exploitation of administrative records for statistical purpose is well developed in some countries including France, Netherlands and Australia. In the NSO, such statistics as vital, internal migration and cause of death statistics are being compiled on the basis of the administrative records of vital events. However, the system is not yet established to use taxation data for the compilation of economic statistics. The examples of other countries suggest the urgent revision of Statistics Law in order for NSO to access various administrative records including the taxation data.

5. Summary and Conclusion

This study attempted to show the trend of changes, which our society is experiencing recently, a few statistical issues raised by the changes and countermeasure-schemes to deal with the issues. The impact of these changes on the fields of statistics was as follows: heightened privacy concerns, the prevailing lack of integrity for statistics, the increasing role of private sector in producing statistics, the rapid increase for statistical demands and the application of new information technologies. As for countermeasures, the following six schemes were emphasized. Firstly, the trust for official statistics from the general public should be attained. In collecting, processing and releasing statistical information, the basic principles of official statistics should be practiced by statistical agencies as a way to gain the trust for statistics from the general public. Secondly, the regional statistical activities should be upgraded by reinforcing both the numbers and the qualifications of the statistical personnel at the local governments. Thirdly, the concept of marketing is to be introduced when statistical agencies produce and disseminate statistics. Fourthly, the strengthening of statistical coordination activities by Korean NSO is necessary. The effective way to strengthen the coordination activities is to empower the NSO with the authority to appoint statistical personnel at its discretion from central and local governments. Fifthly, it is imperative to boost the size of personnel in statistical agencies, especially at the headquarters of Korean NSO. Lastly, the administrative records should be fully exploited for statistical purposes. It is necessary to revise the Statistical Law in order to access various administrative records including the taxation data.

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