

REPLY*

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In these three comments, the positions of Fritz Scheuren and Burt Singer are wholly compatible with my own. Fritz considers statistical, methodological, and processing issues – some “how data are produced” questions – that are interrelated with “what data will be produced” issues. It is useful to be reminded that sample and survey designs need to be tailored to the use of data, so that providing analytically useful data requires considering “how” as carefully as “what”.

Burt goes beyond economic data needs, the topic with which I feel most comfortable, to point to similar problems and interactions between analysis, data development and policy in health policy and environmental regulation fields. What he tells us is fully consistent with work by economists who have examined the woefully weak databases used for environmental regulation (see the recent study by Russell and Smith, 1991).

It might appear that Tom Juster and I bear out the old adage that putting two economists in a room generates (at least) two opinions. For the most part, however, the two of us are talking about different aspects and dimensions of the same problem, and disagreement is more apparent than real.

Tom argues that two problems that I (and everyone else who has written about the statistical system, including himself) address are too difficult to solve. (1) It is too difficult to foresee with accuracy emerging needs for economic data, and to effect an optimal allocation of resources among competing needs. (2) For many of the unmet needs (his example is services data), major and unsolved measurement problems limit what can be done. And as a third point (part of this is implicit), he notes that what works to solve these problems in private sector data collection activities does not function in data collections run by the public sector.

I agree with Tom that the design of analytical data sets is a difficult task and that it is not easy to anticipate research and analytical needs for data. Somewhere, at the limits of the state of economic knowledge, these tasks are by definition impossible.

I do not believe, however, that economic data production is anywhere near the limits imposed by the state of economic knowledge. Whatever disagreement may exist among economists about the boundaries of research

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knowledge, there is much more consensus among them on the direction we should be moving in economic data development.

To make this distinction concrete, consider the provision of labor market data from the establishment, or employer, side of the subject. What Tom seems to have in mind is that labor economists who have written about economic needs for establishment side labor market data arrive at fairly large divergences in their respective positions. The relevant list includes Hamermesh (1991), Rosen (1991), in his discussion of Hamermesh's proposals, Brown (1990), and I would add to this group Juster himself (1983, at pp. 178-81).

However, this professional disagreement on the exact final destination should not obscure a larger degree of agreement on the general direction that data development should be taking. All agree that the provision of more behaviorally-oriented employer-side data sets that could be used to understand labor markets is necessary. The professional agreement also (and I believe Juster concurs - see his 1983 comments) encompasses the positions that what we now collect in employer-side data (mainly single-variable tabulations of non-integrated special-purpose surveys) is not satisfactory, that it is not useful for analytic purposes, and, moreover, that the direction that data development is moving and is likely to move (since it mainly envisions increasing the number of single-variable tabs in existing surveys) is 180 degrees opposed to professional opinion.

Much the same thing can be said of services data. Tom is certainly right that measurement problems limit, ultimately, what can be done with the present state of economic knowledge. But Federal statistics on services are nowhere near the limit of knowledge, and it is the lack of progress toward the limit - and the reasons for the lack of progress - that are my concerns.

Thus, I do not believe that Tom and I are in very serious disagreement. Can we do everything? We both agree that the answer is no. Can we do a lot more than is done now? I suspect we also agree on that, and the answer is yes.

My view on how the Federal statistical system ought to function in formulating responses to evolving needs for data is much like Tom's description of the operation of private sector data collection efforts (in the last paragraphs of his comment). In the private sector data collection programs he discusses, Tom notes that "input from . . . prospective users of the data is guaranteed . . ." This occurs, however, because of a fact well known within the research community: These private sector data collection efforts have staffs who are themselves researchers, who can talk with analytic users, and who can therefore transmit a sophisticated understanding of analytic data needs into data and survey design decisions.

In my paper, I argue in effect that Federal statistical agencies ought to operate along principles Tom enunciates for the private sector. As with private sector collections, Federal collections require analytic input at the design *decision* stage and this can only practically take place within the collection agency itself. For program design - and this includes forward-looking program planning for

new data needs – there is no substitute for understanding, within statistical agencies, of analytic data uses. Such understanding permits at the same time a dialogue with analytic users and the capability for factoring users' concerns and needs into the design and program decision process.

There is a role for OMB in the Federal statistical system, but it is not this role. The design task cannot be carried out by having the analyst describe needs from afar and counting on some intermediary to transmit those needs to the data designer. The notion that in some past "golden age" of the Federal statistical system, all the system's current problems were resolved by highly skilled OMB statistical coordinators is a mythology of the statistical system; regrettably, this particular myth directs attention away from institutional changes that would help statistical agencies to improve themselves.

References

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