

## PREFACE

This is the fifty-first edition of “Statistical Notes of Japan,” a series of which has been briefing statistical activities in Japan by highlighting recent topics of common interests among statisticians of all over the world.

The present edition includes the articles on the experience in the Revision of the JSIC, the Statistical Surveys on Establishments and Enterprises, the Reduction of Duplication of Statistical Survey Objects with the Statistical Frame of Establishments and Enterprises, and the Online Data Collection for Statistical Surveys in the Government. This edition also includes the paper on Postwar Reconstruction of Statistical System in Japan.

We will be pleased if this publication is of any help to the readers’ future activities and the promotion of international cooperation in statistical areas.

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## **I. Japanese Experience in the Revision of the Japan Standard Industrial Classification**

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### **1. Introduction**

The 11<sup>th</sup> revision of the Japan Standard Industrial Classification (JSIC) was published in March 2002, and came into effect in 1<sup>st</sup> October 2002. This revision is the first since the 10<sup>th</sup> revision in October 1993. This paper describes our experience in the 11<sup>th</sup> revision. I hope this document will be useful for upcoming work toward the ISIC Rev. 4. I am also pleased to inform you that the English version of the revision will be issued in due course. We will distribute it to the national statistical offices and international organs for their reference.

### **2. Why was the revision of JSIC needed?**

#### 1) Purpose of JSIC and its use

JSIC is one of the statistical standards used for the presentation by industrial group of statistics derived from statistical surveys (Population Census, Census of Manufactures, Census of Commerce, Survey on Service Industries etc.), and defines all kinds of economic activity relevant to the production or supply of goods and services performed by an establishment as part of the social division of work. JSIC was first available in 1949 and since then revisions have been made ten times in order to maintain the accuracy and objectivity of statistics, to improve mutual comparability and to meet the needs of users.

Although JSIC is designed for statistical purposes, it is also used for the various administrative, regulatory and taxation purposes. Therefore, as the requirements of government administrative organs and business circles concerned that use it for non-statistical purposes play important roles in its development, it is indispensable or essential to get their opinions and views in the revision process without being an obstacle to their administrative policies or activities. JSIC is used for the following non-statistical purposes.

Financing to the small and medium-sized enterprises is given to the enterprises assigned in the specific industrial groups in JSIC.

In the private sector, JSIC is used for management analysis by industries.

#### 2) Decision process in the revision of JSIC

As you might know, the statistical system in Japan is decentralized one and the establishment of statistical standards such as the standard industrial classification is conducted by the Statistical Standards Department of the Statistics Bureau as a part of statistical coordination functions.

The fact that JSIC is used for not only statistical purposes but also administrative ones affects various administrations in its revision process.

The following procedures coordinated by Statistical Standards Department are needed in the revision process. These are

- i) to receive comments and opinions for JSIC from the government organizations, prefectural governments, municipal governments, Bank of Japan, Federation of Economic Organizations and Chamber of Commerce, [June 1999]
- ii) to prepare the draft proposal by the working group(\*) consisted of government organs concerned, academics and researchers, and [Dec.1999-Jan.2001]
- iii) to deliberate the draft proposal in the Statistical Council(\*) [Feb.2001-Jan2002]

(\*) Statistics Council: an advisory body dedicated for deliberations upon the request of the Minister of MPHPT (Ministry of Public Management, Home Affairs, Posts and Telecommunications) on important matters on statistics. The council consists of less than 11 leading statistical experts appointed by the Minister. The Council has under it 7 working groups studying and deliberating of specific issues such as industrial classification.

The outline of the procedures in the 11<sup>th</sup> revision is shown in the attached flow-chart. (refer to Annex 1)

### 3) Background of the revision

Since the latest revision of JSIC (10<sup>th</sup> revision: October 1993), we have faced the rapid changes in the structure of industry, owing to highly-developed information and communication technology (ICT), diversification in the service industries, declining fertility and an aging population.

Especially, a fusion of telecommunications industries and information processing industries, rapid technological innovation and diversification in the service industries affect the statistical availability to grasp accurate data through using the existing classifications.

Namely, former division “L-Service” was a comprehensive division which comprises various industries in providing services not specifically provided for elsewhere in JSIC. Therefore, L-Services consisted of various industries such as information service, broadcasting, professional service, goods rental and leasing, hotels, medical and other health services, social insurance and social welfare, education etc. As a result, in 1995, 26.3 percent of the employment was in L-Services. The proportion of the amount of the turnover of L-Service was 18.8 percent according to our Input-Output tables 1995.

After reorganizing former L-Service and other divisions concerned, four new divisions –“H Information and Communications”, “M Eating and Drinking Places”, “N Health Care and Welfare” and “O Education and Learning Support”- are added to new JSIC. Please refer to the tables of Annex 2 which show the changing situation.

In consideration of this background, requirements for revision of JSIC were pointed out by many statistical experts in academic field and persons in administrative organs.

The basic points in the deliberation of the Statistics Council are as follows:

- i) Conformity to ongoing changes in the structure of industry owing to factors such as highly

- developed ICT and diversification in the service industries;
- ii) Establishing precise classifications and distinct concepts and definitions in order to improve statistical availability, taking into account statistical continuity; and
  - iii) Improving comparability with international industrial classifications such as the International Standard Industrial Classification of All Economic Activities (ISIC), General Industrial Classification of Economic Activities within European Communities (NACE) and North American Industry Classification System (NAICS).

### 3. Outline of the 11<sup>th</sup> revision of JSIC

#### 1) Major points of the revision

One of the major changes in this revision is the addition of new divisions to the present JSIC. The addition of new divisions is the first since the 4<sup>th</sup> revision in May 1957. As the result of the revision, the presentation by industrial groups of statistics derived from statistical surveys will be changed from the 14 divisions basis to the 19 divisions basis after October 2002. The major groups (2-digit), groups (3-digit) and industries (4-digit) have also been reorganized completely, adding new ones and removing some existing ones. (See table below.)

	Divisions	Major Groups	Groups	Industries
Number of existing items (A)	14	99	463	1,322
Number of revised items (B)	19	97	420	1,269
increase and decrease (B-A)	5	- 2	-43	-53
Number of newly-established Items	5	22	76	162
Number of abolished items	0	24	119	215

Annex 3 includes two correspondence tables between divisions of JSIC 1993 and JSIC 2002 and between ISIC and JSIC.

#### 2) Comparison of JSIC to the International Standard Industrial Classification (ISIC)

Recognizing the need for international comparability of classifications, we first adopted new divisions to correspond to ISIC sections –“H Hotels and Restaurants”, “M Education” and “N Health and Social Work”. As JSIC is, however, based on our traditional principles which led our administration and economy to establish JSIC, there are still some following differences between JSIC and ISIC.

- i) Take-out activities are included in “H Hotels and Restaurants” in ISIC. On the other hand, in JSIC this category of establishment which manufactures goods and sells them to individuals or household consumers is classified in retail trade. Because JSIC arranges systematically all economic activities conducted by establishments by differentiating kinds of goods produced or services rendered in the final stage.
- ii) Museums and art galleries, Zoological gardens and Botanical gardens are classified in “O Other

Community, Social and Personal Service Activities” in ISIC. They are classified in “O Education and Learning Support” in JSIC owing to our recognition that their activities are part of educational ones.

#### **4. Why was the new division “H Information and Communications” created?**

##### 1) Background of the creation

Two following major points play important roles in creation of new division on information and communication.

- i) Grasping the industrial structure on information and communication technology (ICT) is a critical issue for us to understand changing society. In order to consider the issue, Statistics Council had already asked us to explore new approaches to classifying economic activities owing to development of the ICT in 1993 when the 10th revision was published.
- ii) Information sector is designed as one of 20 sectors in NAICS. ISIC Rev 3.1 also includes Information section as a new alternative aggregation.

##### 2) Discussing points in the working group under the Statistics Council

Following items are considered and discussed in the working group meetings.

Until the 10<sup>th</sup> revision, main components of new division “Information and Communications” were classified in the existing divisions “H Transport and Communications” and “L Services”. In case where main economic activity of an establishment was telecommunications, its establishment was classified in the “H Transport and Communications”. On the contrary, in case where main economic activity of an establishment was data processing and information services, its establishment was classified in “L Services”

Recently, economic activities in both the telecommunications and the data processing and information services are fused within one industry. So, we understood it was appropriate for JSIC to create new one division “Information and Communications” integrating these two types of activities. Firstly, information industries, generally speaking, include establishments engaged in processing and producing information such as newspaper publishers, publishers except newspapers, motion picture and video production, computer programming and other software services. In addition, commercial and engineering design services, authors and artists, and scientific research institutes might be also included in the information industries as their activities aim at producing information. We think, however, above-mentioned principles would not be appropriate to distinguish information industries from other industries because the component of information industries is too wide to grasp them. To identify the ICT industries is our emerging issue and it is required to consider the economic activities both of telecommunications and information processing. In the Working Group on Industrial Classifications under the Statistics Council, focusing on the means to transmit information using telecommunications, we considered the extent of the industry that was producing and processing information. Following issues were discussed in the working group.

- i) how to treat the newspaper publishers and other publishers

The goods produced by the establishments classified under Newspaper publishing and other publishing are tangible materials printed in the paper. So, in the deliberation of the working

group, some experts pointed out they should be classified in manufacturing in the same way as the former classification. The new product of a manufacturing establishment may be purchased in the market in the sense that it is ready for utilization or consumption. However, the value of the newspaper and book lies in the information content, not in the paper in which it is distributed. It is the same to the function of the broadcasting. In revised classification, establishments printing newspapers and books are classified under information and communications. When the establishments do only printing and supplementary business without publishing, they are classified under division “F Manufacturing”.

ii) creation of internet based services

Establishments offering services incidental to internet emerged in the market recently. These services cover application service provider, server housing, operating web search portals, etc. which have both functions of communications and data processing and information services. In the revision, we added new major group to JSIC for them.

iii) future issues

Rapid growth in Information and Communications is expected in the future. It would be difficult to distinguish the video picture, sound information, character information production and distribution from activities relating to information produced by other industries. As for the components and contents involved in “Information and Communication”, we had better to consider in the future issues in the light of the changing circumstances such as the revisions of international classifications and our experience through conducting statistical surveys.

## **5. Structure of “H Information and Communications”**

### **1) Structure**

“H Information and Communications” comprises establishments engaged in processing information for communication, notifying information, processing and providing information, or offering services incidental to internet. It consists of 5 major groups, i.e., Communications, Broadcasting, Information services, Internet based services, Video picture, sound information, character information production and distribution, and 15 groups. (refer to Annex 4)

### **2) Differences from NAICS Information sector**

There are some differences between our “Information and Communications” and NAICS “Information sector”.

- i) According to the NAICS’s definition, the Information sector comprises establishments engaged in the following processes: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data. The arrangement of sub-sectors of NAICS Information starts from information and cultural products, while JSIC Information and Communications arranges its major groups starting from communications, or means to

transmit or distribute these products – thus, named “Information and Communications”.

- ii) Although NAICS Information sector covers “Motion Picture and Video Exhibition”, “Libraries and Archives”, in JSIC, the former is classified to “Q Services, nec.”, and the latter to “O Education and Learning Support”. JSIC definition does not cover establishments engaged in providing cultural products and services that normally have a limited audience because the definition focuses on mass distribution of information.
- iii) In NAICS, “Custom Computer Programming Services” is in “54 Professional, Scientific, and Technical Service”, and “Software Publishers” is in “51 Information”. We think it must be difficult to distinguish these two types of activities involved in software development in assignment of an establishment to an industry. Therefore, these activities are in the same division, major groups and groups, and are divided in industries or 4-digit’s groupings in JSIC.

3) Issues to be considered in upcoming discussion of ISIC Rev.4

- i) It is needed to grasp the situation whether new technologies like internet are popular to the public in the developing countries or not, and whether establishments involved in ICT are popular or not. We think it is better to create comprehensive groupings involved in the transmission and processing of the information.
- ii) There are various opinions or views in academics and researchers on the definition and range of “information” including contents. It would be difficult to converge these opinions and to determine one definition and range of information. It would be appropriate to aggregate related establishments engaged in economic activities involved in technology of telecommunication, broadcasting and information processing. Considering stability of classification and international comparability of statistics, it is appropriate to classify information sector by communication means such as telecommunication and electromagnetic media, focusing on data processing and information services by means which use telecommunications.
- iii) Although the activity of e-commerce is expanding in the area of distributive trade thanks to IT development, we object that the e-commerce is introduced as a new criterion of ISIC. Because, we think that it is a fundamental principle that the standard classification should be classified by “kinds of goods produced or services rendered” with which compensation is received in the trading activities in the market. Therefore, e-commerce is just a mean to sell goods. In contrast, in case where the compensation can be received for the mean of transmission such as telecommunications, it should not be classified as distributive trade but as telecommunications.

**6. How do we grasp data on “Information and Communications” in the implementation of JSIC?**

The industrial classification should be intended at being used for determining the scope of industries in which the objects of statistical surveys fall and for presenting survey results organized by

industrial grouping. Therefore, it should be essential to grasp available data in arranging classification groupings, and JSIC has never set new items for which data are not available in collection.

We have following issues on Information and Communications.

