

Larry Summers blog

Data collection is the ultimate public good

Lawrence Summers Apr 04 12:34 Comments



Smartphones collect data on local grocery prices
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Last Wednesday I spoke at a World Bank conference on price statistics. While this is not usually thought of as a scintillating subject, I got a great deal of satisfaction out of preparing and presenting my remarks. In part, this was because my late father, Robert Summers, focused his economic research on International price comparisons. It was also because I am convinced that data is the ultimate public good and we will soon have much more data than we do today.

I made four primary observations.

- First, scientific progress is driven more by new tools and new observations than by hypothesis construction and testing. I cited a number of examples: the observation that Jupiter was orbited by several moons clinched the case against the Ptolemaic system — the belief that all celestial objects circle around the Earth. We learnt of cells by seeing them when the microscope was constructed. Accelerators made the basic structure of atoms obvious.
- Second, if mathematics is the queen of the hard sciences then statistics is the queen of the social sciences. I gave examples of the power of very simple data analysis. We first learnt that exercise is good for health from the observation that in 1940s London bus conductors had much lower death rates than bus drivers. Similarly, data demonstrated that smoking was a major killer decades before the biological processes were understood. At a more trivial level, Moneyball shows how data-based statistics can revolutionise a major sport.
- Third, I urged that what “you count counts” and argued that we needed much more timely and complete data. I noted the centrality of timely statistics to meaningful progress towards sustainable development goals. In comparison with the nearly six-year lag in poverty statistics, it only took about three and a half years to win the second world war once the US joined the action.
- Fourth, I envisioned what might be possible in a world where there will soon be as many smartphones as adults. With the ubiquitous ability to collect data and nearly unlimited ability to process, it will come more capacity to discover previously unknown relationships. We will improve our ability to predict disasters like famines, storms and revolutions. Communication technologies will allow us better to hold policymakers to account with

reliable and rapid performance measures. And if history is any guide, we will gain capacities on dimensions we cannot now imagine but will come to regard as indispensable.

This is the work of both governments and the private sector. It is fantasy to suppose that data, as the ultimate public good, will come into being without government effort. Equally, we will sell ourselves short if we stick with traditional collection methods and ignore innovative providers and methods such as the use of smart phones, drones, satellites and supercomputers. That is why something like the Billion Prices Project at MIT, which can provide daily price information, is so important. It is why I am excited to be a director of and involved with Premise — a data company that analyses information people collect on their smartphones about everyday life, like the price of local foods — in its capacity to mobilise these technologies as widely as possible. And it is why Planet Labs, with its capacity to scan and monitor environmental conditions, represents such a profound innovation.

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