

Part 2 Development of statistics responding to social and economic changes

1 Large-scale economic statistics, the way it should be

(1) Deliberations on the creation of the Economic Census (provisional title)

<Background and current situation>

Each of the current large-scale statistical surveys covering industries is being carried out over different time periods, with varying frequencies, depending on the industry and the ministry concerned. Because of this, even if the results of existing large-scale statistical surveys were integrated, it would be impossible to obtain comprehensive industrial statistics for the whole country. Furthermore, highly frequent reorganizations of establishments and/or enterprises these days have diminished the value in use of integrated results for the large-scale statistical surveys that have varying timeframes in their execution and cycle frequency.

With the advancement of a service-oriented economy, the tertiary industry has become more important in the national economy. Nevertheless, there is a lack of statistics on this sector and a lack of a system for those that do exist.

Furthermore, as basic statistics for the estimation of GDP, primary statistics covering all industries are essential. They will enable us to appropriately verify the accuracy of GDP and measure accounting items such as sales, thereby contributing to a more accurate collection of population information for establishments and enterprises.

<Basic direction>

We will seek to compile statistics (under the provisional title of the “Economic Census”) that can measure the economic activities of all industrial fields comprehensively and at the same point in time. In line with this, we will seek to integrate, abolish, simplify and streamline the existing relevant large-scale statistical surveys and other relevant surveys.

<Concrete measures>

Regarding the Economic Census (provisional title), we will work towards bringing about this Census by compiling statistical surveys by 2009 that will ascertain, from an accounting angle, the state of economic activities of, in principle, all establishments and enterprises in all industrial categories.

To do this, the MPHPT (Statistical Standards Department) will set up a meeting for deliberation for creating the Census, which will be attended by officials from the Cabinet Office and relevant ministries and a wide selection of other relevant parties in fiscal 2003. During fiscal 2005, the

department will firm up its framework and draw conclusions as to the integration, abolishment, simplification and streamlining of large-scale statistical surveys, etc.

(2) Development of name list of establishments and enterprises

<Background and current situation>

The Establishment and Enterprise Census has been conducted every 5 years to survey the state of both operational activities of establishments and business activities of enterprises. It aims to produce basic data concerning establishments and enterprises, and to prepare name list for use in implementing various statistical surveys. In the interim years, simplified surveys are conducted.

The simplified survey in the interim year of 1999 was implemented simultaneously with the Census of Commerce (simplified survey). The 2004 Simplified Survey is scheduled to be implemented in a simultaneous and centralized way with the Census of Commerce (simplified survey) and the Survey on Service Industries.

The Establishment and Enterprise Census and other statistical surveys covering establishments and enterprises differ from each other slightly in the way they handle establishments and enterprises and the classification of industries. This causes some problems in using the rosters of establishments and enterprises as population name list.

The Statistical Frame of Establishments and Enterprises (hereafter SFEE), which was constructed in collaboration with the MPHPT, the Cabinet Office and ministries, has been developed to provide population information by using results of the Establishment and Enterprise Census, the Census of Commerce, the Census of Manufactures, and the Financial Statements Statistics of Corporations by Industry, etc.

However, the recent sharp increase in the new establishment, discontinuance and integration of enterprises is necessitating the accurate updating of the SFEE.

Furthermore, for its use, the SFEE needs to be improved by linking it with statistics on the wider fields of industry. In doing so, it is necessary to search as much as possible to have a unified and common basis for handling establishments and enterprises, as well as for classifying industries

<Basic direction>

- (1) To aim to carry out the necessary review of the Establishment and Enterprise Census and other statistical surveys on establishments and enterprises regarding the way they handle establishments and enterprises and how they classify industries.
- (2) To seek to substantiate the name list of establishments and enterprises (SFEE), for use as the basic name list for basic statistical surveys.

<Concrete measures>

- (1) Regarding the Establishment and Enterprise Census and other statistical surveys on establishments and enterprises, the Cabinet Office and ministries concerned should maintain inter-ministerial cooperation, and take necessary steps, from fiscal 2003, to have, as far as possible, a unified and common basis among the different statistical surveys for handling establishments and enterprises and classifying industries. It will also be necessary to clarify how to respond to establishments that are handled differently.
- (2) Regarding the SFEE, in order to utilize it for population information, the MPHPT shall, from fiscal 2003, take necessary steps under inter-ministerial cooperation to augment the information for updating name list.

Also, strengthening historical data for establishments and enterprises by using the information for updating name list should be investigated.

2 Review of GDP-related statistics

(1) Development of basic statistics for GDP estimation

(A) Development and substantiation of basic statistics

<Background and current situation>

Since the first preliminary report for the April–June 2002 period was released on August 30, 2002, QE has been shifted to a new method of estimation. Under the new method of estimation, which aims for a quick assessment of the economy, the release of the first preliminary report of QE (hereafter “the first QE”) has been accelerated by slightly less than one month. As a result, the first QE is released in the second month of the following quarter, with the second preliminary report of QE (hereafter “the second QE”) to be released in the following month. Furthermore, the basic statistics have been largely strengthened focusing on supply-side statistics in addition to the demand-side statistics that were used in the past.

The GDP estimation under the first revised report and the second revised report is made by the commodity-flow method and the value-added method, among others, based on the System of National Accounts recommended by the United Nations in 1993 (hereafter “U.N. 93 SNA Recommendation”). The first revised report is released approximately 9 months after the end of each fiscal year, with the second revised report released about 21 months after the end of the same fiscal year.

In the “2002 Basic Policies for Economic and Fiscal Management and Structural Reform” (The Cabinet Decision on June 25, 2002), it is stated that, “in order to understand the economic trend more quickly and accurately, the accuracy and quickness of GDP statistics and related primary

statistics shall be improved”.

In connection with developing and strengthening the basic statistics to be used for the GDP estimation, the following issues exist:

- In the case of the first QE estimation, with regard to the quarterly period for which the estimation is to be worked out, the possibility may arise that, among the basic statistics of the period, some numerical values due in the third month could be unavailable. With regard to the second QE estimation, where new basic statistics are added (e.g. capital equipment in private enterprises), there could occur be a divergence between the first and second QEs. Especially when the basic statistics show large monthly fluctuations, the divergence could be correspondingly large.
- Regarding the supply-side statistics to be used for the QE estimation, most of the basic statistics relating to the service sector (including the public service field) are not fully available.
- As to the estimation in the first and second revised reports, some types of information are not available for determining the gross output and the intermediate input ratio.
- There are two types of software: one that can be purchased in the market (order-made software and general-purpose software) and the other developed in-house by the own company (in-house software). Under the U.N. 93 SNA Recommendations, they are dealt with as intangible fixed assets. However, existing statistical surveys do not cover the state of the acquisition of assets with regard to general-purpose and in-house-type software (specifically, they do not cover the distinction between intermediate consumption and the formation of fixed assets with regard to general-purpose software, and gross output and cost structure with regard to in-house-type software). As a result, comprehensive estimation is impossible.

<Basic direction>

- (1) In order to help improve the accuracy of the QE estimation, the earlier release of the basic statistics shall be sought, and the development of the supply-side basic statistics shall be promoted. In doing so, statistics from administrative records should be used for public services.
- (2) In order to help improve the accuracy of revised reports, development of statistics for grasping basic information focused on services should be promoted.

<Concrete measures>

- (1) Improvement of basic statistics to enhance the accuracy of QE estimation
 - 1) Earlier release of basic statistics
 - a) With regard to the basic statistics used for the QE estimation, the Cabinet Office and ministries concerned shall endeavor to release these statistics earlier from

fiscal 2003 by continuously improving the way in which the work is carried out, while considering the need to ensure the accuracy of statistics.