- It would be difficult to assign a classification item for an establishment not only because the value added is volatile in data processing and information services, communications, and internet based services but also because an establishment sometimes performs more than one activity on information.
- Considering the availability of data in collection for the statistics, we cannot arrange the Software services in the division for professional and technical services, but for “Information and Communications”. Although NAICS has already arranged it into “54 Professional, Scientific, and Technical Services”, we need much more time to consider the possibility to arrange it to such a division in the future.

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**To the readers;**

This paper was prepared as an invited paper of IAOS meeting held in August 2002 in London. It gives an overview of our development work in the field of statistical classification focusing on the various aspects of the information society and the international comparability. The views expressed herein are those of the author, and not necessarily those of the Statistical Standards Department or any other Japanese government organs.

As for the detailed explanation of the 11<sup>th</sup> revision of JSIC, the official English version which will be published in due course would be useful for many users in the world as a reference material to understand our classification system. It will be also posted on the Website of Statistics Bureau of Japan (<http://www.stat.go.jp>).

Lastly, the brief explanation of the General Rules of the JSIC is added to the paper for the reference of the users.

**General Rules of the JSIC (refer to annex 5)**

Big changes are not made on general rules of JSIC.

Definition of establishment is defined in Section 2, because JSIC is intended to classify establishments by its economic activity relevant to the production or supply of goods and services performed by the establishment.

Classification Criteria in Section 3 is the same as ISIC Rev3. Considering the Input-Process-Output, we think we do not need to add any more standards. Especially, the structure of divisions is based on the Criteria No.1 Types of goods or service provided. (refer to annex6)

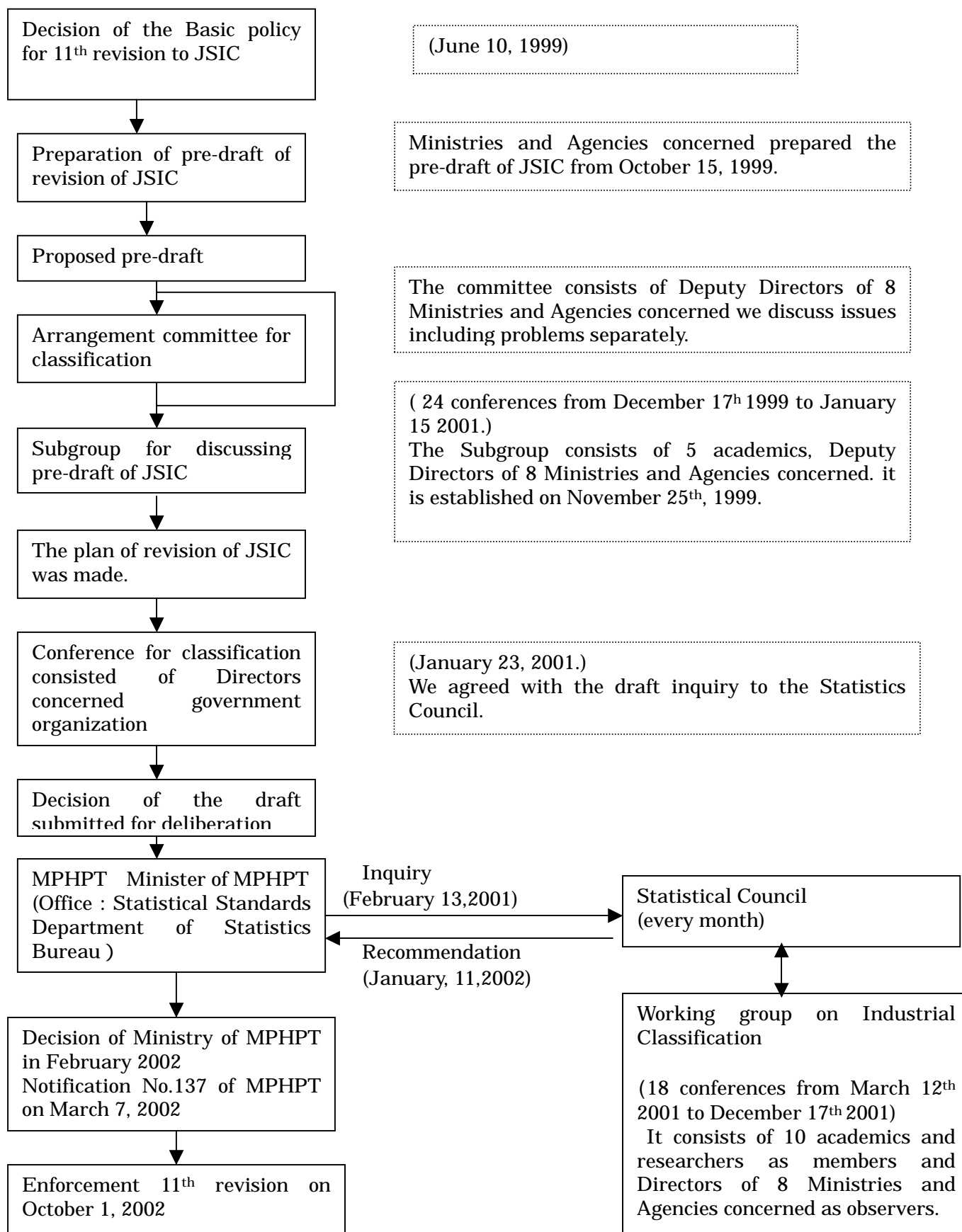
In Section 6, as a rule the industry to which an establishment belongs is determined by the economic



activity providing the largest amount of revenue or sales, but in cases where it is difficult or inappropriate to follow this rule, the number of employees or facilities may become a decisive factor. We use the top-down method to classify one establishment. It is suitable to explain the whole industrial structure. This method is also the same as ISIC.

As indicated above, we established the JSIC in line with the concept of ISIC, therefore, we hope to maintain the existing concept to keep time series of statistics.

### The decision process of JSIC, 11<sup>th</sup> revision



(by Establishment and Enterprise Census 1996)

10th Revision (1993)					11th Revision (2002)				
	Establishments	Ratio(%)	Persons engaged	Ratio(%)		Establishments	Ratio(%)	Persons engaged	Ratio(%)
Total	6,717,025	100.00%	62,781,253	100.00%	Total	6,717,025	100.00%	62,781,253	100.00%
A Agriculture	13,882	0.21%	155,208	0.25%	A Agriculture	13,882	0.21%	155,208	0.25%
B Forestry	3,836	0.06%	45,230	0.07%	B Forestry	3,836	0.06%	45,230	0.07%
C Fisheries	3,475	0.05%	59,078	0.09%	C Fisheries	3,475	0.05%	59,078	0.09%
D Mining	4,521	0.07%	64,323	0.10%	D Mining	4,521	0.07%	64,323	0.10%
E Construction	647,360	9.64%	5,774,520	9.20%	E Construction	647,360	9.64%	5,774,520	9.20%
F Manufacturing	771,906	11.49%	12,930,235	20.60%	F Manufacturing	763,546	11.37%	12,742,103	20.30%
G Electricity, Gas, Heat Supply and Water	10,168	0.15%	340,964	0.54%	G Electricity, Gas, Heat Supply and Water	10,168	0.15%	340,964	0.54%
H Transport and Communications	189,645	2.82%	3,895,704	6.21%	H Information and Communications	43,145	0.64%	1,221,510	1.95%
I Wholesale and Retail Trade, Eating and Drinking Places	2,831,334	42.15%	18,247,700	29.07%	I Transport	147,065	2.19%	3,152,797	5.02%
J Finance and Insurance	108,198	1.61%	1,975,745	3.15%	J Wholesale and Retail Trade	1,994,888	29.70%	14,132,562	22.51%
K Real Estate	292,358	4.35%	934,106	1.49%	K Finance and Insurance	108,198	1.61%	1,975,745	3.15%
					L Real Estate	331,225	4.93%	1,019,562	1.62%
					M Eating and Drinking Places, Accommodation	923,862	13.75%	5,026,901	8.01%
					N Health Care and Welfare	264,818	3.94%	3,790,620	6.04%
					O Education and Learning Support	227,124	3.38%	2,769,733	4.41%
					P Compound Services	55,338	0.82%	795,340	1.27%
L Services	1,794,763	26.72%	16,508,443	26.30%	Q Services, N.E.C.	1,128,995	16.81%	7,865,060	12.53%
M Government, N.E.C.	45,579	0.68%	1,849,997	2.95%	R Government, N.E.C.	45,579	0.68%	1,849,997	2.95%

Domestic Production by JSIC divisions  
(by 1995 Input-Output Tables)

	Domestic Production (gross inputs) (billion yen)	Distribution ratio (%)		Domestic Production (gross inputs) (billion yen)	Distribution ratio (%)
Total	937,101	100.0	Total	937,101	100.0
Agriculture	12,068	1.3	Agriculture	12,068	1.3
Forestry	1,452	0.2	Forestry	1,452	0.2
Fisheries	2,297	0.2	Fisheries	2,297	0.2
Mining	1,660	0.2	Mining	1,660	0.2
Construction	88,149	9.4	Construction	88,149	9.4
Manufacturing	312,521	33.3	Manufacturing	307,657	32.8
Electricity, Gas, Heat Supply and Water	23,369	2.5	Electricity, Gas, Heat Supply and Water	23,369	2.5
Communications	62,197	6.6	Information and Communications	27,192	2.9
Wholesale and Retail Trade, Eating and Drinking Places	125,217	13.4	Transport	50,114	5.3
Finance and Insurance	36,335	3.9	Wholesale and Retail Trade	102,322	10.9
Real Estate	64,185	6.8	Finance and Insurance	36,335	3.9
Services	175,916	18.8	Real Estate	64,185	6.8
			Eating and Drinking Places, Accommodation	29,900	3.2
Government, N.E.C.	26,217	2.8	Health care and Welfare	36,229	3.9
Establishments Not Adequately Described	5,518	0.6	Education and Learning Support	22,229	2.4
			Compound Services		
			Services, N.E.C.	100,208	10.7
			Government, N.E.C.	26,217	2.8
			Establishments Not Adequately Described	5,518	0.6

Domestic production trend by newly established divisions  
(Transaction Valued at Producers' Prices) by Input-Output Tables

	Information and Communications		Eating and Drinking Places, Accommodation		Medical, Health care and Welfare		Education and Learning Support	
	(Million yen)	Growth ratio	(Million yen)	Growth ratio	(Million yen)	Growth ratio	(Million yen)	Growth ratio
1995	27,191,650	171%	29,899,855	156%	36,229,387	167%	22,229,403	150%
1990	22,847,591	143%	24,002,959	125%	26,641,302	122%	18,952,649	128%
1985	15,943,341	100%	19,208,018	100%	21,751,445	100%	14,847,805	100%

## The JSIC (2002) Structure as compared to JSIC(1993)

JSIC ( 1993 )		items	JSIC ( 2002 )		items
Divisions	Letter	14	Divisions	Letter	19
Major Groups	2-digits	99	Major Groups	2-digits	97
Groups	3-digits	463	Group	3-digits	420
Industries	4-digits	1,324	Industries	4-digits	1,269

## Correspondence table between Divisions of JSIC(1993) and JSIC(2002)

[JSIC:1993]		[JSIC:2002]
A Agriculture	(1)	A Agriculture (1)
B Forestry	(1)	B Forestry (1)
C Fisheries	(2)	C Fisheries (2)
D Mining	(4)	D Mining (1)
E Construction	(3)	E Construction (3)
F Manufacturing	(23)	F Manufacturing (24)
G Electricity, Gas, Heat Supply and Water	(4)	G Electricity, Gas, Heat Supply and Water (4)
H Transport and Communications	(9)	H Information and Communications (5)
I Wholesale and Retail Trade, Eating and Drinking Places	(14)	I Transport (7)
J Finance and Insurance	(8)	J Wholesale and Retail Trade (12)
K Real Estate	(2)	K Finance and Insurance (7)
L Services	(25)	L Real Estate (2)
M Government, N.E.C.	(2)	M Eating and Drinking Places, Accommodation (3)
N Establishments Not Adequately Described	(1)	N Health care and Welfare (3)
		O Education and Learning Support (2)
		P Compound Services (2)
		Q Services, N.E.C. (15)
		R Government, N.E.C. (2)
		S Establishments Not Adequately Described (1)

The ISIC Structure as compared to JSIC (2002)

ISIC		items	JSIC		items
Sections	Letter	17	Divisions	Letter	19
Divisions	2-digits	60	Major Groups	2-digits	97
Group	3-digits	159	Groups	3-digits	420
Class	4-digits	292	Industries	4-digits	1,269

Correspondence table between Section of ISIC and Division of JSIC(2002)

[ISIC]		[JSIC : 2002]	
A	Agriculture, Hunting and Forestry (2)	A	Agriculture (1)
B	Fishing (1)	B	Forestry (1)
C	Mining and Quarrying (5)	C	Fisheries (2)
D	Manufacturing (23)	D	Mining (1)
E	Electricity, Gas and Water Supply (2)	E	Construction (3)
F	Construction (1)	F	Manufacturing (24)
G	Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods (3)	G	Electricity, Gas, Heat Supply and Water (4)
H	Hotels and Restaurants (1)	H	Information and Communications (5)
I	Transport, Storage and Communications (5)	I	Transport (7)
J	Financial Intermediation (3)	J	Wholesale and Retail Trade (12)
K	Real Estate, Renting and Business Activities (5)	K	Finance and Insurance (7)
L	Public Administration and Defense; Compulsory Social Security (1)	L	Real Estate (2)
M	Education (1)	M	Eating and Drinking Places, Accommodation (3)
N	Health and Social Work (1)	N	Health care and Welfare (3)
O	Other Community, Social and Personal Service Activities (4)	O	Education and Learning Support (2)
P	Private Households with Employed Persons (1)	P	Compound Services (2)
Q	Extra-Territorial Organizations and Bodies (1)	Q	Services, N.E.C (15)
		R	Government, N.E.C. (2)
		S	Establishments Not Adequately Described (1)

Note : Full lines indicate main correspondence. Dotted lines indicate secondary correspondence.

