

# Evidence-Based Policy Making (EBPM) – the Current Status & Future Prospects

By Naoyuki Haraoka

Science has now an increasing influence on policy making. As the IT revolution progresses, data availability will be significantly expanded. Meanwhile, developed nations' growing debts due to increases in government spending on welfare budgets for their aging societies have encouraged them to implement more efficient spending. EBPM has emerged as a key element in policy making against this background. With more data available today than ever before, governments can pursue more effective policies, as their impacts could be clarified by data-endorsed evidence. Prior to policy implementation, even at the stage of requests for budget allocations for certain proposed policies, the effects can be clearly proved by data-endorsed evidence. This would make it easy for budget authorities to judge the relevancy of any policy. EBPM as such is expanding all over the world.

This issue of *Japan SPOTLIGHT* highlights its current status and challenges to be resolved and also its future prospects both globally and in Japan. Readers will see how contemporary economics could serve public policy, and that EBPM is certainly one way of connecting economists working on theory with public policy.

At first, we have an overview of EBPM among OECD nations, which most likely represents the global trend. This is introduced by Andrew Blazey, an OECD official working on the issues of public management and budgeting. This is followed by an interview with Prof. Daiji Kawaguchi at the University of Tokyo, a distinguished economist and a leading academic working on promotion of EBPM in Japan at the Ministry of Economy, Trade and Industry's think tank RIETI, which introduces the current overall status of EBPM in Japan. METI

is now planning to use EBPM in earnest to promote its new industrial policy, and this is introduced in the subsequent article "New Direction of Economic & Industrial Policies Supported by EBPM".

We have several examples of specific policies which are endorsed by EBPM. The introduction by Nicholas Bloom, a professor at Stanford University, of a summarized research paper discusses how EBPM is applied to innovation policies, while an interview with Dr. Ryo Makioka, a young economist, introduces his analysis on EBPM as applied to JETRO's export promotion policy. Dr. Mitsuyo Ando, an economics professor at Keio University, provides an analysis of the positive effects of regional economic integration efforts on global supply chains under the pandemic, and an interview with Dr. George Apostolakis, a distinguished expert on nuclear risk research, offers another example of EBPM as applied to nuclear power stations, named Probabilistic Risk Assessment.

The last example is provided by economist Prof. Ondřej Dvouletý at Prague University and presents the importance of long-term policy evaluation of the EU's SME policies.

As you will see, statistics form a key component of EBPM, and one of our Editorial Committee members of *Japan SPOTLIGHT*, Prof. Nariyasu Yamasawa, who has worked as director of the Statistics Commission Office in the Japanese government, introduces readers to the current status and future of statistical reform in the interest of EBPM in Japan.

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