- b) In a new survey that integrates the Business and Investment Survey of Incorporated Enterprises and the Business Outlook Survey of the Ministry of Finance (MOF), which is expected to be implemented from fiscal 2004, the Cabinet Office and the MOF shall endeavor to effect earlier release of the capital investment outlook that includes the finance and insurance industries, as well as to improve the accuracy of the QE estimation.
- 2) Development of supply-side basic statistics
- a) In the service field, where sufficient information for the supply-side QE estimation is not obtainable, the Cabinet Office and ministries concerned shall seek, from fiscal 2003, to develop the supply-side basic statistics, focusing on the Current Survey of Selected Service Industries.
 - b) For public services (water and sewage, waste disposal, etc.), the Cabinet Office and ministries concerned shall seek, from fiscal 2003, to further develop statistics in line with the progress of electronic processing.
- (2) Development of basic statistics to improve the accuracy of the first and second revised reports
- 1) Concerning the basic information that is lacking at the time of revised estimation, in respect of matters of high importance for improving the accuracy of GDP estimation (matters related to eating/drinking places, hotels, machinery repairs, etc), the Cabinet Office and ministries concerned shall, as necessary from fiscal 2003, seek to develop basic statistics by utilizing existing annual or periodic surveys including the Survey of Selected Service Industries, as well as by implementing new statistical surveys as necessary.
 - 2) In order to help improve the accuracy of the System of National Accounts (SNA), in respect of in-house software, among the software classified as intangible fixed assets, the Cabinet Office shall, in collaboration with ministries concerned, if necessary, endeavor from fiscal 2003, to ascertain the level of acquisition of in-house-type software assets by developing IT-related statistical surveys.
The study into the level of acquisition of general-purpose software assets shall be continued, including its possibility of grasping the situation.

(B) Utilization of data on fiscal expenditure

<Background and current situation>

Although the “formation of public fixed assets” is estimated based on the contractor-side statistics (Integrated Statistics on Construction Work), its value for the third month of the quarter has to be

imputed by a regression formula because (i) the investment in machinery and equipment is not included therein, and (ii) the value for the third month has not been released at the time of QE estimation.

The estimation of the “government’s final consumption expenditure”, is carried out in the following ways: (i) “Employee compensations” (personnel expenses) are estimated based on interviews at major institutions concerned (including number of staff at the Self-Defense Force, public schools, the police and the Tokyo Metropolitan Government), and in addition, (ii) with regard to “intermediary consumption” (expenses of agencies, non-personnel expenses and travel expenses), it is estimated, for the central government, on the basis of annual fiscal budget, and for local governments, on the basis of the trend-extrapolated value (the first QE), or on the basis of partitioning the annual budget amount obtained as a result of the “Special Survey on Expenditure of Local Governments” (the second QE) in accordance with the pattern in the previous quarters.

With regard to fiscal expenditure statistics, which are the basic statistics for the “formation of public fixed assets” and “government final consumption expenditure”, although fiscal-year-based budget and account closing data are available, there are some restrictions in the use of the data of quarterly based expenditure. With regard to quarterly-based expenditure, it is difficult to clarify the scope, demarcation, and time of use, of the expenditure. As a result, a quarterly estimation that adequately reflects the expenditure or the actual status of progress is difficult to make.

The quarterly estimation of public works has its own difficult problems related to adjusting the gap between the bases of payment and work in progress.

Meanwhile, the national government has been developing a financial accounting system with a view to enhancing efficiency of accounting work, and there is a possibility of using the fiscal expenditure data as electronic information for QE estimation.

<Basic direction>

In order to help increase the accuracy of QE estimation related to the formation of public fixed assets and government final consumption expenditure, a study should be made into the possible use of data on fiscal expenditure in an electronic format.

<Concrete measures>

With regard to the data on fiscal expenditure in the national financial accounting system, the Cabinet Office and ministries concerned shall, from fiscal 2003, investigate the possibility of their use for QE estimation in an electronic format.

(C) Development of statistical systems from the standpoint of the System of National Accounts (SNA)

<Background and current situation>

Taking an SNA standpoint into consideration, in pursuing the systematic development of statistics, it is necessary not only to review the basic statistics, but also to constantly examine the ongoing development of statistics and clearly distinguish between areas of relative satisfaction and those where improvements are needed.

To be specific, it is important to examine the state of the development of the basic statistics related to production (by industry), expenditure (by principal party) and distribution (by factor) in the SNA. An examination of the state of the development of basic statistics related to price deflators (price index) is also needed.

<Basic direction>

From the SNA standpoint, the state of statistical development shall be examined, and the government as a whole shall promote the development of a statistical system.

<Concrete measures>

From the SNA standpoint, a meeting for deliberation on developing statistical system shall be established decided by the government as a whole. Some specific issues to be considered are:

- (1) Matters related to the development progress of basic statistics, with regard to production, expenditure and distribution in the SNA.
- (2) Matters related to the development progress of the deflator-related basic statistics.
- (3) Matters related to the review of GDP-related statistics.

(2) Development of statistics on capital stock

<Background and current situation>

The Survey of the National Wealth, the only survey statistics on capital stock, was suspended in 1970. Due to the heavy burdens of filling in survey questionnaires and constraints on budget and human resources, it would be very difficult to resume the survey.

With this being the case, the “New Strategies for Government Statistical Services for the Coming Decade” (The Statistics Council’s report of March 10, 1995) made recommendations to strengthen the measuring of the tangible fixed assets held by business enterprises. And, in each of the specific statistical surveys, the itemization of the tangible fixed assets have been substantiated. In addition, promotional efforts are being undertaken, as seen in the implementation of the Corporations Survey on Land, and Corporations Survey on Buildings. Regarding statistics related to capital stock, there are the “System of National Accounts (Net Fixed Assets)” and the “Gross Capital Stock of Private Enterprises”, each being released every year and quarterly, respectively.

As to measuring tangible fixed assets held by business enterprises, although each of the specific statistical surveys has increased the coverage of items in the tangible fixed assets category, underdeveloped areas still remain.

Additionally, the “System of National Accounts (Net Fixed Assets)” and the “Gross Capital Stock of Private Enterprises” have been made by adding yearly increments to the results of the Survey of the National Wealth, which was conducted in 1970. Thus, the possibility of deterioration in the accuracy of both sets of statistics has been pointed out.

<Basic direction>

- (1) Regarding the measurement of tangible fixed assets held by business enterprises, the substantiation of tangible fixed asset items in each of specific statistical surveys shall be further investigated and clarified.
- (2) Enhancement of the accuracy of the statistics related to the capital stock shall be sought.

<Concrete measures>

- (1) Considering the actual state of each industrial field, the Cabinet Office and ministries shall endeavor, as necessary from fiscal 2003, to substantiate the items of tangible fixed assets of business enterprises.
- (2) In order to enhance the accuracy of statistics related to capital stock, the Cabinet Office shall implement a statistical survey in fiscal 2003 to review the coefficient to be used for the estimation of private enterprise stock.
- (3) In order to help improve the measurement of the actual state of capital stock, the Cabinet Office shall, from fiscal 2003, make a comparison of the capital stock which has already been measured by existing statistical surveys with capital stock figures estimated by the Cabinet Office, and verify the result.

3 Development of the statistics focusing on enterprises

(1) Development of statistics concerning the activities of business enterprises

<Background and current situation>

The multifarious transformation of Japanese business enterprises in recent years, as seen in their diversification, internationalization, and soft-services-oriented development is making rapid progress. Gaining a clear picture of the state of these changes has become increasingly important for planning and implementing accurate administrative policies.

To date, existing statistical surveys have measured enterprises by the industry in which the enterprises are classified. The diversification of enterprises’ activities, which is increasing every

year, is giving rise to a problematic situation whereby the results obtained by statistical surveys do not accurately reflect the actual state of the enterprises' activities.