The number in parenthesis indicates the number of division of ISIC and major group of JSIC.

## **Annex 4**

### **H-INFORMATION AND COMMUNICATIONS**

#### **37 COMMUNICATIONS**

##### **371 TRANSMISSION OF CORRESPONDENCE**

3711 Transmission of correspondence

##### **372 FIXED TELECOMMUNICATIONS**

3721 Regional telecommunications, except wire broadcast telephones

3722 Long-distance telecommunications

3723 Wire broadcast telephones

3729 Miscellaneous fixed telecommunications

##### **373 MOBILE TELECOMMUNICATIONS**

3731 Mobile telecommunications

##### **374 SERVICES INCIDENTAL TO TELECOMMUNICATIONS**

3741 Services incidental to telecommunications

#### **38 BROADCASTING**

##### **381 PUBLIC BROADCASTING, EXCEPT CABLECASTING**

3811 Public broadcasting

##### **382 PRIVATE-SECTOR BROADCASTING, EXCEPT CABLECASTING**

3821 Television broadcasting, except satellite broadcasting

3822 Radio broadcasting, except satellite broadcasting

3823 Satellite broadcasting

3829 Miscellaneous private-sector broadcasting

##### **383 CABLECASTING**

3831 Cable television broadcasting

3832 Cable radio broadcasting

#### **39 INFORMATION SERVICES**

##### **391 COMPUTER PROGRAMMING AND OTHER SOFTWARE SERVICES**

3911 Custom software services

3912 Package software services

##### **392 DATA PROCESSING AND INFORMATION SERVICES**

3921 Data processing services

3922 Research and information services, except marketing or opinion research services

3929 Miscellaneous data processing and information services

#### **40 INTERNET BASED SERVICES**

##### **401 INTERNET BASED SERVICES**

4011 Internet based services

#### **41 VIDEO PICTURE, SOUND INFORMATION, CHARACTER INFORMATION PRODUCTION AND DISTRIBUTION**

##### **411 VIDEO PICTURE INFORMATION PRODUCTION AND DISTRIBUTION**

4111 Motion picture and video production, except television program production

4112 Television program production (Teleproduction)

4113 Motion picture, video and television program distribution

##### **412 SOUND INFORMATION PRODUCTION**

4121 Recording and disk production

4122 Radio program production

##### **413 NEWSPAPER PUBLISHERS**

4131 Newspaper publishers

##### **414 PUBLISHERS, EXCEPT NEWSPAPERS**

4141 Publishers, except newspapers

**415 SERVICES INCIDENTAL TO VIDEO PICTURE, SOUND INFORMATION, CHARACTER INFORMATION  
PRODUCTION AND DISTRIBUTION**

4151 News syndicates (News suppliers)

4159 Miscellaneous services incidental to video picture, sound information, character information production and  
distribution

**Alphabetic code : division**

**2-digit figures : major groups**

**3-digit figures : groups**

**4-digit figures : industries**

**General Rules of the Japan Standard Industrial Classification****Section 1 Definition of Industry**

For the purpose of this Industrial Classification, industry refers to all economic activities related to producing and providing goods and services performed at establishments in the form of a social division of labor. This includes profit-making and non-profit-making activities, such as agriculture, construction, manufacturing, wholesale trade, retail trade, financing, medical services, welfare, education, religious and public services.

Activities within a household involving production and services provided to the family by its member(s) are not included in the definition of industry.

**Section 2 Definition of Establishment**

For the purpose of this Industrial Classification, establishment refers to the unit of location of economic activities, and shall in principle comply with the following requirements.

- (1) Economic activities are conducted under a single business principal, occupying a certain place or plot of land.
- (2) Production or supply of goods and services is conducted continuously with personnel and facilities provided for this purpose.

Establishments in other words include, in general, those places that are known as works, manufacturing plants, offices, business offices, shops, restaurants, hotels, amusement and recreation facilities, schools, hospitals, government offices, stations, mining offices and farmhouses.

In this case, if economic activities are performed within a single compound under a single business principal, this is deemed to be one establishment, while even within a single compound, if economic activities are performed under different business principals, each is deemed to be a different establishment, under its own business principal.

Meanwhile if it is not possible to discern whether a single establishment occupies a single plot, provided the same business accounting books such as sales ledgers and wage ledgers cover the same plot, this is deemed one plot and one establishment.

In cases where business activities are conducted on two or more neighboring plots, each is to be deemed in principle a different establishment. In cases however where the business accounting books used are the same and inseparable, this may be deemed one plot and one establishment.

Modes of economic activity however are diverse. Therefore for convenience' sake, these are on occasion treated in the following manner.



- (1) In cases of individuals such as peddlers and private taxi drivers with no fixed location for conducting economic activities, nor any specific establishment, the residences of these individuals are deemed to be their establishment.
- (2) In cases of individuals such as writers, painters and home workers all engaged in work at their residences with no specific establishments, the residences of these individuals are deemed to be their establishments.
- (3) In cases where employees change day by day and wage ledgers are not used either, at places such as guardhouses and police stations, these places, even located at a distance, are not considered to be establishments as a rule, but are bundled with their administrative establishments to be deemed one establishment as a whole.
- (4) With regard to economic activities in agriculture, forestry and fisheries conducted in farmlands, forests, at sea etc., the locations of these activities are not considered to be establishments, but offices or business offices that administer these activities, or residences of the establishment's proprietors are deemed to be the establishments.

For those who engage in agriculture, forestry and fisheries having facilities such as shops and factories in one compound (in premises), if economic activities other than agriculture, forestry and fisheries are conducted there, each of these activities is deemed to have its own independent establishment.

- (5) While sites of construction work are not considered to be establishments, they are bundled with offices administering the sites (or with residences of the establishment's proprietors in cases where individual enterprises have no office) to be deemed one establishment as a whole.
- (6) In railway transport, where several structural organs (railway sections, engineer's wards etc.) exist in one compound, each organ is deemed an establishment. In cases however where administrative managers such as stationmasters and section managers are not assigned to such organs as stations and sections, these are bundled with organs having administrative managers to be deemed an establishment as a whole.
- (7) In cases where two or more schools are established together in one compound, each school of a different type is deemed to be a separate establishment. (Schools in this case refer to those as stipulated in the School Education Act.)

If a certain business principal engaged in operations other than education runs a school at the same location, this school is deemed to be a different establishment to the one for the purpose of education.

- (8) With regard to state and local public entities, each organ established separately under decrees or municipal ordinances is deemed to be an establishment, even if located in one compartment.

In the case of public corporations or revenue-producing operations run by the state or local public entities, each relevant organ is deemed to be an establishment.

- (9) Establishments such as warehouses, repair shops and cargo collection facilities, all for

own use, and working solely for the establishment of the same business principal, are on occasion for statistical reasons, bundled with the principal establishment to be deemed one establishment as a whole.

- (10) In addition, in cases where it is difficult to verify the existence of establishments, there may be slight differences in the treatment of establishments, depending on the statistical survey.

For example, if work is conducted at part of a residence, this may on occasion be treated as follows:

- a) An entire establishment is deemed to exist there.
- b) This will be deemed an establishment only if the revenue from the work accounts for the majority of household income.
- c) An establishment is deemed to exist only if an employee or employees are present.
- d) An establishment is deemed to exist only if a board-like public sign is posted.

Furthermore if multiple subcontracts are being performed under a specific contractor, the establishments of the subcontractors may be bundled with that of the contractor.

### **Section 3 Classification Criteria**

This Industrial Classification is used for determining the scope of industries targeted by statistical surveys, and for presenting the results of statistical surveys by industrial group. Under this Classification, economic activities performed at establishments, or industries, are classified and arranged systematically, focused on following major points:

- (1) Types of goods produced or services provided (use, functions etc.)
- (2) Ways of producing goods or providing services (facilities, technologies etc.)
- (3) Types and properties of raw materials and objects of services and types of items stocked (merchandise, etc.)

The number of establishments, number of employees, amount of production or sales and other such factors were taken into consideration to determine the different classifications.

### **Section 4 Composition of Classifications**

This Industrial Classification is composed of four stages, namely divisions, major groups, groups and details (industries). The composition (in the eleventh revision) includes 19 divisions, 97 major groups, 420 groups and 1,269 industries.

For the classification codes contained in this Industrial Classification, alphabet letters are used for divisions, two-digit figures for major groups, three-digit figures for groups and four-digit figures for industries.

Divisions	Major groups	Groups	Industries
A Agriculture	1	4	20
B Forestry	1	5	9
C Fisheries	2	4	17
D Mining	1	6	30
E Construction	3	20	49
F Manufacturing	24	150	563
G Electricity, Gas, Heat Supply and Water	4	6	12
H Information and Communications	5	15	29
I Transport	7	24	46
J Wholesale and Retail Trade	12	44	150
K Finance and Insurance	7	19	68
L Real Estate	2	6	10
M Eating and Drinking Places, Accommodations	3	12	18
N Medical, Health Care and Welfare	3	15	37
O Education, Learning Support	2	12	33
P Compound Services	2	4	8
Q Services, N.E.C.	15	68	164
R Government, N.E.C.	2	5	5
S Industries Unable to Classify	1	1	1
(Total) 19	97	420	1,269

## Section 5 Unit Applied to Classifications

The unit applied to this Industrial Classification is the establishment.

The unit in applying this Classification to individuals is the establishment to which the individuals belong. Application to those other than establishments and individuals, for example to enterprises, is dealt with in the same manner as for establishments.

## Section 6 Method of Determining Industry for Classifying Establishments

The industry under which an establishment is classified is determined on the basis of economic activities performed by the establishment.

Namely, if economic activities falling under a single classification are performed in an

establishment, these economic activities dictate the industry classification. If economic activities fall under multiple classifications, the major economic activity is the key in determining the industry. In this case, the major economic activity refers, among multiple items, to the largest in terms of revenue or sales during the past year, coming from goods produced, commodities handled or services provided, however with any portion earned from contingent factors other than regular economic activities of the establishment being deducted from revenue. (*Note*)

Transfer of goods or provision of services between establishments belonging to the same enterprise (excepting administrative work conducted by the head office etc.) are treated in the same manner as sales or services provided for compensation. Also, sales or provision of processing services for a fee to private enterprises in agriculture, forestry or fisheries are treated in the same manner as those for households of general consumers.

As indicated above, as a rule the industry under which establishments are classified is determined on the basis of the economic activities providing the largest amount of revenue or sales, however in cases where it is difficult or inappropriate to follow this rule, the number of employees or facilities may become a decisive factor.

Industries of establishments in the process of business conversion, under a suspension of operations, or preparing for start-up are treated as follows:

- (1) If an establishment has been converted into a business during the past twelve months, the post-conversion business is deemed as a rule to be its major activity. However, if the conversion is of a temporary nature and, in view of facilities available, if there is a possibility of the establishment reverting to the previous business, the business performed prior to the conversion may be deemed its major activity.
- (2) If the business is converted periodically on a seasonal basis, the business earning the largest annual revenue will be deemed its major activity, regardless of the type of business being performed at the date of survey.
- (3) Industries of establishments under a suspension of business or in the process of liquidation are determined by the economic activities performed prior to the suspension or start of liquidation.
- (4) Industries of establishments preparing for start-up are determined by the economic activities they perform when launched.

This is the basic means of determining to which industry an establishment belongs. Industries of head and branch offices engaged in managerial operations, and industries of establishments working solely for the establishment of the same business principal and of establishments of holding company are treated in the following manner:

- (1) The industry of head, branch and local offices mainly engaged in managerial work should be the same in terms of major economic activities common throughout all establishments under the management.

- (2) Ancillary economic activities of warehouses, repair shops, railways, all for own use, and of railway transport should be in the same industry as that of the principal establishments.
- (3) Industries of holding companies mainly managing subsidiaries should be determined in the same manner as head offices primarily engaged in managerial operations.
- (4) Other than the above, major economic activities performed at the establishments should as a rule determine the industry to which they belong.

