Funny figures

I rely a lot on official statistics to read trends and make policy suggestions to government. The problem is the figures themselves are very unreliable and need careful interpretation. Recent extreme movements caused by lockdown and closures on an unprecedented scale here and in most overseas economies makes it both revealing and hazardous to live by official figures. The experience has also blown apart many official forecasts, as the ranges are extreme and well outside past behaviours.

We have recently been told that there are over 5.5 million EU citizens living in the UK when throughout the referendum we were told it was around 3 million. We do not know how many illegals there are living here from around the globe. It mans that the official figures for the population are likely to be understated by a substantial margin . This affects figures for public service provision. It may depress income per head unless there is an offsetting amount of undeclared income by the unregistered or partially registered. What are we to make of productivity, as clearly there are more workers but maybe more work is being done as well.

The inflation figures have been under stress. They are based on a typical basket of goods and services that people buy. Our buying habits were transformed by lockdown. Gradually the weights and contents of the basket were changed, only now to need changing back as we come out of lockdown. Trying to forecast the inflation index has meant first trying to forecast what will be in it before then trying to forecast price moves of the components.

Official forecasts of the economy went haywire over Brexit as I forecast at the time. A series of grim and stupid negative forecasts were duly proved wrong by events. Then the official forecasters greatly exaggerated the debt and deficits forecasts for the pandemic lockdown period. These were more difficult to get right.

During the pandemic as reported here it was very difficult getting accurate figures for NHS capacity, for death rates and other crucial figures, and difficult getting meaningful comparisons between countries. We need better and more honest data. A hospital admission does not tell us anything about how ill someone is, how long they will stay and whether they will need intensive care.

We cannot have an informed public debate about health or the economy without better official figures from the state. We need those in the media citing the figures to understand what the figures are actually counting and how inaccurate they may be.