At present, the statistical surveys that measure the diversification of enterprises' business activities include the Basic Survey on Japanese Business Structure and Activities (METI), Survey of the Communications Industry, and Survey on Actual Conditions of Construction Business Activities. However, the industrial fields covered by these statistical surveys are limited only to mining, construction, communications, commerce, electricity and gas, finance and insurance (credit card business and installment finance business), and services (amusements and hobbies, and rental and leasing business). There are a number of industrial fields that have not been adequately covered by statistics.

<Basic direction>

In order to ascertain the actual present level of the multifarious transformation of enterprises' business activities, such as diversification, internationalization and so forth, the development of statistics related to enterprises' activities in each industrial field shall be promoted.

<Concrete measures>

With regard to the industrial sector, in which the statistics to measure diversified business activities have not yet been developed, the Cabinet Office and ministries concerned shall, from fiscal 2003, promote the development of necessary statistics by expanding the scope of survey coverage of existing statistical surveys, increasing the number of survey items, or implementing new statistical surveys. In doing so, the parties concerned should take into account the actual state of each industrial field, and refer to the Basic Survey on Japanese Business Structure and Activities (METI).

(2) Development of enterprise statistics including finance and insurance businesses

<Background and current situation>

With regard to how finance and insurance industries are being handled in cross-industrial statistical surveys of enterprises, the current situation is outlined below.

Surveys including these industries in the coverage are:

- Business and Investment Survey of Incorporated Enterprises (Cabinet Office),
- Survey of Research and Development (MPHPT), and
- Short-term Economic Survey of Enterprises in Japan (Principal Enterprises) (Bank of Japan)

Those not including these industries are:

Corporate Behavior Survey (Cabinet Office),
Business Outlook Survey (Ministry of Finance),
Financial Statements Statistics of Corporations by Industry (Ministry of Finance),
Basic Survey on Japanese Business Structure and Activities (METI), and
Short-term Economic Survey of Enterprises in Japan (All Enterprises) (Bank of Japan).

Of these, the Business and Investment Survey of Incorporated Enterprises and the Business Outlook Survey (MOF) will be combined in fiscal 2004, and finance and insurance will be included in the scope of new survey. Likewise, the Short-term Economic Survey of Enterprises in Japan (All Enterprises) will include finance and insurance in its scope during fiscal 2003. (The Short-term Economic Survey of Enterprises in Japan (Principal Enterprises) will be abolished.)

Meanwhile, the Financial Statements Statistics of Corporations by Industry has been designed to include account titles of general business enterprises, and, therefore, it is difficult to include the finance and insurance industries, which keep different account titles, in these statistics. Accordingly, both of them are excluded from these statistics.

<Basic direction>

With regard to the cross-industrial statistical surveys of enterprises that have until now excluded finance and insurance, they will be looked at, with the aim of including finance and insurance.

<Concrete measures>

With regard to the cross-industrial statistical surveys of enterprises that have excluded finance and insurance, the Cabinet Office and ministries concerned shall, from fiscal 2003, examine the finance and insurance industries in the following ways:

- (a) The Corporate Behavior Survey shall be reviewed with an eye to including finance and insurance.
- (b) The Financial Statements Statistics of Corporations by Industry shall be studied for the possibility of including finance and insurance.
- (c) The Basic Survey on Japanese Business Structure and Activities (METI) shall be examined, with regard to the possibility of including finance and insurance.

(3) Respond to changes in enterprises' activities

<Background and current situation>

- (1) Responding to the importance of corporate group information

The diversification of corporate activities and the active corporate reorganization of recent years have given rise to the situation where entire corporate image is invisible without grasping relevant corporations as a group. Hence, it is increasingly important to obtain information about the structure of the corporate group.

Accordingly, since 1992, the Basic Survey on Japanese Business Structure and Activities (METI) has grasped the parent-subsidiary relationship based on an equity ratio. The 2001 Establishment and Enterprise Census introduced survey items where a snapshot of the corporate group was captured on the basis of an equity ratio.

In making an accurate decision on investment in diversified and/or internationalized corporations, information on the corporate group has become increasingly valuable. Reflecting this, with regard to corporations to which the Securities and Exchange Law (The 1948 Law, No.25) applies, they have been obliged since 2000 to prepare consolidated financial statements based on the new consolidation standards (the so-called “Effective Control Standards”). As a result, it is newly required to study on how to deal with a corporate group.

[Note] “Effective Control Standards”: A standard by which it is decided whether Enterprise-A includes an Enterprise-B in the scope of consolidation. This is judged by whether or not Enterprise-A has effective control over the Enterprise-B. In addition to the case where Enterprise-A holds a majority of the voting rights over Enterprise-B (commonly known as “Equity standards”), in cases where Enterprise-A is deemed to have control over Enterprise-B’s decision-making body (shareholders’ meeting, etc.), satisfying certain other requirements, Enterprise-A can also include Enterprise-B in the scope of consolidation.

(2) Responding to the overseas shift of production

The increasing overseas shift (the so-called “hollowing-out”) of domestic production (in particular, manufacturing) is having a great impact on employment mainly in manufacturing. However, there is no data available to specifically measure the extent of this overseas shift. It is impossible to understand the situation just by using the data on the supply-demand conditions for domestic products. It is also difficult to gain an understanding the state of the hollowing-out by the export-import data alone. Furthermore, a certain limit is placed on analyzing the effect of hollowing-out on employment.

(3) Responding to outsourcing of facilities, personnel and production processes

A movement to outsourcing (entrusting business to external parties) is under way in various fields of business. For an exact understanding of these production activities, one must have a clear insight into the input of labor and facilities on a user basis. At present, most statistics available have been prepared on a proprietor basis. Statistics prepared on a user basis include the Employment Status Survey, Census of Manufactures, Census of Commerce, Survey of Selected Service Industries, etc, concerning dispatched workers, and Census of Manufactures concerning facilities. However, there are still areas that need to be developed.

<Basic direction>

(1) Responding to increasing importance of corporate group information

In order to gain an accurate picture of the corporate group, we should develop information of rosters covering corporate groups and use them to a full extent. The feasibility of surveys concerning corporate groups based on the effective control standards shall be studied and discussed.

(2) Responding to overseas shift of production

The problem arising from the economic phenomenon known as “hollowing-out” involves the shift overseas of domestic production capacity (resulting in a reduction in the domestic production capacity), and a concurrent reduction in employment (resulting in the occurrence of higher unemployment). Statistics that will help to clarify the situation accurately shall be developed.

(3) Responding to the outsourcing of facilities, personnel and production processes

With regard to facilities, personnel and production processes, the development of statistics on a user basis, in addition to those on a proprietor basis, shall be promoted.

<Concrete measures>

(1) Responding to the increase of importance of corporate group information

With regard to the corporate group, the MPHPT shall, during fiscal 2003, develop information of name list, and the Cabinet Office and ministries concerned shall endeavor to fully exploit the corporate group information for use in statistical surveys, as necessary.

In the course of development of statistical surveys concerning the diversification of corporate activities, the Cabinet Office and ministries concerned shall strengthen their understanding of the corporate group.

In addition, with regard to the corporate group, based on the effective control standards, the Cabinet Office and ministries concerned shall, by fiscal 2005, study and discuss the strengthening of information on the current state of enterprises that have been implementing the consolidated accounting of group earnings results, as well as the feasibility of relevant surveys. In doing so, with regard to overseas subsidiaries, the utilization of the Basic Survey on Japanese Business Structure and Activities (METI) and the Basic Survey on Overseas Business Activities Companies shall be taken into consideration.

(2) Responding to the overseas shift of production

With regard to measuring the overseas shift of production and the accompanying effects on employment, it is necessary to analyze the issue in relation to production activities of overseas subsidiaries and to changes in domestic production activities (downsizing) as well as changes in employment (reduction). For this reason, the Cabinet Office and ministries concerned shall, as soon as possible from fiscal 2003, examine the type of statistics to be

developed so as to be instrumental in assisting with these analyses.