*(Note)*

*Application (grading) of the industries to which establishments belong in accordance with this Industrial Classification is carried out in serial order from the highest-ranking classification to the lowest. In particular, in cases where an establishment engages in economic activities falling under multiple classification items, these economic activities should first be grouped in divisions. The economic activities earning the largest amount in revenue or sales will determine the division in which the establishment is to be classified. The economic activities falling under the division as determined should then be sorted into major groups, and the major group in which the establishment is to be classified determined based on the largest amount of revenue or sales. Groups and industries for the classification are then determined in the same manner.*

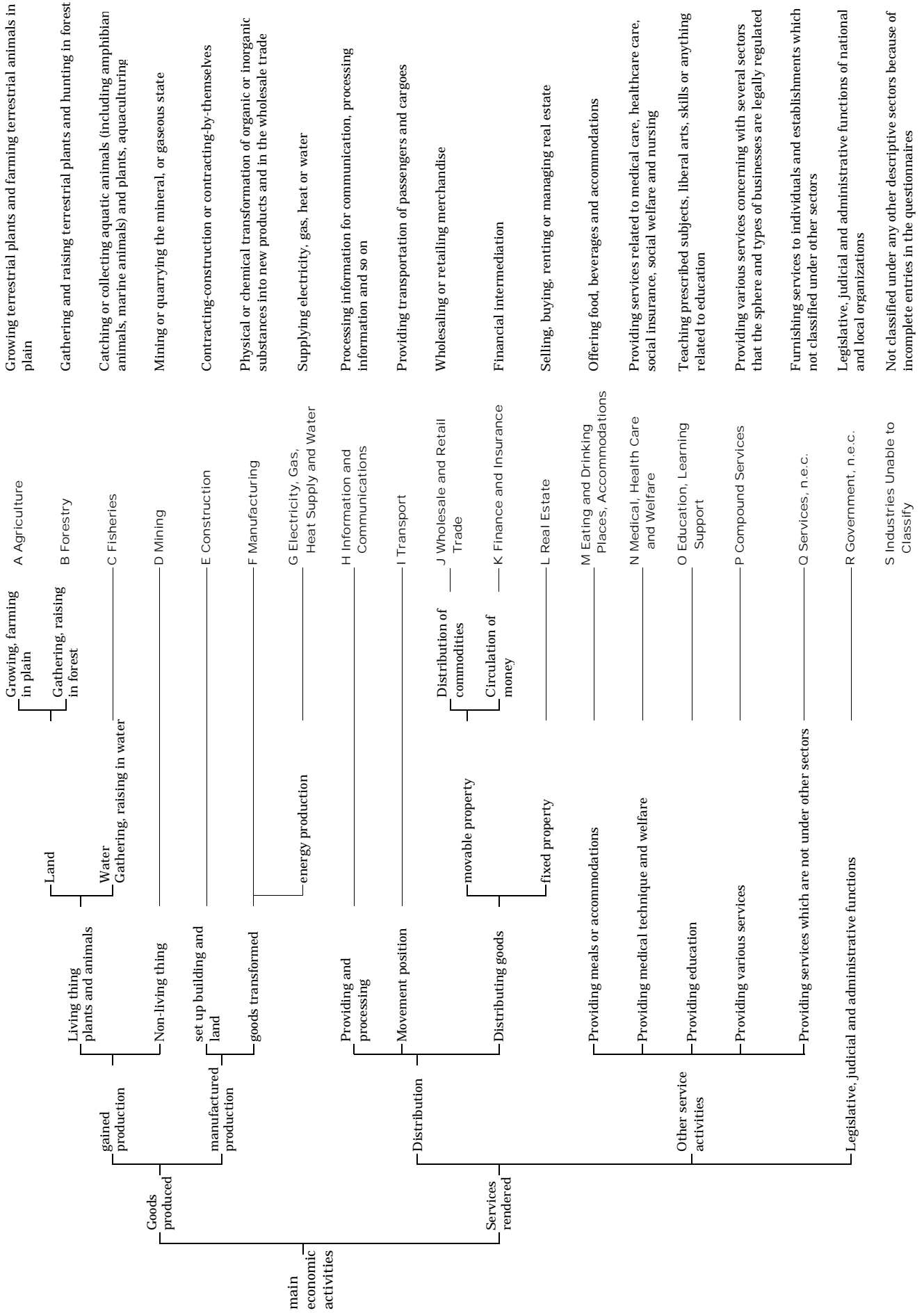
## **Section 7 Scope of Government Services**

This Industrial Classification is a classification by type of economic activity, therefore, whether under public or private management, the same economic activities have the same classifications. Accordingly, the “Government” classification in this Industrial Classification includes, of state and local public bodies, the Diet, courts, central government offices and their local branch offices and bureaus, prefectural government offices, municipal and ward offices, town and village offices etc., all of which are government and public agencies that essentially engage in legislative, judicial and administrative affairs. Others are classified under the relevant industries according to their operations, in the same manner as general industries.

# System of JSIC Divisions

(Items of Divisions)

## ANNEX6



## II. Statistical Surveys on Establishments and Enterprises in Japan

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### Introduction

Overview of censuses and surveys on establishments and enterprises in Japan

### II The Establishment and Enterprise Census

- A. Short History
- B. Objective of the Census
- C. Definition of the Establishment
- D. Definition of the Enterprise
- E. Coverage of the Census
- F. Enumeration Units
- G. Topics Enumerated
- H. Method of the Enumeration
- I. Tabulation and Release of the Results

### III Related Issues

- A. New Database for the Establishment and Enterprise Directory
- B. Revision of the Standard Industrial Classification for Japan
- C. The Census versus Administrative Records
- D. The Census and the Informal Sector
- E. Coverage Problems and Enumeration Issues

### ANNEXES

#### I Questionnaires of the 2001 Establishment and Enterprise Census

#### II Outlines of Main Censuses and Surveys on Establishments and Enterprises

- 1. Manufacturing Census
- 2. Current Production Statistics Survey
- 3. Census of Commerce
- 4. Current Survey of Commerce
- 5. Unincorporated Enterprise Survey
- 6. Survey on Service Industries
- 7. Statistical Survey on Incorporated Enterprises (Financial Statements of Corporations by Industry)

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## **Introduction**

1 A decentralized type of statistical system has been adopted in Japan since the modernization of the nation in the late 19<sup>th</sup> century, especially in the sector of industrial statistics. While the Population Census, the Establishment and Enterprise Census and other major statistical surveys are carried out by the Statistics Bureau of Japan, Ministry of Public Management, Home Affairs, Posts and Telecommunications (hereinafter, MPHPT), censuses of specified sectors such as agriculture, industry and commerce, and many statistical surveys are conducted by other ministries for their administrative purposes.

2 This paper first gives an overview of the censuses and surveys on establishments and enterprises that are carried out in Japan. Secondly, it explains in detail about the Establishment and Enterprise Census which covers all the establishments and enterprises, and provides a sampling frame and benchmark data. Finally, it presents some related issues on statistics on establishments and enterprises.

3 Annexes introduce outlines of other important censuses and surveys, including sampling methods and procedures as well as estimation and evaluation methodologies.

## **I Overview of censuses and surveys on establishments and enterprises in Japan**

4 The number of statistical censuses and surveys on establishments and enterprises which the central government has conducted under the regulations of the Statistics Law and the Statistical Reports Coordination Law in the last five years counts up to 350 roughly. These surveys can be classified into two types according to how to obtain the list of establishments and enterprises for sampling and fieldwork.

5 One type is those surveys which use tax rolls or lists of entrepreneurs as objects of public administration such as permission, approval, notification and other legislative regulation.

6 This type of surveys, most of which are small in scale, and are done mainly in specified sectors of agriculture, forestry and fisheries, construction, transport and communication, and education. The number of these surveys is nearly 200. One of the typical and important surveys is the Statistical Survey of Incorporated Enterprises (Financial Statements of Corporations by Industry) conducted by the Ministry of Finance, the outline of which is explained in the annexes.



7 The other is those which use lists of establishments or enterprises produced from the results of statistical censuses. Most of censuses and surveys belonging to this type adopt the concept and definition of the Standard Industrial Classification for Japan (hereinafter, SICJ) established keeping consistency with the International Standard Industrial Classification. Therefore, the concept and definition of the establishment are coherent in these censuses and surveys except for detailed issues. This type of surveys is divided further into two groups: “Establishment and Enterprise Census Group” and “Group of Censuses of Specified Sectors.”

8 The “Establishment and Enterprise Census Group” consists of the surveys which use the list made from the results of the Establishment and Enterprise Census, as sampling frame. The number of this group's surveys conducted at the central government level is roughly 70 including the Census itself. Important surveys in this group are: the Unincorporated Enterprise Survey (Statistics Bureau of Japan), the Survey on Service Industries (Statistics Bureau of Japan), the Monthly Labour Survey (Ministry of Health, Labour and Welfare). The outlines of the former two are explained in the annexes. In addition, local governments also carry out this group's surveys, the number of which amounts to nearly 300, if only counted for prefectures and cities.

9 The “Group of Censuses of Specified Sectors” uses the lists made from the results of censuses of specified sectors, namely, the Census of Agriculture and Forestry (Ministry of Agriculture, Forestry and Fisheries), the Manufacturing Census (Ministry of Economy, Trade and Industry, hereinafter METI), Census of Commerce (METI), etc. Nearly 70 surveys are counted in this group at the central government level. Some important ones of these surveys are the Current Production Survey (METI) and the Current Survey of Commerce (METI), which are mentioned in the annexes.

## **II The Establishment and Enterprise Census**

### **A.Short History**

10 The Establishment and Enterprise Census originated from the Establishment Census that was conducted for the first time simultaneously with the Population Census in 1947 when the postwar confusion still remained. The Establishment Census was designated as Designated Statistics No.2 under the Statistics Law, while the Population Census was No.1.

11 Both the Censuses aimed at grasping the nation-wide statistical information on establishments

and population, and obtaining sampling frames. It is this period that the sampling theory was introduced from the United States. It is also those days that the basic concept and definition of the establishment as adopted nowadays were introduced.

12 Thereafter, this Establishment Census had been conducted every three years basically until 1986 when the interval was changed to five years. Considerable changes were made at the 1996 Census: topics on business activities of enterprises were newly added and its name was changed to the Establishment and Enterprise Census accordingly. At the same time, the Simplified Census, which covers only private establishments, was determined to be conducted between the quinquennial Establishment and Enterprise Censuses in order to update or complement the Directory of Establishment and Enterprise, that is, the sampling frame. The first Simplified Census was carried out in 1999. It should be noted therefore that census type establishment surveys are carried out twice in 5 years nowadays.

13 The 2001 Census, which was the 18<sup>th</sup>, was successfully carried out as of Oct. 1 2001. In this Census, some topics were newly added in order to collect more detailed information on the current situation of enterprises such as mergers and acquisitions, restructuring of enterprises or enterprise groups. Also, e-commerce related questions were newly asked in consideration of the recent trend in business operations. At the moment, the statistical divisions of local governments are being engaged in data capture work from the questionnaires, and the Statistics Bureau and the Statistics Center are making preparatory work for tabulation, analysis and publication of the Census results. The prompt results of the 2001 Census, as well as the Directory of the Establishments and Enterprises, will be released in July 2002.

#### **B. Objective of the Census**

14 The aims of the Census are as follows:

- (a) To identify all the establishments and enterprises in the whole country, and to reveal the distribution of establishments, enterprises and persons engaged for administrative districts and smaller areas.
- (b) To clarify the basic structure of the establishments and enterprises according to legal organization, industry, employment size, etc.
- (c) To compile the Directory of Establishments and Enterprises to be used as the master sampling frame for various sample surveys on businesses.

15 The Census results are used for policy planning by the central and local governments. In addition, the Directory of Establishments and Enterprises is used as the master sampling frame for various statistical surveys on establishments and enterprises. Examples of the use of the Census results are as follows:

- (a) Planning on the annual grant of the Local Allocation Tax by the central government to the local governments.
- (b) Planning on the annual transfer of the Local Government Consumer Tax from the central government to the local governments.
- (c) Policy formulation on such issues relating to the concentration of establishments in urban areas, as housing, traffic and commutation, environmental pollution, social security, power supply, water supply, garbage disposal, and so on.
- (d) Policy planning on the regional development, such as creation of employment opportunities, development of city functions, construction of new buildings, factories, and so on.
- (e) Policy planning on the improvement of social welfare services and public and cultural institutes, such as nursing homes for the aged, daily service centers for the aged, day nurseries, lifelong learning centers, and so on.
- (f) Compilation and complementation of the master sampling frame for various statistical surveys on establishments and enterprises.

### **C. Definition of the Establishment**

16 The establishment defined in the Census is basically consistent with that of the ISIC\*, although slight modification is made in view of grasping exactly the objects of the Census.

The establishment refers to an unit of location where:

- (a) economic activities are carried out by occupying the specific location (a single lot) under a single management entity.
- (b) production of goods and/or providing of services are continuously carried out with personnel and proper equipment.

Examples are shops, factories, offices, sales offices, banks, schools, shrines, temples, hospitals,

inns, cram schools, and private teaching places (flower arrangement, tea ceremony, etc.).

17 There are some cases to be dealt with exceptionally:

- (a) In case of self-employed carpenters, plasterers and taxi drivers etc. who manage individually specific business locations, the houses where they live are regarded as establishments.
- (b) In case of stall keepers, peddlers, stands, and hawkers etc., where there is no fixed facility, the location used as the foothold for merchandise sales activities is regarded as an establishment regardless of the fixed sales location.
- (c) Even if business activities are undertaken only by persons dispatched from a separately managed establishment such as a staffing company, and there is no employee belonging to the entity which manages the “location” and the business activities, the location is dealt with as an establishment as long as the other requirements are satisfied.

\* The operational definition of the establishment is given in the ISIC as follows:

An enterprise or a part of an enterprise which independently engages in one, or predominantly one kind of economic activity at or from one location or, within one geographic area, for which data are available, or can meaningfully be compiled, that allow the calculation of the operating surplus.

#### **D. Definition of the Enterprise**

18 The enterprise stated in this Census refers to a private establishment whose legal status is a stock company, a limited company, an unlimited or limited partnership company, or a mutual insurance company. Public enterprises and unincorporated enterprises are excluded here. In this respect, the enterprise in this Census may be more limited than in the ISIC.

