

Foreword

These are the up-to-date fruits of our efforts in econometric modeling of China at the International Center for the Study of East Asian Development, Kitakyushu, Japan. ICSEAD was established as a joint undertaking with the University of Pennsylvania in 1989, and ever since its inception, it has followed the suggestion of Professor Lawrence R. Klein to maintain econometric models and their data banks of East Asian economies. It has held the work-shops for this purpose and published a number of proceedings. Moreover, on the basis of our own econometric models we have made the predictions of the East Asian Economies available in our quarterly journals every year.

In particular, we have emphasized the quantitative studies of the Chinese economy among others. Inviting a number of economists from China, we have been working with them on the econometric models of China. We will continue to do so in the future. This book tries to make available all the econometric models of China presented at our workshop held at ICSEAD in 1998, together with the statistical data used for their model building. The editors asked all the authors not only to revise their original papers considering the comments given at the workshop but also to provide the reader with almost all the basic statistical data that they used to estimate their own models. We believe that the most important and difficult part of econometric work on the Chinese economy is indeed the preparation of reliable statistical data. The reader will have the benefit of learning about reliable data and their sources.

The benefit of this statistical information can hardly be over-emphasized, not only for the studies of Chinese economy but more generally for the advancement of econometric work. The progress of empirical work in econometrics will be improved substantially if the data used in the estimation and tests of the models are offered at the same time. As theoretical physics and experimental physics naturally develop side by side, so econometrics should develop in theory and its empirical applications side by side. But unlike physics, the empirical work in econometrics requires enormous efforts in searching for and compiling the statistical data needed for model building. For this reason we believe that despite the difficulties we must try to make the data

as well as the models available to the reader. Only then can the re-examination and testing of published econometric works be meaningful and easily used by other econometricians. The benefit will be for both initial research workers and their followers. The cumulative process of empirical research will be much faster and productive, so that further improvement in applied econometrics may be expected. This is particularly important for econometric work on the Chinese economy, where statistical data are still unsatisfactory and require careful treatment.

Almost half a century has passed since I first met Sonia and Lawrence R. Klein in Ann Arbor in 1953. Moreover, our family association has lasted more than forty years. We have learned a great deal from the association with their family. This may not be too common nowadays. As a token of our many years of friendship and professional and family association, we would like to dedicate this joint effort to our two wives whose dedication made it possible to produce this unique volume at this time.

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Shinichi Ichimura