(3) Responding to outsourcing of facilities, personnel, and production process

With regard to facilities, personnel and production processes, the Cabinet Office and ministries concerned shall, as necessary from fiscal 2003, and taking into account the attributes of existing statistics and by improving them, promote the development of statistics on a user basis in addition to those on a proprietor basis. Meanwhile, along with the development of the statistics on a user basis, the development of statistics on a proprietor basis shall be promoted as necessary.

4 Development of statistics on services

(1) Development of statistics on services in areas not covered yet

<Background and current situation>

With regard to the services field, there are relatively many types of annual or periodic statistics, but as far as specific items (for example, gross output, etc) are concerned, some provide adequate coverage while others need refining, depending on the type of industry. Additionally, in monthly or quarterly statistics, few items have been measured, except in the Current Survey of Selected Service Industries.

Specifically speaking, in connection with the improvement of GDP statistics, it should be noted that with regard to the services field (the tertiary industries), annual statistics are lacking in amount-based statistics in such areas as eating and drinking places, hotels, machine repair shops, etc. Furthermore, in the monthly supply-side statistics, there are some areas not covered, such as broadcasting, waste disposal businesses, real estate brokerage, and lessors.

Each local government holds data on public services (water and sewage, waste disposal, etc) for use in their own work, but when they are tabulated on the national basis, they are presented as an annual base and come out only at later date compared with other statistics.

Furthermore, with regard to statistics for services, survey items related to the activity level (in amount-based and quantity-based items) are lacking in uniformity, thus often creating difficulty when making inter-industrial comparisons.

Given the current situation characterized by the widespread emergence of service activities that has arisen out of business diversification, it is also important to measure economic activities in services on an activity basis (by type of activity).

Statistical surveys that are implemented at present from these standpoints include the Survey on Services Industries and the Survey of Selected Service Industries. These surveys measure the

percentage of sales from other businesses than those providing the main services aiming to measure the state of diversification. Under the Census of Commerce, similar surveys are implemented covering part of the services activities.

< Basic direction >

- (1) In order to help improve GDP statistics, the development of supply-side statistics for the services field (including public services field) shall be promoted.
- (2) With regard to the services field (including public services field), under the collaboration of the Cabinet Office and ministries concerned, survey maps, which serve as a bird's-eye-view of the state of statistical development by industry and item of survey shall be prepared and, after the clarification of the fields that are yet to be developed, the systematic development of statistics shall be promoted.
- (3) In line with business diversification, the measurement of services fields shall be promoted as necessary.

<Concrete measures>

- (1)
 - a) With regard to the services field and the aim of developing statistics systematically, and in order to help improve the GDP statistics, the Cabinet Office and ministries concerned shall endeavor, as necessary from fiscal 2003, to develop and strengthen the supply-side statistics focusing on the Survey of Selected Service Industries, and the Current Survey of Selected Service Industries.
 - b) With regard to public services (water and sewage, waste disposal, etc), in order to help improve the GDP statistics, the Cabinet Office and ministries concerned shall, as necessary from fiscal 2003, make an effort to release annual statistics earlier, and shall study the further development of statistics taking into account the state of progress in computer processing of their work.
- (2) With regard to basic statistical surveys on each service field, in order to grasp the activity level of the service field concerned, and to make inter-industrial comparison possible, the Cabinet Office and ministries concerned shall, as necessary from fiscal 2003, look into setting up common survey items (number of employees, sales and revenues, etc.), taking into account the actual state of each industrial field.
- (3) With the cooperation of the Cabinet Office and ministries concerned, the MPHPT (Statistical Standards Department) shall, at the earliest date in fiscal 2003, prepare statistical maps concerning the services field (including public services field). Based on these, the statistical maps shall continuously be expanded for the coverage of all industrial fields.

With regard to the statistical fields that are still found to be underdeveloped by the statistical maps, the Cabinet Office and ministries shall, aiming to develop statistics systematically, study measures for strengthening statistics that respond to needs.

- (4) Responding to the expansion of economic activities in the services field in line with business diversification, each of the Cabinet Office and ministries shall, as necessary from fiscal 2003, strengthen their understanding of the services field. This involves understanding the state of sideline businesses in the services industries, through the basic statistical surveys of these industries under the jurisdiction of each of the Cabinet Office and ministries.

In this connection, the MPHPT shall, as an issue for the future, carry out a study on adding the information on the sideline businesses to the Establishments and Enterprises Database.

(2) Development of statistics on non-profit activities

<Background and current situation>

The activities of private non-profit organizations (NPOs) and of volunteer groups (hereafter “NPOs, etc.”) will have an increased importance in the economic activities in the future, and the development of statistics on these groups will become necessary.

In particular, with regard to public needs, considering the likelihood, in a situation where there is a shortage of government funding, that the weight of providing services might shift from the public sector as in the past to the NPOs etc, ascertaining the actual state of private non-profit activities will become increasingly important.

At present, the Cabinet Office maintains information on private non-profit activities on an annual basis through the Survey on the Private Non-Profit Institutions.

However, because this survey relies on the rosters of the Establishments and Enterprises Census to obtain population information, such bodies that have no establishment are not covered by this survey.

Meanwhile, there is an operation report available concerning selected corporations’ non-profit activities, which is based on the Law to Promote Specified Non-profit Activities (The 1998 Law No.7, and NPO Law). Local governments keep a substantial amount of information on NPOs etc.

<Basic direction and concrete measures>

With regard to the name list of the Establishments and Enterprises Census, which includes information of population for the “Survey on the Private Non-profit Institutions,” in order to develop and strengthen statistics on private non-profit activities of NPOs, etc, the MPHPT shall, from fiscal 2003, develop information of population on private non-profit bodies such as NPOs, etc, by utilizing administrative information concerning the NPO, etc.

With regard to private non-profit institutions, grasping of which is considered difficult in spite of the above-mentioned efforts, investigations and studies shall be pursued under the survey of the actual conditions of establishments, such as SOHO (Small Office Home Office, known as a

household of home-based worker), which are difficult to find by merely surveying external appearance of the establishment. (Cf. Part 3-1 “Response to changes in environment for statistical surveys”.)

5 Development of IT related statistics

<Background and current situation>

In order to respond to the industrial and social changes caused by information technology (IT) brought about by the global IT revolution, Japan established in 2000 the “IT Strategic Headquarters” under the Cabinet, and the “IT Strategic Meeting” which was a combination of government and public representatives. In addition, the “Basic Law on Formation of an Advanced Information and Telecommunications Network Society” (The 2000 Law No.144, hereafter referred to “IT Basic Law”) was established. In 2001, “e-Japan Strategy” and the “e-Japan Priority Policy Program” were formulated as the national IT strategy and as the nation’s basic IT plan, respectively. Both are manifesting policies for the government to implement promptly and intensively for the formation of an advanced information and telecommunications network society. Hence, the promotion of a transformation with the aim of becoming the world’s most advanced IT society, including e-government and e-local-government, has become an issue of urgency.

Furthermore, in 2002, the “e-Japan Priority Policy Program – 2002” was formulated, and a specialized review committee was established to study what the IT strategies should be in the future. At present, the discussions on the e-Japan Strategy II are under way, with the basic philosophy of “aiming at building a society of ‘vigor, security, impression, and convenience’”. The e-Japan Strategy II basically aims, as the first phase of the IT revolution, for positive change in social and economic systems by making the most of the IT infrastructure, while evaluating the results from the steady development of the foundation for a nationwide information and telecommunication network to be built through the implementation of the current e-Japan Strategy.