The unit of the enterprise is identified using the enumeration topics of “legal status,” “head or branch,” “name” and “telephone number” in the Census.

#### **E. Coverage of the Census**

19 The Census covers all the above-mentioned establishments that operate in Japan as of the Census date. Therefore, it covers not only privately owned establishments but also establishments under the management of the central and local governments. Seasonal shops establishments are counted as objects of the Census if they are in operation on the Census date. Establishments which are temporarily closed or not in operation are also the objects of the Census if there are persons engaged in activities such as preparatory work for reopening. However, it is sometimes very difficult or not effective to apply the concept and definition in the Census enumeration on the spot. So, the following establishments are excluded from the

coverage of the Census in Japan:

- (a) Individual proprietorship establishments in the industries of "agriculture," "forestry" and "fisheries," and persons engaged in "domestic services" in terms of the SICJ, as well as individual proprietorship establishments operating on commission (i.e. part-time home-businesses) without particular business equipment. (They may be enumerated in other censuses such as Agriculture Census and the Population Census.)
- (b) Establishments located in the premises of the institutions which demand entrance fees. Examples are vendors in theaters, sports stadiums and railway stations. However, establishments in the premises of public gardens and amusement parks are investigated.
- (c) Also excluded are facilities of "foreign governments and international agencies" in terms of the SICJ.

#### **F. Enumeration Units**

20 Any establishment having one location and being operated under a single management is defined as an enumeration unit. In cases business is carried out at several locations or under more than one proprietorships, establishments are defined individually. A group of two or more units located in the same compound are considered as a single establishment, provided that those units share the same management documents such as sales records, purchase books and payrolls.

21 Some special cases in view of the field operation are:

##### (a) Construction

A local operation unit such as a construction site is included in the head or branch-office which controls the unit concerned. Carpenters, plasterers, painters, plumbers, electricians and others who are self-employed, are not enumerated at their job sites, but at their offices or their homes.

##### (b) Transport

For transport services such as railways, cars, boats, airplanes and others, the establishment which supervises them is considered as an enumeration unit. Stations, conductors' stations, engine factories, etc. are treated as separate enumeration units, but if they do not have their own supervisors (e.g. station masters), they are combined with the units to which the supervisors belong.

##### (c) Education

Even if several schools such as colleges or universities, high schools, junior high schools, primary schools, kindergartens belonging to the same school juridical person are located in the same compound, each of them is treated as a separate enumeration unit.

#### **G. Topics Enumerated**

22 The topics of the Census are limited to only basic items from the point of view of the

objective of the Census. In the 2001 Census, however, in order to collect basic information on the current situation of enterprises such as mergers and acquisitions, restructuring of enterprises or enterprise groups, newly added were such topics with an asterisk as legal opening year, name and address of the parent company, and merger or division after October 2, 1996, i.e. the previous Census date. Also topics related to e-commerce were newly added in view of the recent trend in business operations. The topics of the 2001 Census are listed below:

(a) Topics on privately owned establishments

[Items on establishments]

- (1) Name and telephone number
- (2) Address
- (3) Type of legal status
- (4) Head or branch office, and name and address of the head office in case of branch office
- (5) Opening year
- (6) Number of persons engaged
- (7) Kind of business activities
- (8) Type of the establishment

[Items on enterprises]

- (9) Legal opening year of the company\*
- (10) Amount of capital and foreign capital ratio
- (11) Parent or subsidiary company, and name and address of the parent company\*
- (12) Merger or division after October 2, 1996 (1996 Census date)\*
- (13) State of e-commerce\*
- (14) Number of branches
- (15) Number of regular employees of the company
- (16) Kind of the main business activity of the company

(b) Topics for establishments under the management of the central and local governments:

- (1) Name and phone number
- (2) Address
- (3) Number of persons engaged
- (4) Kind of activities

## **H. Method of the Enumeration**

### **23 Date of the Census**

The Census is taken as of October 1, while the Simplified Census is taken as of July 1.

## 24 Enumeration Types and Organizational Channel

The Census consists of the following two types of enumerations:

- (a) Enumeration A: Covers private establishments and enterprises.
- (b) Enumeration B: Covers establishments of the central and local governments.

Enumeration A is undertaken through the following channel:

Minister of the MPHPT (Director-General of the Statistics Bureau) - Governors of 47 prefectures - Mayors of cities and towns and head persons of villages - Supervisors - Enumerators - Establishments.

Enumeration B is conducted by the chiefs of the ministries for the establishments of the central government, and by the governors, mayors and head persons for the establishments of the local governments.

## 25 Fieldwork by enumerators

- (a) The enumerator, who takes responsibility for Enumeration A, is in charge of 2 enumeration districts (hereinafter, EDs). The ED, which is demarcated 8 months before the Census date, consists of approximately 30 establishments.
- (b) The enumerator executes the following fieldwork during the enumeration period (about 2 weeks before and after the Census date)
  - (1) With the “Establishment List,” in which names and addresses of establishments in the ED are pre-printed based on the previous Census data, the enumerator checks whether they are existing, have been abolished or replaced, and finds newly organized establishments.
  - (2) The enumerator distributes the questionnaires pre-printed to existing establishments, and questionnaires not pre-printed to newly organized establishments.
  - (3) The enumerator collects filled-in questionnaires after they have been modified or newly filled in by establishments.
  - (4) The enumerator updates and corrects the “Establishment List” according to the filled-in questionnaires.

### **I. Tabulation and Release of the Results**

- 26 Prefectures and municipalities (cities etc.) are in charge of data capture and industrial classification coding. The Statistics Center is responsible for tabulation of the returns of the Census and the Statistics Bureau takes charge of analysis and release of the statistical results in publications and CD-ROMs as well as on the Internet. The Census results are tabulated for prompt counts and final counts. Some figures may be revised in the final counts after scrutinizing the

prompt counts.

The time schedule of the 2001 Census tabulation is as follows:

- (a) Prompt Results - July 2002
- (b) Final Results
  - (1) Results on establishments and enterprises
    - Prefectures and municipalities - October to December 2002
    - Japan - December 2002
  - (2) Small area statistics on establishments
    - Small areas - January 2003
    - Enumeration districts - February 2003
  - (3) Results on enterprises with head offices and branches - June 2003
  - (4) Results on enterprise groups together with parent companies and subsidiary companies -  
December 2003

### **III Related Issues**

#### **A. New Database for the Establishment and Enterprise Directory**

27 The Statistics Bureau has developed a database for the establishment and enterprise directory. It is a Japanese type business frame, and is called the Establishment and Enterprise Information Database System. This Database System is derived from the Establishment and Enterprise Census, and is updated twice five years. It is used as the sampling frame for various sample surveys on establishments as mentioned in Chapter I.

A new database is being developed to be commonly utilized by other statistical agencies from April 2002 onward.

28 The new database directory has a few characteristics as follows:

- (a) The directory is to be maintained using not only the returns of the Establishment and Enterprise Census but also those of other censuses and surveys such as the Manufacturing Census, the Census of Commerce and the Statistical Survey on Incorporated Enterprises (Financial Statements of Corporations by Industry). It is to be updated each time these censuses and surveys are carried out. The demographical information such as births, deaths and changes in name, business etc. of establishments and enterprises will be reflected to the database more frequently. So, the more current data are to become available for sampling and other uses.
- (b) Every establishment and enterprise stored in the database is to have a code which is used commonly and permanently among statistical agencies. This coding system will facilitate the maintenance of the database and the conduct of censuses and surveys.



- (c) Every establishment and enterprise stored in the database is marked on whether it has been an object of a certain statistical survey conducted under the Statistics Law or the Statistical Report Coordination Law. Then it will be possible to count how many times each establishment and enterprise has been surveyed, and thus possible to reduce reporting burden on establishments and enterprises.
- (d) The new database is to be retrieved by statistical agencies through computer network.

## **B. Revision of the Standard Industrial Classification for Japan**

29 The SICJ was established in January 1949 based on the ISIC. The work for the 11<sup>th</sup> revision of the SICJ has been almost completed by the Statistics Council. This revision focuses on remarkable changes in the industrial structure such as advance and diffusion of ICT, aging population, service-oriented economy etc. The revised SICJ promulgated in March 2002 is to put into practice in October 2002. Therefore, the results of the 2001 Establishment and Enterprise Census is to be tabulated in accordance with both the current and revised SICJ.

30 The main points of the revision of the SICJ are as follows:

- (a) The following 5 major categories (1-digit groups) are to be newly established:
  - “Information and telecommunication services”; “Medical and welfare services”; “Educational and tutorial school services”; “Restaurants and hotels”; and “Multiple services.”

As a result, the number of the major categories totals up to 16.
- (b) The following 2 divisions (2-digit groups) are to be newly established:
  - “Manufacture of machinery and equipment for information and telecommunication”; and
  - “Services related to the Internet.”
- (c) The following divisions (2-digit groups) are to be integrated:
  - (1) “Metal mining,” “Coal and lignite mining,” “Crude petroleum and natural gas production,” and “Non-metallic mineral mining” are to be integrated to the new division “Mining.”
  - (2) “Manufacture of ordnance” is to be abolished and included in “Miscellaneous manufacturing industries.”
  - (3) “Financial institutions for small businesses” and “Financial institutions for agriculture, forestry and fisheries” are to be integrated to “Financial institutions for cooperative organizations.”

## **C. The Census versus Administrative Records**

31 The Establishment and Enterprise Census has sometimes problems with respect to completeness in terms of coverage. For example, it may be very difficult for the enumerators to find out such establishments operating without any signboards showing their names, activities etc.

as self-employed carpenters and taxi drivers who operate individually. In addition, some establishments do not cooperate in the Census. However, the Census can provide data with the same criteria and reference time period, and under the uniform concept and definition concerning establishments and enterprises.

On the other hand, the administrative records seem to start enjoying the development of ICT in merging and checking their contents these days. But they do not necessarily cover all establishments, or do not necessarily have the same criteria, because they are made to meet the respective administrative purposes. For example, tax rolls are effective for profit-making incorporations, but not so much for public or non-profit organizations. The employment insurance directory does not include proprietors with no employee. In addition, there sometimes exist a few and serious problems such as legal restrictions to other utilization than the original purposes. In Japan, more efforts are required so that the statistical offices could utilize these administrative records for statistical purposes.

Therefore, the Establishment and Enterprise Census will continue to play a main role as a provider of statistical data and the sampling frame in Japan.

#### **D. The Census and the Informal Sector**

32 The informal sector in a strict sense is not very important in Japan in employment and in production. As the Census covers all the establishments to the smallest size possible, the informal sector in Japan is considered to exist in the household sector. (They are grasped by the Census if they have signboards showing their names, activities.)

Such data could be investigated in various household censuses and surveys such as the Population Census, the Census of Agriculture and forestry, and family budget, labour, employment status surveys if one would study on the informal sector.

#### **E. Coverage Problems and Enumeration Issues**

33 The following matters are pointed out as issues to be solved and overcome soonest:

- (a) Grasping exactly new businesses such as SOHO caused by the development of ICT
- (b) Developing new enumeration methods using ICT (e.g. EDI for enterprises)
- (c) Investigating topics such as “amount of foreign capital” and the home country of the parent company in view of the internationalisation and globalisation of enterprise activities

(This paper was prepared for the Workshop on Establishment/Enterprise Survey held as part of ASEAN Statistics Project at Thailand on 14-18 January 2002. The views expressed in this paper are those of the author and do not necessarily reflect those of the institutions he is or was related to.)

## **ANNEXES**

### **I Questionnaires of the 2001 Establishment and Enterprise Census**

Confidential

Designated statistics No. 2

# Establishment and Enterprise Census

## Questionnaire A

October 1, 2001 Statistics Division, Ministry of Public Management, Human Affairs, Youth and Telecommunications

The contents herein filled are exclusively used for statistical purposes, so please do not hesitate to fill in the form as accurately as possible.

-Please refer to the material "How to fill the form" as was distributed separately.  
-Please circle the numbers of answers whichever are applicable.

