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**Keio University concludes partnership with the Luxembourg Income Study (LIS)
Keio University Household Panel Survey (KHPS), Japan's first complete panel data (*1),
to be released worldwide**

At Keio University, the Graduate School of Economics and the Graduate School of Business and Commerce have been working closely since 2003 on a joint research program entitled "Development of a Theory of Market Quality and an Empirical Analysis Using Panel Data", a "21st Century COE Program"(*2), selected and financially supported by the Ministry of Education, Culture, Sports, Science and Technology. Keio University Design Analysis Center (Director: Professor Yoshio Higuchi, Faculty of Business and Commerce), which was established as part of this project, has implemented the Keio Household Panel Survey (KHPS) since January 2004. This survey is the first of its kind as it collects data on all ages and both sexes, and has been used in various analysis and research. Keio University now announces its new partnership with the Luxembourg Income Study (LIS), which leads the world in research on income inequality with data on over 160 survey items from more than 30 countries. Keio University will be the first in Japan to provide national household panel data to the LIS. This will enable researchers around the world to use KHPS data in international comparisons of income and poverty, which is expected to result in a higher analysis standard of positive economics.

1) Research that will become possible as a result of the partnership with LIS

By concluding a partnership with the LIS, KHPS will be used as a primary data source for international research on income and poverty. As a result, the immobilization of Japanese income status compared to other countries will become clear, which has never been possible up to this day.

KHPS has already been provided to the OECD (Organization for Economic Co-operation and Development) for its international comparative study of poverty, and is used in the Fourth OECD Income Distribution and Poverty Research Project as data for Japan.

Keio University also has established a partnership agreement in February 2007 with the Woodrow Wilson School at Princeton University, and academic exchange has taken place through researchers and graduate students. Keio University Design Analysis Center has established a partnership with the Global Network on Inequality, a program of the Woodrow Wilson School for graduate students, and has pursued joint research on income and asset distribution.

2) About Keio Household Panel Survey (KHPS)

KHPS is the first nationwide follow-up survey in Japan of individuals (4000 households, 7000 people) of all ages and both sexes, including information on education, employment, income, expenses and family structure. From 2007, 2500 people from 1400 households were added to the survey. Previous panel surveys in Japan were focused mainly on women aged in their mid-20s to 30s, so they did not reflect the national demographic structure. KHPS aims at providing an academic platform that can be used for the evaluation of Japan's policies and systems, and providing panel data that is internationally competitive. The survey has been designed to enable comparison with major international panel surveys. (For more information, please refer to <http://www.coe-econbus.keio.ac.jp/>.)

Method of Survey of KHPS

The first survey (2004) was conducted as follows. The additional survey conducted from 2007 basically follows the same method.

Target of survey: Men and women aged 20 to 69 as of 31 January 2004

Date of survey: conducted as of 31 January 2004

Selection of target:

1. Number of samples: 4000 people
2. Sampling method: Stratified two step random sampling (first step- area, second step- individual)
3. Sampling area: used census enumeration districts as the sampling unit

Method of Survey: Direct-visit and self-completion questionnaire

Main survey items:

- Target person and his/her family
- Education
- Employment
- History of education and employment from the age of 18 until present
- Time usage and health
- Usage of IT equipments
- View of the stock market
- Spouse (education, employment, history, time usage and health, usage of IT equipments)
- Daily life and environmental issues
- Savings, assets and debts
- Income and expenses
- Housing

3) About Luxembourg Income Study (LIS)

Luxembourg Income Study has led the world in research on income inequality by collecting data on as many as 160 survey items in more than 30 countries, and releasing the collected data of income, employment and household in formats that enable international comparison.

Commercial usage of the LIS databases is prohibited. In order to use the LIS database, users send a program for analysis via the Internet, and the relevant data are sent back to the user, therefore the databases are not directly provided to users. This method is employed to protect the targets' anonymity and confidentiality.

(*1) Characteristic features of panel data

By repeatedly conducting follow-up surveys of the same individuals, detailed analysis of changes in economic behavior and sociodemographic attributes becomes possible.

This leads to an understanding of how people react to changes of policy and systems, and by using econometric methods, it is highly expected that objective assessments of policies and systems will become possible. In Japan, the "Japanese Panel Survey of Consumers" conducted by the Institute for Research on Household Economics (Project Manager: Prof. Yoshio Higuchi, Faculty of Business and Commerce, Keio University) started in 1994.

(*2) 21st Century COE Program

The "21st Century COE Program" was inaugurated by the Ministry of Education, Culture, Sports, Science and Technology in 2002, aiming to support the establishment of world-class education and research centers within Japanese universities with an eye to raising their competitiveness to the highest world level. The program is an

open application system with no limitation of academic field. The selection process is based on 1) the existing achievements and potential of research and educational activities, 2) the content of the research plan and 3) the potential of future plans of the university. Depending on the research, 10 to 500 million yen is granted annually for a period of 5 years. An interim assessment is made after 2 years and a final assessment is made at the end of the program term.

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