Under these circumstances, aiming at the steady implementation of the e-Japan Priority Policy Program, and continuous monitoring of its progress and achievements, the IT Basic Law states in Article 14 that “the government shall compile statistics on the society of advanced information and telecommunication network, prepare other data that are instrumental to the formation of the society of advanced information and telecommunication network, and release them to the public from time to time using the Internet or other appropriate methods”. In the government statistical services, there is a strong need to accurately respond to the systematic development of these IT-related statistics, and to develop such statistics that will serve as indicators for the measurement and evaluation of the state of progress in the development of IT. Reflecting this, there has been progress on the development of statistics that cover the IT providers and statistics that are related to the

status of progress in the development of an IT infrastructure.

However, it has been pointed out that there are some fields in which necessary basic data are lacking: data for an in-depth grasp of the actual state of IT-oriented development and IT-based electronic commerce (including cross-border trading), and data on the analysis of the effects of IT-oriented development on the national life, society and economy.

Amid the rapid growth of IT in national life, society and the economy, in the international theater the Organization for Economic Co-operation and Development (OECD) has produced definitions and classifications in the Information and Communication Technology (ICT) sector based on the International Standard Industrial Classification of all Economic Activities (ISIC). Work on the definition and classification of ICT products and services is also under way at present. In our country, in order to accurately understand the effect of IT-oriented development, it is also necessary to clarify the scope of the IT field, and accordingly, with regard to IT-related statistics, definitions of “IT related industries” that are common to the Cabinet Office and ministries are required.

<Basic direction>

- (1) In order to develop the basic data needed for understanding the actual state of IT-oriented development and for the analysis of its effect, the Cabinet Office and ministries concerned shall implement new statistical surveys and investigate the revision of existing statistical surveys.
- (2) Defining and classifying of “IT-related industries” that are well coordinated among the Cabinet Office and ministries shall be discussed.

<Concrete measures>

- (1) With regard to statistical areas and statistical data related to IT that are not yet developed, development shall be sought, as required, from fiscal 2003, including:
 - a) Basic data used for the SNA estimation
With regard to the methods of investment and depreciation of software (especially regarding in-house and general-purpose software), The Cabinet Office and ministries shall implement new basic surveys, and also study the development and strengthening of existing statistical surveys, taking account of adjustments with existing statistical surveys, and the feasibility of conduction of the surveys. (Ref. 2-1 “Development of basic statistics for GDP estimation”)
 - b) Basic data on the analysis of the effects of IT-oriented developments on the economy
In the areas described below, the Cabinet Office and ministries shall, on clarifying the shared role of the various statistical surveys, develop and strengthen existing statistical surveys, implement new surveys as necessary, and endeavor to ascertain the actual state of these areas:

- the actual state of services associated with the Internet, and services for creating and providing contents
 - data for measuring capital services and the input of labor on a user basis (lease, dispatching workers, outsourcing, etc.)
 - the actual state of changes in human capital and corporate organizations
- c) Statistics concerning security measures

In the area, in particular, of individuals and households using IT, the MPHPT shall develop and strengthen statistics in respect of security measures under the existing statistical surveys.

- d) Statistics concerning the use and dissemination of the IT in the public service areas such as medical services, welfare, education, culture, and transport

The Cabinet Office and ministries shall take positive steps to study this subject.

- (2) With regard to the definition and classification of “IT-related industries”, a ‘meeting for deliberation’ between the Cabinet Office and ministries concerned shall be set up in fiscal 2003 to facilitate a prompt start of the study.

The issue of how to handle the matter of the definition and classification of “IT-related products” shall also be dealt with at the same meeting.

6 Development of the statistics on intellectual property

<Background and current situation>

To strengthen the industrial competitiveness of our country, it is necessary to reinforce the policy on intellectual property rights. Consequently in the “Intellectual Property Policy Outline” (Strategic Council on Intellectual Property – July 2002), it has recently been noted that, in order to develop policies that respond promptly and accurately to users’ diverse intellectual property-related activities, statistical surveys related to intellectual property, which are the basis of the planning and designing of policies on intellectual property, shall be developed during fiscal 2002.

As a result, the Ministry of Economy, Trade and Industry (METI) has been implementing the Survey on Intellectual Property-Related Activities since 2002 as a full-dress statistical survey on intellectual property. In the Basic Survey on Japanese Business Structure and Activities (METI), “the state of owning and trading technology” has also been surveyed.

As mentioned in the 2(1) “Development of basic statistics for GDP estimation”, there are two types of software, namely those purchasable in the market (order-made software and general-purpose software) and those developed in-house (in-house type software). In the United Nation’s 93 SNA recommendation, they are handled as intangible fixed assets, but under the existing statistical surveys, a comprehensive estimation is impossible for both general-purpose software and

in-house-type software.

Similarly, royalties should be included in services, but they are not estimated in Japan's SNA. Furthermore, intangible assets such as amusement and hobbies, literature and artwork should be included in the formation of fixed assets, but they are not estimated in Japan's SNA. This is because there are no basic statistics available, or the collection of data is extremely difficult. Therefore, these estimation have not been introduced into the Japanese SNA.

<Basic direction>

The development and strengthening of statistics related to the intellectual property shall be sought focusing on the implementation and strengthening of the survey on intellectual property activities.

<Concrete measures>

- (1) With regard to "Survey on Intellectual Property-Related Activities", the METI shall seek to strengthen the survey, as necessary, depending on the results of the survey carried out in fiscal 2002.
- (2) With regard to the SNA, an effort should be made to approximate it to the U.N. 93 SNA recommendations. To help improve the SNA, the Cabinet Office shall, from fiscal 2003, take following steps regarding intellectual property.
 - a) With regard to in-house-type software, in collaboration among the Cabinet Office and ministries as necessary, and from fiscal 2003, grasping the state of acquisition of in-house-type software assets shall be sought through the development of IT-related statistical surveys.

The study into the state of acquisition of general-purpose software assets shall be continued together with a study on the possibility of grasping it.
 - b) With regard to royalties, the utilization of the results of the Survey on Intellectual Property-Related Activities shall be discussed.
 - c) With regard to how to evaluate acquisition amount of intangible assets such as amusement, literature or artwork, research and study shall be conducted including the state of handling these matters in other countries.

7 Development of the statistics on employment

<Background and current situation>

Our country is facing an employment situation of unprecedented severity. The worsening unemployment rate is attributable in some part to the deterioration of the economic situation and an expanding mismatch of employment opportunities (incongruence between job offers and job seekers). Characteristics of recent unemployment include a substantial rise in the unemployment

rate for males; the unemployment rate for young people is high; local differentials are large, and the duration of unemployment is growing longer.

Furthermore, the labor market has the following medium- and long-term characteristics, and associated structural issues:

- (1) A decrease in and aging of the labor force due to a declining birthrate and aging population.
- (2) The advancement of globalization and industrial hollowing-out due to enterprises shifting overseas.
- (3) A shifting of workers' status from regular employees to part-timers or the like due to rising labor costs, changing of lifestyles, and/or a change in mindset on the part of workers (diversification of employment and type of work).
- (4) Job mobility accompanying the advancement of the industrial structure (towards a service-oriented economy).
- (5) A sharp increase in so-called "freeters" (job-hopping part-time workers) and unstable workers.

In these circumstances, the statistical data concerning the basic structure of employment and labor force status have generally been developed to a certain extent; namely, data of the working and non-working population has been measured by the Employment Status Survey, while the employee wage structure has been measured by the Basic Survey on Wages Structure.

However, accurate responses to these issues require a more accurate grasp of the actual state of employment in light of the following issues: (i) The actual state of the diversified forms of employment and labor force status (as seen in the increased numbers of part-time workers and "freeters") has not been ascertained in a timely and accurate fashion, (ii) Data for understanding career changes are insufficient, and (iii) With regard to grasping actual state of job-seeking and job-offering, while the state of job-seeking is grasped fairly well, the state of job-offering is not well grasped.

<Basic direction>

- (1) In order to respond to the various forms of employment and labor force status, timely and accurate measurement of their status shall be sought.
- (2) In order to respond to the mobility of labor, the development of data shall be sought for an accurate understanding of the actual state of industries, labor force status, and workers' career changes.
- (3) In order to respond to the structural imbalance between the demand and supply of labor (mismatch in employment), the actual state of the demand side such as job offers needs to be better understood.