Establishment Code	Enterprise Number
Establishment No.	Code

If your establishment name and/or address have already been printed in the form, please check and confirm if they are correctly printed and correct. If necessary,

1 Name and Telephone No. of Establishment <small>* Put commonly known trade name, if any, within the brackets.</small>	Legal Name		Telephone No.	Name of Contact										
	[Commonly known trade name]			Name										
2 Address of Establishment <small>* Fill your complete address including the name and floor of the building where your office is in.</small>	Postal code		Telephone No.											
			[Building; Floor]											
3 Legal Status	1 Individual Proprietorship	2 Stock Company	3 Limited Company	4 Limited/Unlimited Liability Partnership	5 Mutual Interest Company	6 Foreign Company	7 Corporation other than company	8 Unincorporated Organization						
					[Starting overseas head office]		[Group of juridical persons, schools, religious orgs., craft associations, etc.]							
4 Distinction of Head Branch, Name & Address of your head office <small>* If your organization falls into one of 2-3 under "3. Legal Status", and is a branch office, state the name &amp; address of your head office. * Fill the complete address including the name and floor of the building where the office is in.</small>	1 Single Unit <small>[With no other head/branch office]</small>	Name and Address of Head Office	Legal Name		Telephone No.									
	2 Head Office <small>[Which has branch offices in other places]</small>		[Commonly known trade name]											
	3 Branch Office <small>[Which is under the supervision of head office in other place]</small>		Postal code		[Building; Floor]									
5 The Office was started in: <small>* The time of starting office at the present place.</small>	01	02	03	04	05	06	07	08	09	10	11	12		
		1974 or before		55-64	65-74	75-84	85-94	95	96	97	98	99	2000	2001
6 Number of persons engaged <small>* In the case of an individual proprietorship, if a family member works under payment contract, the family member is regarded as a regular employee. * Salaried directors are those directors who earn director's emolument but the individual proprietorship is excluded. * These regular employees other than (1) above are part-time workers or temporary staff whose employment period falls under the definition of regular employee.</small>	Number of persons engaged in this establishment as of October 1st.	(1) Individual Proprietorship		(2) Unpaid family workers		(3) Salaried directors		Regular employees		(4) Temporarily employed workers		Total numbers of through (1).		
		[Managing member]						[These who have been employed for more than 3 months or those who were employed for 18 days or more in August and in September, respectively.]		[These who have been employed for a limited period of one month or less.]				
		[Part-time workers or temporary staff, etc.]						[These who are generally called regular employees or staff.]		[These other than (1).]				
		[Part-time workers or temporary staff, etc.]												
		(2) Among those under (1), is anyone working at another office of different management? Or, is anyone being dispatched to other company as a subcontractor?		1 Yes (How many)		2 No								
		(3) In addition to those under (1), is anyone being dispatched to your office from another office of different management? Or, is anyone being dispatched to your office as a subcontractor?		1 Yes (How many)		2 No								
7 Kind of business <small>* Please refer to the separate material, "How to fill the form" and specify your business activity as detail as possible. * If more than one category is applicable, state the main one. * Your main line of business is defined as the largest turn-over category that you have achieved over the year.</small>	(1) State the main line of business that this establishment is engaged in.		[Business code]		About the business of (1), state the production, merchandise or line of business in the sequence of the largest turn-over item or sales.									
		(2) Is the main activity of your business as stated above, if your business is concerned with manufacturing, processing, wholesaling, retailing, civil engineering or building work, select one of the most applicable descriptions in the following by circling the number given.												
A. Manufacturing, processing, wholesaling or retail trade.		1 Mainly engaged in manufacturing and shipment or wholesaling.		2 Mainly engaged in manufacturing and processing based on the materials supplied from outside.		3 Mainly engaged in wholesaling of items being manufactured or processed by other establishments of the same enterprise.		4 Mainly engaged in wholesaling of items being manufactured or processed by other establishments of the other enterprises.		5 Mainly engaged in retailing other manufacturing.		6 Mainly engaged in retailing only.		
B. Civil engineering or building work.		7 Civil engineering profession takes 80% or more of your turn-over.		8 Building work profession takes 80% or more of your turn-over.		9 You are engaged in both civil engineering and building, and each profession takes less than 80% of your turn-over.								



This form relates to **Stock company, Limited company, Limited/unlimited liability partnership or Mutual insurance company** when the establishment is either the head office or the single unit.

Single Unit  
 Fill 6 to 12 columns only

Head office  
 Fill 6 to 15 columns only

If your establishment is a branch office, no need to fill the following columns.

<b>8 When were you established?</b> <small>* State the date of establishment in the commercial register.</small>	1 Merge    2 Transfer    3 Share    4 Liquidation	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Months								
<b>9 Capital Stock and Share of Foreign Capital</b>	(1) Capital Stock (Capital Investment or Fund)	(2) Foreign capital share (Percent)									
	<table border="1" style="width: 100%; text-align: center;"> <tr> <th>US Dollar</th> <th>Yen</th> <th>Mark</th> <th>Other</th> </tr> <tr> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> </table> Yes	US Dollar	Yen	Mark	Other	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> % <small>(Round off at the second decimal)</small>	
US Dollar	Yen	Mark	Other								
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>								
<b>10 Parent or subsidiary company</b> <b>Name and address of parent company</b> <small>* Parent company is a company that owns more than 50% of your company shares.</small>  <small>* Subsidiary company is a company that holds more than 50% of their stock capital from your company.</small>  <small>* Associate (Affiliate) company is a company that holds more than 20% but less than 50% of your shares.</small>  <small>* Related (Inventorily) company is a company that acquires more than 20% but less than 50% of their shares from your company.</small>	(1) Parent company, name and address  <small>* If parent company is domestic, state its address as detailed as possible, including the name and floor of the building.</small>	1 Domestic    2 Overseas    3 None	Legal Name: <input style="width: 100%;" type="text"/> Telephone No.: <input style="width: 100%;" type="text"/> Fax: <input style="width: 100%;" type="text"/> Postal code: <input style="width: 100%;" type="text"/> - <input style="width: 100%;" type="text"/> Building: <input style="width: 100%;" type="text"/> Floor: <input style="width: 100%;" type="text"/>								
	(2) Subsidiary company	1 Domestic    2 Overseas    3 None <small>(If both domestic and overseas are applicable, circle 1 and 2.)</small>									
	(3) Associate (Affiliate) company	1 Domestic    2 Overseas    3 None <small>(If both domestic and overseas are applicable, circle 1 and 2.)</small>									
	(4) Related (Inventorily) company	1 Domestic    2 Overseas    3 None <small>(If both domestic and overseas are applicable, circle 1 and 2.)</small>									
	(5) In your legal name changed?	1 Changed    2 Not changed									
<b>11 Mergers/Divestiture after October 1st, 1996</b> <small>* "Newly established by merger" means more than two companies are dissolved completely to form a new company.</small> <small>* "Acquired and merged" means a company gets merger and acquisition of the other.</small> <small>* "Separating/dividing" means that part of a company operation is separated or divided by establishing a new separate company.</small>	(1) Newly established by merger or not?	1 Newly established    2 Not applicable									
	(2) Acquired and merged?	1 Acquired and merged    2 Not applicable									
	<small>* State the date of the law M. S. S.</small>	Month: <input type="text"/> Year: <input type="text"/>									
	(3) Newly established by separating/dividing the existing company?	1 Established    2 Other than 1									
	(4) Moved? <small>* If you moved after October 1st, '96, state the address in detail including the building name and floor as of October 1st, '96.</small>	1 Moved    2 Not moved	Address as of October 1st, '96: <input style="width: 100%;" type="text"/>								
	(5) Is your legal name changed? <small>* State your new legal name, if changed after October 1st, '96.</small>	1 Changed    2 Not changed	Legal name as of October 1st, '96: <input style="width: 100%;" type="text"/>								
<b>12 Engagement in Electronic Commerce</b> <small>* Electronic Commerce implies those commercial activities through the computer networks like Internet.</small>  <small>* Circle all the numbers applicable.</small>	(1) Engaged in EC?	(2) Partners and contents									
	1 Through the Internet 2 Through a computer network other than the Internet 3 No	1 With other companies 2 With consumers									
		[About 1 Receiving orders 2 Shipment or 3 Delivery 4 After-sales services and others] [About commodity/term used] 1 3 After-sales services and others 2 Shipment or distribution									
<b>13 Number of branches/local offices</b> <small>* Include warehouses in domestic where your employees are stationed.</small>	(1) No. of domestic branches, local offices,	<input type="text"/>	(2) No. of overseas branches, local offices, <input type="text"/>								
<b>14 Total number of the entire regular employees of your company</b> <small>* Describe by differentiating those at domestic and overseas establishments.</small>	(1) Domestic	<input type="text"/>	(2) Overseas <input type="text"/>								
<b>15 Kind of main business of your company</b> <small>* State the kind of business you are in, after selecting the largest item out of business items over the past year.</small>	1 Other (Specify business code)										
<b>Surveyor's Column</b>											
Type of establishment	1 Shop, restaurant, etc. 2 Office 3 Factory, workshop, printing office	4 Distribution Center, Shipping Center, or car park (Store) 5 Retail business or private office building 6 Trade office, office, construction house	7 Other (school, hospital, temple or shrine, inn, public bath, etc., etc.)								

If your office is a single unit or the head office of your company, please fill this form.

Please fill these columns only if your office is a branch office of your company.

Confidential

Designated Statistics No. 2

### Establishment and Enterprise Census questionnaire B

October 1<sup>st</sup>, 2001 Statistics Bureau, Ministry of Public Management, Home Affairs, Posts & Telecommunication

* Municipality Code _____	* Enumeration District No. _____	Establishment No. _____	# Type _____			
1. Nation 2. Prefecture 3. Municipality 4. Independent Administrative Agency 5. Other						
Name of National Authority, Local Public Body, Independent Administrative Agency _____		#Public Body Code _____				
Name & Phone Number of Establishment(s) _____		Phone Number (Rep.) ( _____ )				
Postal code _____ - _____						
Fill in the complete address including the name and floor number of the building your offices are in.						
Number of Persons Engaged (temporary staff included)  Those regular employees, other than in (1), are part-time workers or temporary staff whose employment period falls under the definition of regular employees.	Regular Employees <small>Those who have been employed continuously or for more than a month or those who          were employed for 15 days in August and a September, respectively.</small> (1) Regular Employees _____ persons _____ persons _____ persons M F Total	(2) Other than (1) _____ persons _____ persons _____ persons	(3) Temporary Workers <small>Those workers other than          regular employees,          those who have been          employed for a limited period of          one month or less.</small> _____ persons _____ persons _____ persons	(4) Total Number of (1) through (4) _____ persons _____ persons _____ persons	(5) Others who work at this office but initially belonged to another office of management _____ persons _____ persons _____ persons	Bld., Floor _____ Section _____
Type of Operations of Establishment (Institute) _____		Remarks _____				

? Columns marked # are to be filled in by National Authorities, Prefectural and Municipal Governments or Independent Administrative Agencies.

? Columns marked \* are to be filled in by Prefectural or Municipal governments for Local Public Bodies (institutes), and by Statistics Bureau for National Authorities or Independent Administrative bodies (institutes).

? Establishment Numbers will be entered by Statistics Bureau.

## **II Outlines of Main Censuses and Surveys on Establishments and Enterprises**

1. Manufacturing Census
2. Current Production Statistics Survey
3. Census of Commerce
4. Current Survey of Commerce
5. Unincorporated Enterprise Survey
6. Survey on Service Industries
7. Statistical Survey on Incorporated Enterprises (Financial Statements of Corporations by Industry)

## 1. Manufacturing Census

### Responsible Agency

Ministry of Economy, Trade and Industry (METI)

### Purpose

To clarify the actual status of the country's manufacturing industry and to provide basic data for various policies concerning manufacturing industries by investigating the number of establishments and persons engaged, and the value of manufactured goods, by industry group, size of establishment and region.

### Scope and Coverage

**Enumeration unit:** Establishment

**Establishments covered:** All establishments (except state-owned) in "manufacturing industry" of the SICJ. Establishments with 30 or more employees are investigated by Questionnaire A, while those with 29 or less employees by Questionnaire B.

**Frequency and date:** As of 31 December every year. In the calendar years ending with 0, 3, 5, and 8, all establishments are investigated, while in other calendar years, only establishments with 4 or more employees.

### Enumeration Method

**Distribution and collection of the questionnaires:** By enumerator

**Entry in the questionnaires:** Self-enumeration

### Items

1. Name and location of the establishment
  2. Name and location of the head office
  3. Whether having other office(s)
  4. Legal organization
  5. Amount of capital or fund
  6. Number of persons engaged in the establishment
  - 7.\*Total regular workers at the end of each month
  8. Cash earnings
  9. Value of raw materials, fuel and electricity consumed, and value of work subcontracted out
  10. Value of tangible fixed assets at the beginning of the year, value acquired, value liquidated and value of depreciation
  11. Value of manufactured goods in stock and goods in process
  12. Value of manufactured goods shipped, receipts from contract works and repairing
  13. Value of domestic excise tax
  14. Principal raw materials
  - 15.\*Process of work
  - 16.\*Land area of the site and area for the building(s)
  - 17.\*Land area acquired for industrial use
  - 18.\*Daily use of water by source
  - 19.\*Daily use of water by use
- Items with sign(\*) are not investigated in Questionnaire B.

### Publication of the Results

A preliminary report is published about 9 months after the Census. The final report is released in publications and in electric media about 13 months after the Census.



## 2. Current Production Statistics Survey

### Responsible Agency

Ministry of Economy, Trade, and Industry (METI)

### Purpose

To clarify current production activities of mining and manufacturing industries by investigating items concerning the production of iron and steel commodities as well as machinery every month.

### Scope and Coverage

**Enumeration unit:** Establishment (partly enterprise)

**Establishments or enterprises covered:** Those which produce or process designated mineral and manufacturing products

**Frequency and date:** Monthly: the 5<sup>th</sup>, 15<sup>th</sup> and 30<sup>th</sup> of each month.

**Commodities covered:** Commodities are selected so that production value covers about 85% for any two-digit industrial group of the SICJ. In addition, the survey includes commodities necessary for technical or classification reasons, as well as for clarifying local industries. The total commodities are about 3,000.

### Survey Method

**Selection of the survey establishments or enterprises:** Those designated by METI

**Kinds of questionnaires:** About 150

**Distribution and collection of the questionnaires:** By enumerator or by mail

**Entry in the questionnaires:** Self-enumeration

### Items

The survey items are almost the same for all kinds of questionnaires: value of products, shipments and inventories. Raw material, fuel, motor power, persons engaged, machinery and equipment are also surveyed for some commodities.

### Publication of the Results

Monthly reports by product are published on the 25<sup>th</sup> of each month.