<Concrete measures>

- (1) For the timely and accurate measurement of the diversifying forms of employment and labor force status, the Cabinet Office and ministries concerned shall, from fiscal 2003, investigate the method best suited to gaining an understanding of the situation, including the implementation of statistical surveys. To reflect the survey results in specific statistical surveys, the place of meeting for representatives from the Cabinet Office and ministries concerned shall be set up as necessary to review the consistency of the employees' mindset.
- (2) The Ministry of Health, Labor and Welfare shall continue to collect career data through vertical surveys, for the purpose of analyzing the actual state of changes in workers' careers, which are subject to high mobility.
- (3) With regard to the state of job offers and securing human resources on the job-offering side, the Cabinet Office and ministries concerned, shall, from fiscal 2003 and in collaboration among the parties, implement surveys to clarify the actual state of job offers.

8 Development of environment statistics

<Background and current situation>

The environment statistics of our country started with the measurement of the state of environmental pollution in the middle of the period between 1955 and 1965. By the Showa 60s (1985-1995), environmental problems had become global in scale, with issues like global warming requiring complex and multifarious analyses. "Environment statistics", as they are known, are composed mostly of statistics that have been processed from environment observation data and the results of other statistical surveys. Thus, the collection of statistical surveys based on the Statistics Law, which directly targets the measurement of environmental data, and statistical reports based on the Statistical Reports Coordination Law are only a part of the overall environment statistics.

At present, with regard to the emission of contaminants related to the air, water quality, and soil the environmental observation data have been collected. With regard to the quantity of chemical substance emissions, the "Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management" (The 1999 Law No.86. Law Promoting Measurement and Management of the Emission of Chemical Substance) was enacted in 1999, by which the framework and rules were established to promote the improvement and tightening of the management of chemical substances handled by operators of selected chemicals. As a result, the operators have been obliged since 2002 to measure annual quantity of emission and removal, and to file a notification every year. The results are compiled and released accordingly.

Furthermore, in 2000, the "Basic Law for Establishing the Recycling-based Society" (The 2000

Law No.110) was enacted. This provided the framework for the formation of a “recycling-based society” with the lowest possible environmental impact by moving away from economic-orientated society characterized by “large-volume production, large-volume consumption, and large-volume disposal”, and by encouraging the efficient use of materials in all stages of the product life cycle, from production and distribution to consumption and disposal, together with the promotion of recycling (recycling resources), thereby controlling the consumption of resources. In this regard, with the enactment of following laws that cover major areas of the economy, recycling systems are being implemented.

- Waste Management and Public Cleansing Law (The 1970 Law No.137. Waste Management Law)
- Law for Promotion of Effective Utilization of Resources (The 1991 Law No.48. Law for Promotion of Effective Utilization of Resources)
- Law for Promotion of Sorted Collection and Recycling of Containers and Packaging (The 1995 Law No.112. Container and Packaging Recycling Law)
- Law for Recycling Specified Kinds of Home Appliances (The 1998 Law No. 97. Electric Household Appliances Recycling Law)
- Law for Promotion for Procurement of Recycled Products by the National Government on Its Own Initiative (The 2000 Law No.100. Green Purchasing Law)
- Law for Recycling, etc. of Materials of Construction Work (The 2000 Law No.104. Construction Material Recycling Law)
- Law Concerning Promotion of Reuse of Food Recyclable Resources, etc. (The 2000 Law No.116. Food Recycling Law)
- Law on Recycling of Abandoned Vehicles (The 2002 Law No.87. Law on Recycling of End-of-Life Vehicles)

However, the development of data that will facilitate the evaluation of recycling is needed in the future.

With regard to greenhouse gases, international agreements have been created such as the United Nations Framework Convention on Climate Change in 1992, the Kyoto Protocol in 1997, and Acceptance of the Kyoto Protocol in June 2002. Consequently, there is a need to develop environment statistics that can be used for international reports on emission levels and emission reductions, etc. for greenhouse gases in Japan. However, with regard to emissions of the greenhouse gas CO₂, although the development of statistics covering the industrial sector, which account for approximately half of the total emissions, has been implemented, the non-commercial

sector, which accounts for about 16% (establishments/offices such as ordinary offices, hotels, schools hospitals and so on) has not been well covered.

Given the demand placed on enterprises to respond positively to the goal of a sustainable society, and the aim of building a recycling-based society, there is an increased need to measure the status of environmental protection activities within the economy. This new way of thinking and the activities associated with it, such as environment accounting and environmentally aware business practices, are beginning to emerge. The Cabinet Office and the Ministry of Environment are studying the “natural resource account” as an SNA satellite account in line with the idea proposed in the United Nations “Handbook on Natural Resource Account (provisional)”. In order to evaluate environmental protection activities within the context of economic activities, there is a need to develop statistics that will serve as evaluative indicators.

<Basic direction>

- (1) A method shall be worked out by which to feed back details on the use of statistics from statistics-user ministries to statistics-compiling ministries.
- (2) For statistics related to greenhouse gases, the development and substantiating of basic information for measuring the environmental load arising from non-commercial sectors shall be pursued.
- (3) The development and expansion of the use of statistics on work for preparing law-based reports shall be pursued.
- (4) To seek to substantiate survey items that are instrumental in the evaluation of efforts to address issues related to the creation of a recycling-type society, including items used in statistics on production, such as the percentage of recycled resources, and the percentage of recycled goods.
- (5) From the viewpoint of collecting information on environmental protection activities taking place within the economy, measures for ascertaining the level of environmental investment, etc, shall be studied.

<Concrete measures>

- (1) With regard to survey items used for compiling secondary statistics, the Ministry of Environment shall, as early as possible in fiscal 2003, submit these items to the Cabinet Office and ministries that are implementing the statistical surveys, and continue to do so at regular intervals.
- (2) Developing and substantiating basic information to ascertain the level of environmental load arising from the activities of non-commercial sectors, such as the statistics related to greenhouse gas emissions, shall be implemented as follows:
 - a) The METI shall study, on tabulation and release, by fiscal 2004, of information from the

work reports ordered under the “Law Concerning the Rational Use of Energy” (The 1979 Law No.49. Energy Conservation Law).

- b) In reviewing the Statistical Survey on Motor Vehicle Transport and others from fiscal 2003, the Ministry of Land, Infrastructure and Transport shall pay due attention to the role of these surveys as environment statistics which capture energy consumed by motor vehicles.

Meanwhile, the Ministry of Agriculture, Forestry and Fisheries shall continue to study the amount of greenhouse gases absorbed by forests. The study should include the need for this to be included as part of the statistical surveys.

- (3) With regard to stepping up matters related to both the creation of a recycling-based society and recycling itself, such as the percentage of recycled resources and the percentage of recycled goods, the Cabinet Office and ministries concerned shall, from fiscal 2003, seek to identify the recycling-related items in the course of the improvement of existing surveys. The matter of survey frequency, ie monthly or quarterly, shall also be reviewed.
- (4) With regard to statistics on environmental investment, etc, the Cabinet Office and ministries concerned shall study and discuss the need for these statistics, the scope of environmental protection and other necessary matters, and from fiscal 2003, will discuss the incorporation of the necessary matters into the relevant surveys.

9 Development of gender statistics

<Background and current situation>

From the perspective of contributing to the planning, design, implementation and evaluation of various measures for promoting the formation of the society that has gender-equal participation, there is a growing need, in all fields internationally and domestically, for the development of statistics (known as “gender statistics”) to ascertain not only the current situation and factors regarding sexual differences and discrimination, but also the effects the current situation may generate.

In the international scene, the Fourth Women’s World Conference in 1995 adopted an action program, incorporating provisions related to gender statistics, which involved the development and dissemination of statistics with a breakdown by sex, and the creation of relevant systems. International institutions and advanced countries are making a positive efforts to address the issue of taking gender stand point into statistical surveys.

In Japan, the “Basic Plan for Gender Equality” (The Cabinet Decision in December 2000), which is a concrete implementation plan under the “Basic Law for a Gender-Equal Society” (The 1999 Law No.78), is advocating, as one of its priorities, “collecting, developing and providing information

pertaining to gender-equal participation” as the basis for “reviewing social systems and practice, and changing thinking from the standpoint of the gender equality”. The basic measures set forth are: (1) that the ideal standing of statistical information that enable us to objectively understand the position of women should be discussed, and the collection, development and provision of statistical information that is instrumental to the formation of a gender-equal society should be pursued, (2) that in providing statistical information, care should be taken that the general public can analyze the information and use it for their studies, and (3) with regard to designing and publicizing statistical surveys, the surveys should be examined and reviewed from time to time, as necessary, from the viewpoint of gender equality.

The Meeting of Gender-Equality of the Cabinet Office, which is intended for monitoring the state of progress on policies described (above), has selected, as one of the priority monitoring items for fiscal 2002, the issue of “collecting, developing and providing information pertaining to the gender equality”. And now, the grievance and monitoring committee set up under the Meeting is engaged in assessing what has been monitored.

However, the current statistical surveys highlight the following issues.

- a) Current statistical surveys covering individuals and households make a sex distinction, while in some cases, those covering establishments and enterprises do not.
- b) Even if the sex distinction is made, (i) data are not publicized, (ii) data are not publicized in such a way that comparisons by sex can be made, and (iii) in some instances, cross data between sex and other analytically important variables such as age, labor force status, types of households, etc are lacking.

To sum up, these surveys are not well set up when viewed from the gender standpoint.

<Basic direction>

- (1) Gaining an understanding of employees and other persons, broken down by sex shall be pursued as much as possible in the statistical surveys covering establishments and enterprises, while also taking into account the objectives of these surveys.
- (2) In publicizing the survey results, while data will, as a rule, be published with a breakdown by sex, the method of publication shall focus on the ease of use of data.

<Concrete measures>

- (1) In the statistical surveys covering establishments and enterprises, each of the Cabinet Office and ministries shall, from fiscal 2003, while considering the objectives of such surveys, seek to produce data on employees and other persons with a breakdown by sex as much as possible by various means including data linkage with other statistical surveys such as the Establishments and Enterprises Census.

Collecting data where a sex distinction is made could produce problems in gaining

cooperation for surveys. Therefore, full attention should be paid to the matters of respondent burden and privacy.

- (2) In publicizing the results of statistical surveys, the Cabinet Office and ministries shall seek, from fiscal 2003, to publicize data by sex as a standard procedure, and at the same time, in consideration of ease of data use, shall seek as much as possible to use a publication method that will make sex-based comparisons possible. Furthermore, considering as much as possible the results of deliberations at the grievance and monitoring committee and other statistical needs, the Cabinet Office and ministries shall seek to use various publication types, which will involve, for instance, an improvement of cross-tabulation between the attributes pertaining to employment such as labor force status, status in employment, types of employment and working conditions, and the attributes pertaining to family such as household type, marital status, the conditions of house work, childcare and nursing.

In sample surveys and, in particular, small-scale sample surveys, attention should be paid to the potential problems arising from publicizing results, both related to confidentiality and the accuracy of results.

10 Development of statistics on national life

(1) Statistics on the activities of households and individuals

<Background and current situation>

With the declining birthrate and aging society, together with the decline in the labor force, and an increased burden for future generations related to pensions, medical care and welfare, the Japanese society and economy as a whole are expected to undergo substantial changes. Amid such circumstances, public demand both for public and private services is on the increase. Reflecting this, the development of statistics is under way to measure the progress of various policies, including the supply system of medical care and nursing services. On the other hand, regarding the present-day situation of the function of the family (household), such as support within the family (household), which is in mutually complementary relation with the above, the MPHPT conducts the Survey of Time Use and Leisure Activities, measuring the actual state of national life from the angle of time use. Some revisions have been made to this survey to provide more in-depth measurement and analysis; an example of which focuses on nursing and care giving for someone in the family. Thus, development is under way in this respect. However, due to the diversification of the structure of households in recent years due to the changes in family structure, in types of dwelling, and in lifestyle, current statistics as a whole covering households and individuals have not necessarily covered the whole picture accurately.

At present, in relation to newborn babies, and men and women aged 20 to 34, the Ministry of

Health, Labor and Welfare is conducting the Longitudinal Survey of the Babies in 21st Century and the Longitudinal Survey of the Adults in 21st Century, with the aim of working out more effective measures for dealing with the issue of the declining birthrate. The idea is that a follow-up survey (vertical survey) of the same person (respondent) will serve to reflect changes in the individual's thoughts and actions as well as the correlation between certain events related to the subject (respondent). The resulting measures and analysis from this survey will complement the existing survey (cross-cutting survey). With regard to the middle-aged and older persons, in particular, while anxiety about their physical strength and health is on the increase, they also face changes in jobs, retirement and the like, and their burden is also increasing in terms of child raising or nursing; all in all they play an important role in many aspects of society. Hence, regarding the enhancement of various policies such as measures for employment, welfare and the like for middle-aged or older persons, it is necessary to understand changes in their actions and the correlation between their activities, attitudes or the like for more detailed analysis on top of the results of existing surveys. For doing this, the development and strengthening of data are vital necessities.

<Basic orientation>

- (1) Measures for accurately gaining an understanding of the actual situation regarding the roles (functions) within families (households) shall be considered.
- (2) Introduction of new survey techniques to better understand the actual state of life of persons in middle or advanced ages shall be considered.

<Concrete measures>

- (1) In order to accurately gain an understanding of the current situation with regard to the diversification of household structures, and to clarify the roles (functions) within families (households), the Cabinet Office and ministries concerned shall, from fiscal 2003, review the necessary survey variables for the purposes of relevant statistical surveys covering households and individuals.
- (2) Taking into consideration the implementation of existing vertical surveys, the Ministry of Health, Labor and Welfare shall, from fiscal 2004, investigate the implementation of vertical surveys focused on middle-aged and older persons.

(2) Statistics concerning lifelong learning activities and the development of individual skills

<Background and current situation>

Reflecting diverse demands emerging recent years, there has been a need to adjust to rapid social changes arising from internationalization and an information-oriented society. With the progressive aging of society, people are showing an increased desire for self-education, and the development of new vocational skills. Furthermore, in the pursuit of a life that is affluent, substantial and worth

living, it is increasingly important to continue the lifelong acquisition of new knowledge and skills, on top of a school education. At present, statistical surveys that can provide useful information on the actual state of lifelong learning activities and of the acquisition of individual skills include the School Basic Survey, Social Education Survey, and Survey on Services Industries. The first survey, based on the School Education Law (The 1947 Law No.26), covers the actual state of school education activities, etc at school. The second survey aims to ascertain the actual state of social education and lifelong learning activities taking place at social education/lifelong learning facilities such as public halls, social athletic facilities and cultural halls. The third survey aims to provide information on the current activities taking place at supplementary tutorial schools. However, in gaining an understanding of the actual state of lifelong learning activities and individual skill acquisition activities, as well as in promoting the infrastructure for these activities, there remain areas that need to be clarified and developed with respect to how private proprietors and bodies are addressing the issues, and of the situation with regard to vocational training.

<Basic direction>

From the viewpoint of gaining an accurate understanding of current situation with regard to lifelong learning activities and individual skill acquisition activities, the development of statistics to plug present gaps in our knowledge shall be sought.

<Concrete measures>

The Cabinet Office and ministries concerned shall, from fiscal 2003, investigate measures for gaining an understanding of how private proprietors and bodies are currently addressing and participating in the lifelong learning activities, as well as how vocational training is being implemented, along with the relevance of lectures being taken.