## 3. Census of Commerce

### Responsible Agency

Ministry of Economy, Trade and Industry (METI)

### Purpose

To clarify the actual status of commercial activities in Japan, and to provide basic data for various policies concerning commercial industries.

### Scope and Coverage

**Enumeration unit:** Establishment

**Establishments covered:** All establishments which fall under "Wholesale and Retail Trade" in the SICJ. From 1988 onward, the Census includes establishments managed by local governments, shops which exist in premises of government offices, schools, companies and so on, but are not managed by those establishments. Also included are shops which do not have sales space: door-to-door sales, mail order and catalogue sales, etc.

However, the following establishments are excluded:

1) Government controlled public service corporations

- 2) Sales activities which do not have fixed or permanent sales space: traveling sales persons, street vendors
- 3) Establishments operating in such premises as stands and booths in theaters or stadiums, where admission fee is needed
- 4) Establishments which have been closed for 3 months or more before this Census is carried out

**Frequency and date:** June 1 every five years. However, a simplified survey is conducted two years after the main Census.

### **Enumeration Method**

**Distribution and collection of the questionnaires:** By enumerator

**Entry in the questionnaires:** Self-enumeration

### **Items**

1. Name and address of the establishment
2. Distinctions between head office and branch
3. Legal organization, capital or amount invested
4. Opening year of the establishment
5. Number of employees
6. Total sales during the year
7. Percentage of annual sales by sales method
8. Value of merchandise in stock
9. Business form
10. Percentage of the sales of retailed merchandise in the total amount of the annual sales by sales form
11. Sales floor area
12. Opening and closing time
13. Existence or non-existence of customer car parking space, and car parking capacity
14. \*Percentage of the annual amount of purchase merchandises by supplier
15. \*Percentage of the wholesale in the total amount of the annual sales by destination
16. \*Data concerning related branches

Items with sign(\*) are not surveyed for unincorporated establishments.

### **Publication of the Results**

Preliminary results are released about 9 months after the Census. The final data are released successively in publications and in magnetic tape after about one year and three months.

## **4. Current Survey of Commerce**

### **Responsible Agency**

Ministry of Economy, Trade and Industry (METI)

### **Purpose**

To clarify monthly trends of business activities of commercial establishments and enterprises in the country.

### **Scope and Coverage**

**Enumeration units:** Establishments (large-size wholesalers: general wholesale stores with 100 or more employees and wholesale stores with 200 or more employees; large-size retail shops: department stores and supermarkets with 50 or more employees; general shops: general shops not classified under large-size wholesale or large-size retail shops.); convenience stores:

corporate headquarters of companies which run chain convenience stores with 500 or more shops.

**Establishments covered:** Stores throughout the country which engage in “Wholesale Trade and Retail Trade.”

**Kinds and Scopes of the Questionnaires:**

Four kinds of questionnaires are used: Questionnaire A, Questionnaire B, Questionnaire C and Questionnaire D.

- 1) Scope of Questionnaire A (by enumerator)  
General wholesale stores with 100 or more employees and wholesale stores with 200 or more employees (designated by METI)
- 2) Scope of Questionnaire B (by enumerator)
  - (a) Wholesale stores which are not covered by Questionnaire A, and car retail stores and retail stores with 20 or more employees which are not covered by Questionnaire C (designated by METI)
  - (b) Retail stores (excluding car retail stores) selected from among those with less than 20 employees and located in the survey areas (designated by METI)
- 3) Scope of Questionnaire C (by mail)  
Department stores and supermarkets selected from among retail stores with 50 or more employees (designated by METI)
- 4) Scope of Questionnaire D (by mail)  
Headquarters of chain convenience stores with 500 or more stores (designated by METI)

**Frequency and date:** Monthly: end of each month; end of each quarter (March, June, September and December) for inventory.

**Survey Method**

**Selection of the survey establishments or enterprises:**

- 1) Complete enumeration for large-size wholesalers, large-size retail shops and convenience stores
- 2) Random sampling for general shops which are not classified in large-size wholesale or large-size retail shops

**Kinds of questionnaires:** Questionnaire A, B, C and D

**Distribution and collection of the questionnaires:** By enumerator in general, but by mail for large retail stores and convenience stores, which the METI directly requests to fill in questionnaires.

**Entry in the questionnaires:** Self-enumeration

**Items**

1. Monthly commodity sales
2. End-of-month number of employees
3. Sales floor space
4. Monthly business days
5. Monthly sales of merchandise certificates
6. End-of-quarter inventory

**Sampling Method**

The Survey stores/shops (excluding those by Questionnaire D) from July 2000 to date are selected from among stores/shops grasped in the 1997 Census of Commerce. Samples are selected by “individual sampling” or “area sampling” in the following way:

1. Individual sampling
  - 1) The individual sampling is applied to all wholesale stores, automobile retail stores and other retail stores with 20 or more employees (including large-size retail stores which are 100% selected).
  - 2) Sampling cells (hereafter “cells”) are set for each category of industry and the number of employees, and an adequate number of samples are selected for each cell.

- 3) The sampling is designed so that the sampling error in terms of sales amount for each industrial category is less than 5%.
2. Area sampling
  - 1) The area sampling is applied to all retail stores (excluding automobile retail stores) with less than 20 employees which exist in 264 survey areas.
  - 2) The 264 survey areas are sampled at random from among the enumeration districts of the Census of Commerce which are stratified into five layers.

#### **Method of Estimation of Sales Amount**

A ratio estimation method is used to estimate the sales amount for each industrial category. (For sales of large retail stores, however, the actual amount is added). In this ratio estimation method, the total sales of the current month are estimated as follows:

1. Counting the sales of the current and previous months from the samples for each “cell.”
2. Calculating the ratio of month-to-month change.
3. Multiplying the estimated sales amount of the previous month by this ratio.

#### **Publication of the Results**

The preliminary monthly report is published in the third part of the month following the survey, and the final monthly report is published on the 25th of the second month after the survey. The annual report is published in June of the second year after the survey.

### **5. Unincorporated Enterprise Survey**

#### **Responsible Agency**

Statistics Bureau of Japan (MPHPT)

#### **Purpose**

To provide basic data concerning unincorporated enterprises by clarifying economic status and business activities of unincorporated enterprises in manufacturing, wholesale and retail trade, food services, and services

#### **Scope and Coverage**

**Enumeration unit:** Enterprises

**Enterprises covered:** Unincorporated enterprises engaged in manufacturing, wholesale and retail trade, eating and drinking places (excluding “bars, cabarets and night clubs” and “public houses and beer halls”) and services (excluding “domestic services”)

#### **Frequency and date:**

There are four types of questionnaires: 1) Questionnaire on enterprise is filled at the beginning of the survey; 2) Questionnaire on operating revenues and expenses is filled every month; 3) Questionnaire on profit and loss account is filled every three months; 4) Questionnaire on assets and liabilities is filled for the fiscal year.

The survey is conducted for four quarters i.e., April to June (first quarter), July to September (second), October to December (third) and January to March (fourth).

#### **Items**

1. Receipts and expenses (surveyed every month by Questionnaire on operating revenues and expenses)
  - Sales volume, cost of merchandise and goods, operating expenses (taxes, interest, rent, insurance premium, welfare cost, power and utilities, transportation, advertisement etc.), personnel expenses, expenditures on fixed assets, number of days operated and number of persons engaged
2. Inventory (surveyed every three months for quarters: June, September, December and March by

- Questionnaire on operating revenues and expenses)  
Amount of inventory and the method of evaluating inventory
3. Assets and liabilities (surveyed at the end of March by Questionnaire on assets and liabilities)
  4. Other items (surveyed at the beginning of the survey by Questionnaire on enterprise)  
Kinds of business activities; type of operation (independent or subcontract); having family workers or not, or other employment or not; employment status of employees; floor space of the building(s) used for business, etc.)

### **Survey Method**

**Selection of the survey enterprises:** Random sampling

**Survey period and rotation** Sample enterprises are surveyed for six consecutive months. Half of them are replaced each quarter.

**Distribution and collection of the questionnaires:** By enumerator

**Entry in the questionnaires:** Questionnaires on enterprise and Questionnaire on profit and loss account are filled in by enumerators and others are by enterprises.

### **Sampling method**

1. For cities with a population of more than 200,000, "Population Census Tracts" are classified into three strata according to the proportion of the manufacturing establishments. Thirty-two tracts are selected from each stratum as sample unit districts.  
For other small municipalities, cities are classified into 53 strata, and towns and villages into 38 strata according to the population, the condition of the location and the proportion of the manufacturing establishments. One municipality is selected in each stratum and one sample unit district is established in each selected municipality. Sample municipalities are rotated every year.
2. In each sample unit district, enterprises (15 for urban areas and 12 for rural areas) are selected from among unincorporated enterprises engaged in the manufacturing, the wholesale and retail trade, the eating and drinking places, and the services with probability proportional to the number of persons engaged. Sample enterprises are rotated every six months.

### **Method of Estimation**

As the number of sample enterprises is decided in proportion to the number of persons engaged in each industry and district, the average sales and other figures per enterprise of each industry are estimated by multiplying the value by the multiplier (the reciprocal of the sampling ratio) for each industry and district.

### **Publication of the Survey Results**

The quarterly report is published three months after the survey, and the fiscal yearly report is published in August.

### **Special Survey**

At the end of the fiscal year (the end of March), the Survey of Business Conditions of Unincorporated Enterprises is conducted. The sampled enterprises are requested to fill in the questionnaire on their perspective on the next year's sales, profit, investment and employment. Results are used as the important information on the next year's business condition of small enterprises.

## **6. Survey on Service Industries**

### **Responsible Agency**

Statistics Bureau of Japan (MPHPT)

### **Purpose**

To clarify the basic structure and activities throughout Japan of establishments engaged in service

industries, by kind of business and number of persons engaged. The Survey provides basic data for national and local policy planning.

### **Scope and Coverage**

**Enumeration units:** Establishments

**Establishments covered:** Establishments under the specified medium groups classified in the major group "Service" of SICJ, as shown below:

Laundry, beauty and bath services; Automobile parking; Personal services; Hotels, boarding house and other lodging places; Amusement and recreation services (except motion picture and video production); Automobile repair services; Machine, upholstery, furniture, etc. repair services (except otherwise classified, hereafter, n.e.c.); Goods rental and leasing; Motion picture and video production; Broadcasting, Information services and research; Advertising, Professional services (n.e.c.), Cooperative associations(n.e.c.); Waste treatment services; Offices of other health practitioners; Dental laboratories; Services related to health care(n.e.c.); Miscellaneous health services; Public health services, Social insurance and social welfare; Social educational services; Miscellaneous educational services; Scientific research institutes; Religion; Political, business and cultural organizations; Miscellaneous services.

**Frequency and date:** November 15 every five years since the first survey in 1989

### **Items**

1. Name of the establishment
2. Legal organization
3. Capital or fund
4. Whether head or branch office
5. Opening year
6. Number of persons engaged
7. Operating hours
8. Beginning and end of the accounting period
9. Income (annual)
10. Ratio of income by business or activity
11. Ratio of income by other parties
12. Expenses (annual)
13. Wages and salaries (annual)
14. Equipment investment (annual) (expenses for acquiring land are excluded)
15. Busy or slack situations

### **Survey Method**

**Selection of the survey establishments:** For establishments with 30 or more persons engaged: complete enumeration. For establishments with less than 29 persons engaged: random sampling.

In total, about 310,000 establishments were enumerated in the 1999 Survey.

**Distribution and collection of the questionnaires:** By enumerator

**Entry in the questionnaires:** Self-enumeration

### **Sampling Method**

The establishments with less than 30 persons engaged are sampled as follows:

- 1) The ordinary establishments (Note 1) with less than 30 persons engaged are selected using a proportionate systematic sampling method for prefectures and industrial minor group.
- 2) All of the new establishments (Note 2) with less than 30 persons engaged that are found in the Monitor Enumeration Districts (Note3) are sampled. Monitor Enumeration Districts are sampled from among the Enumeration Districts of the 1996 Establishment and Enterprise Census (conducted as of October 1, 1996) by one twentieth using a proportionate systematic sampling method.

Note 1: The ordinary establishments mean the establishments which were surveyed by the

1996 Establishment and Enterprise Census and existed as of the date of the 1999 Survey on Service Industries.

Note 2: The new establishments mean the establishments which were established after the 1996 Establishment and Enterprise Census.

Note 3: Monitor Enumeration Districts mean Enumeration Districts designated for the purposes of grasping and estimating the new establishments with less than 30 persons engaged.

#### **Method of Estimation**

1. The figures for establishments with less than 30 persons engaged are estimated by multiplying the surveyed figures for each establishment by the multiplier (the reciprocal of the sampling ratio) determined for each industry and prefecture group. Figures for the ordinary and new establishments with less than 30 persons engaged are separately estimated and summed up.
2. Figures for the establishments with 30 or more persons engaged, and the ordinary and new establishments with less than 30 persons engaged are finally totaled together.

#### **Publication of the Results**

Survey Reports are published 4 months after the Survey.

### **7. Statistical Survey on Incorporated Enterprises**

#### **(Financial Statements of Corporations by Industry)**

#### **Responsible Agency**

Ministry of Finance

#### **Purpose**

To clarify business activities of profit-making corporations (excluding financing and insurance corporations) in Japan, and to update the directory of corporations which are used as a sampling frame for various statistical surveys on enterprises.