11 Utilization of statistics for policy evaluation

<Background and current situation>

The “Government Policy Evaluations Act” (The 2001 Law No.86, hereafter called “Evaluation Law”) was enacted on April 1, 2002. Consequently, the administrative organs are obliged, regarding policies under their respective jurisdictions, to gain an understanding of policy effects in a reasonable timeframe. This understanding should come from the standpoint of necessity, efficiency or effectiveness, and other standpoints depending on the characteristics of the policies. These organs must be engaged in self-evaluation and reflect the results of this evaluation in the policies within a reasonable timeframe.

In order to ensure its objective and strict implementation, the policy evaluation must comply with the provision that “the policy effects shall be ascertained by means of quantitative evaluation as far

as possible using rational methods appropriate to the characteristics of the policy”. (The Evaluation Law, Paragraph 1, Sub-Section 2, Article 3).

With the enactment of this law, the utilization of statistical surveys shall be promoted by substantiating the contents of statistical surveys as the basis for policies, in order to make a contribution to policy evaluation.

<Basic orientation and concrete measures>

In order to help make an objective evaluation of policies, the utilization of statistics shall be promoted.

In doing so:

- (1) each of the Cabinet Office and ministries shall seek to inform and educate its staff about statistics, and to strengthen the statistical training of staff outside the statistical departments and agencies as well, and
- (2) each of the Cabinet Office and ministries shall keep in contact with policy-implementing units, promote the use of statistics for policy evaluation; as well as review statistical surveys as necessary.

12 Statistics concerning local economies: the way they should be

<Background and current situation>

As the result of a current trend that information, which had been managed by the lowest level establishments such as factories, stores and business offices, is being shifted to the centralized management at corporate headquarters. In addition, the number of respondents who are unable to respond to questionnaires sent to the lowest level establishments without referring to their head office is on the increase. There has been a partial introduction of a survey system in which responses are made entirely at the head office (headquarters-centralized survey system).

In the centralized survey system, questionnaires intended for each establishment are filled in collectively at the head office. The introduction of this system has been variable depending on each enterprise’s situation. In some cases, it is likely that survey items can only be answered based on the data of the enterprise as a whole, not on the data of an establishment unit only.

Meanwhile, in the course of local development, in order to understand the characteristics of local growth and to develop a sound local administration, it is necessary to produce statistics that reflect the situation of local industries. However, the classification items contained in the Japan Standard Industrial Classification are not necessarily applicable to the type of local industries, thereby making it somewhat difficult to gain an understanding of the real status of local industries.

<Basic direction and concrete measures>

- (1) If available data are limited to those of enterprises as a whole rather than those of establishment units, the introduction of the headquarters-centralized survey system should be handled carefully in order to prevent problems, which is likely to occur in local statistical tabulation.
- (2) When local governments conduct their own statistical tabulation for the purpose of developing information featuring a high level of local relevance for their local industries, the Cabinet Office and ministries shall support them in the process of reviewing and subdividing classification items so that national statistical surveys can be used to their benefit.

13 Methods of conducting large-scale periodic surveys and the coordination of the periods of these surveys

<Background and current situation>

Driven by the increased diversity of needs for statistical information in line with social and economic changes, the number of statistical surveys is on the increase. Under these circumstances, the overlap of large-scale statistical surveys gives rise to the concern that respondents' difficulty in extending cooperation and an increase in the workload of local governments may have a significant influence on the accuracy of statistics. Accordingly, the timing and frequency of major statistical censuses and surveys were adjusted in the "New Strategies for Government Statistical Services for the Coming Decade".

In fiscal 2004, the implementation of 5 large-scale periodic statistical surveys and the establishment of the Enumeration Districts of the Population Census are scheduled to take place. The five surveys include the Establishments and Enterprises Census (simplified survey), Survey on Service Industries, National Survey of Family Income and Expenditure, Census of Commerce (simplified survey), and Census of Agriculture and Forestry. In order to alleviate respondent burden and to implement efficient surveys, three surveys, namely, the Establishments and Enterprises Census (simplified survey), Census of Commerce (simplified survey) and Survey on Services Industries are scheduled to take place in a simultaneous and centralized way.

However, if we leave the timeframes of these surveys as they are now, large-scale periodic statistical surveys will coincide again in fiscal 2009.

Particularly, in cities, towns and villages, there are a few staff in charge of statistics (2 to 3 people for most of the work units) and what is worse, most of them have concurrent jobs such as general affairs or campaign-related work. With this being the case, in the year large-scale periodic statistical surveys coincide, these staff, doing other jobs at the same time, are forced to handle multiple statistical surveys simultaneously and in parallel, thus placing a tremendously heavy

burden on them. Although a great number of statistical enumerators are needed, difficulties in securing them are increasing every year.

Meanwhile, in other years, there are fewer large-scale periodic statistical surveys than in 2009, and the number (volume) of statistical surveys taking place between fiscal years differs. An even spread and simplification in relation to statistical workloads at a local government level are needed.

<Basic direction>

- (1) With regard to the large-scale statistical survey scheduled for fiscal 2009, which has a bearing on the Economic Census (provisional title), the integration and abolishment, and simplification and streamlining of surveys shall be sought, and adjustments to the time of implementation shall be considered, from the standpoint of alleviating respondent burden as well as the burden on local governments and statistical enumerators.
- (2) Also, with regard to other large-scale periodic statistical surveys, which are scheduled for 2009, simplification and streamlining thereof shall be sought, and adjustments in the time of implementation shall be considered.

<Concrete measures>

- (1) With regard to the large-scale statistical surveys scheduled for fiscal 2009, which has a bearing on the Economic Census (provisional title), the adjustment of the timing of implementation shall be investigated at a meeting for deliberation to be set up separately, taking into consideration the development of studies into the integration and abolishment and simplification and streamlining of surveys.
- (2) Also with regard to other large-scale periodic statistical surveys, and the establishment of the Enumeration Districts of the Population Census scheduled for fiscal 2009, simplification and streamlining thereof shall be sought, and the Cabinet Office and ministries concerned shall investigate the scale of the survey, and the survey methods with the aim of bringing about their objectives, and shall continue investigating adjustments to the timing of survey implementation.

14 Consolidation and streamlining of statistical surveys

<Background and current situation>

While each of the national statistical surveys has its own different objective, a great many surveys exist, including ordinary surveys and periodic surveys. On the other hand, due to the diversification of the public's sense of values, increasing consciousness of privacy issues, along with increased survey burdens on enterprises, it is getting more difficult to gain an understanding of households

and enterprises, thereby causing barriers to the smooth implementation of statistical surveys.

Under these circumstances, the “2002 Basic Policies for Economic and Fiscal Management and Structural Reform” states that from fiscal 2003, the MPHPT, the Cabinet Office and other ministries concerned shall cause statistics of little relevance to be abolished, whereas statistics on employment, the environment and new growth fields such as the new service industry and tourism are to be developed fundamentally.

<Basic direction>

In accordance with the above-mentioned Cabinet Decision, the revision of existing statistical surveys, abolishment of statistical surveys of little relevance, and simplification and streamlining of statistical surveys shall be promoted.

<Concrete measures>

- (1) Based on the guideline to be prepared by the MPHPT (Statistical Standards Department) after consultation with each of the Cabinet Office and ministries concerned, the Cabinet Office and each of the ministries shall, during the 3 to 5 years after fiscal 2003, make a systematic review of all statistical surveys under its jurisdiction, and report the results every year to the MPHPT (Statistical Standards Department).
- (2) With regard to the integration and abolishment, and simplification and streamlining of the large-scale statistical surveys, which have a bearing on the Economic Census (provisional title), these matters shall be concluded during fiscal 2005 at the meeting for deliberation to be set up separately.