#### **Scope and Coverage**

**Enumeration units:** enterprises

**Enterprises covered:** The annual survey covers all profit-making corporations (stock companies, limited companies, limited and unlimited partnership companies) with a capital of 2 million yen or more excluding financing and insurance corporations, while the quarterly survey covers all profit-making corporations with a capital of 10 million yen or more excluding financing and insurance corporations.

**Frequency and date:** The annual survey is carried out in January for corporations with a fiscal year ending in months between April and September and, in July for those with a fiscal year ending in months between October and March. The quarterly survey is carried out in August, November, February, and May for preliminary financial results for the respective periods of April through June, July through September, October through December, and January through March.

#### **Items**

**Annual survey:** Name of the corporation; general items on the corporation such as legal organization and economic activities; items on turnover, assets and liabilities, and capital; items on profit and loss, and disposition of surplus; items on depreciation and cost; items on number of officers and employees.

**Quarterly survey:** Name of the corporation; general items on the corporation such as legal organization and economic activities; items on turnover, assets and liabilities, and capital; items

on increase and decrease in the value of fixed assets; items on detailed assets such as investment; items on profit and loss; items on depreciation; items on personnel expenses.

#### **Survey Method**

**Selection of the survey enterprises:** Complete enumeration for corporations with a capital of one billion yen or more. The others are selected by random sampling.

**Distribution and collection of the questionnaires:** By mail

**Entry in the questionnaires:** Self-enumeration

#### **Sampling Method**

The survey corporations with a capital of less than one billion yen are selected by a stratified random sampling method from the Corporation Directory based on the Statistical Survey on Incorporated Enterprises and administrative records prepared by the Ministry of Finance. Corporations are classified into five strata for the quarterly survey and into nine strata for the annual survey according to capital size. The survey corporations are sampled from each stratum.

#### **Method of Estimation**

The average item value per corporation calculated from collected questionnaires is multiplied by the number of corporations for industrial and capital groups etc.

#### **Publication of Results**

Quarterly survey results are released in newspapers generally two months after the survey, and “Quarterly Report” is published within three months after the survey. Annual survey results are released in newspapers generally five months after the survey, and published as “Special Issue of Financial Statements of Corporations by Industry” in the Annual Report of Monthly Statistics on Government Finance and Banking.



### **III. The Reduction of Duplication of Statistical Survey Objects with the Statistical Frame of Establishments and Enterprises**

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In spite of measures to reduce reporting burden of respondents of statistical surveys, the continuation of the decreasing tendency of cooperation of respondents is one of the greatest problems ministries of the Government of Japan face as survey conductors. In order to tackle with this problem the Government of Japan tries to introduce the system in which duplication of statistical survey objects be reduced by registering the data of the population from which the sample is selected for surveys, managing the data unitarily, checking the survey history records of the sampled objects in the database of enterprises and establishments.

This article shows the framework of the system and the accomplishments to date.

#### 1. Historical Background

##### (1) Development of the Statistical Frame for Enterprise and Establishments

The idea to use the database of population information for the reduction of duplication of survey objects goes back to the New Strategies for Government Statistical Services for the Coming Decade<sup>1</sup>. In this recommendation, compilation of a Statistical Frame for Enterprise and Establishments was proposed. The Frame was to be basically composed of information of the list basically made by the Enterprise and Establishment Census and to be converted to the database. It was to be maintained and renewed with the results of censuses such as Commerce Census and Manufacturing Census. The main object was to provide population information for statistical surveys conducted by ministries, but the reduction of reporting burden was also aimed by avoiding the convergence of the same entity to be the objects of a number of surveys through the strict thorough management of samples with the common database of population information.

Responding to this recommendation the Management and Coordination Agency (MCA)

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<sup>1</sup> The New Strategies for Government Statistical Services for the Coming Decade is the comprehensive policy vision on official statistics in the Government of Japan submitted by the Statistical Council in March 1995. The Statistical Council is an advisory body of the Statistical Standards Department, Statistical Bureau, Ministry of Public Management, Home Affairs, Posts and Telecommunications (MPHPT) (Management and Coordination Agency up to January 2001), composed of statistical experts.

transformed the existing Establishment Census to the Establishment and Enterprise Census and the first Census was conducted in 1996<sup>2</sup>. Then MCA developed the Establishment and Enterprise Information Database System (EEDIS) in 1998, but the EEDIS has stored only the information from the results of the Establishment and Enterprise Census and has had no historical information as to whether a particular establishment or enterprise had been selected as an object of past surveys, thus it cannot be used as a system for avoiding the convergence of the same entity to be the objects of different surveys, but be used only for providing the list of all the establishments and enterprises as the basic sample frame for surveys.

(2) The Measures to Reduce Reporting Burden of Statistical Surveys in the Administrative Reform Related to the Central Government Reorganization

In December 1997, Administrative Reform Council, which was chaired by the then Prime Minister Ryutaro Hashimoto and deliberated the government policy to reorganize the central ministries and agencies, recommended in its final report that the statistical organization should still be decentralized and that the organization which would be in charge of coordination of government statistical activities (to be organized under the proposed Ministry of Public Management, Home Affairs, Posts and Telecommunications (MPHPT)) perform leadership to correct duplication of statistical administration. This policy was legally authorized by the enactment of the Basic Law to Reorganize Central Government in 1998.

Based on that policy the Government considered the measures to correct duplications of the objects of statistical surveys as one of the sub-policies of the promotion of streamline and efficiency of administrative organization. As a result, in April 1999, the Cabinet decided "the Basic Plan concerning the Promotion of Streamline and Efficiency of Administrative Organization". In the Plan, MPHPT was to establish a statistical frame of establishments and enterprises, including the historical information of the number of times that each establishment or enterprise has been surveyed, using the results of statistical surveys and the administrative records available of each office or ministry<sup>3</sup>, and was to maintain unitary population information. Each office or ministry was to take measures to correct the sample using the frame when sampling them in order to avoid such situation as a survey object is surveyed more frequently than the frequency fixed in advance in a certain period.

In order to make up concrete measures to establish a statistical frame including survey

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<sup>2</sup> MCA was merged into the Ministry of Public Management, Home Affairs, Posts and Telecommunications (MPHPT) with the Ministry of Home Affairs and the Ministry of Posts and Telecommunications in January 2001, at the time of drastic central government reorganization.

<sup>3</sup> Before the central government reorganization in 2001 we used "ministries and agencies (each ministry or agency)" when we mention central government organization in general, because there were a number of agencies which have the same status as ministries. But at the reorganization most of such agencies were consolidated to ministries, and the Cabinet Office was newly established. Thus now we use "office and ministries (each office or ministry)" for that purpose.

history data and to reduce duplication with the frame, office and ministries organize an inter-ministerial association. The association reached agreement on the details of the development of the new system in December 2000. MPHPT started to develop another new database in order for each office or ministry to check too much concentration of surveys to the same objects on the database. Finally in June 2002 the government started the operation of the new Statistical Frame of Establishments and Enterprises (SFE), and in July it also started activity for the reduction of duplication of the objects of statistical surveys.

## 2. The Main Features of the new SFE

### (1) Roles of the SFE

The roles of the new database can be summarised in the following three points.

a) Providing the latest list of information related to all establishments and enterprises available as the basic frame for statistical surveys on establishments and enterprises

b) Registering and providing the historical information of survey objects (establishments and enterprises) on all censuses and surveys, i.e. the information whether a specific survey object was previously requested to report for such censuses and surveys, as information to avoid any unnecessary or undesirable concentration of surveys to the same survey objects in subsequent surveys

### (2) Outline of the SFE

#### a) System composition

The SFE was developed as a client/server system using the ORACLE DBMS. By connecting the SFE server with the PCs located at government ministries (the clients), clients can perform on-line-based work to avoid duplications. The SFE is composed of the population information table group, the historical information table group and the control information table group. Tables are linked through the uniform establishment codes so that the information among the different tables can be interconnected. The following figure shows the conceptual framework of the SFE.

#### b) Contents of the database

##### [Population information table group]

Population information is compiled from the results of the Establishment and Enterprise Census conducted by MPHPT, the Commerce Census and the Manufacturing Census by the Ministry of Economy, Trade and Industry, and the Financial Statements of Corporations by Industry by the Ministry of Finance, as the basic (updating) sources. In addition to these sources, data prepared by a private company (Teikoku Databank) are used to complement the information on enterprises.

About 6.6 million private establishments have been recorded in the SFE, while public establishments have not yet been recorded. The number of enterprises (companies) is approximately 1.7 million.

The items recorded in the SFE are as follows:

- Basic items ... area, name, address and telephone number of the establishment or enterprise
- Attributive items ... number of persons engaged, kind of business activities, legal organizational status, etc.
- Items on enterprises ... capital, number of branch offices, status of the parent company, subsidiary companies, and associate companies, etc.

##### [Historical information table group]

The historical information, including the number of times that each establishment has been surveyed and the survey names since January 2001, is registered concerning all the censuses and surveys conducted by the government. The number of censuses and surveys from which the historical information will be collected and stored is around 230 as of June 2002, which have been conducted since January 2002, covering 13.0 million establishments in total, while the surveys for which duplication should be corrected number 140 covering 3.0 million establishments.

The items recorded in the SFE are as follows:

- Items to be recorded in the survey history (for establishments) ... flag indicating an object of a census or a sample survey, flag indicating a survey candidate, flag indicating an object being the object of the reduction of duplication, etc.
- Items on the survey attributes (for censuses or surveys) ... name of the office or ministry, name of the census or the survey, year and month census or survey was conducted, etc.

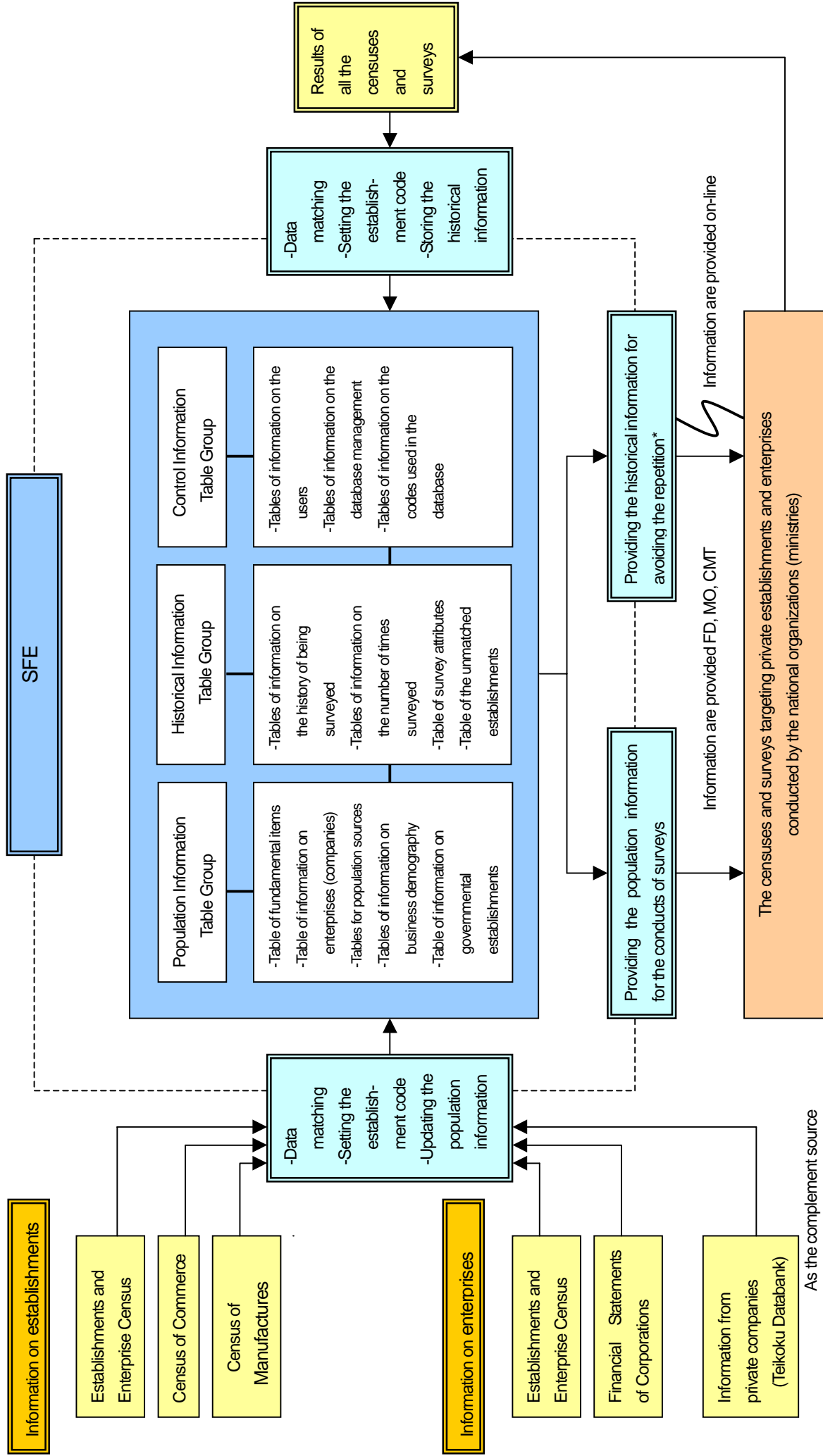
c) Users and uses

For the time being, only the office and ministries of the national government are allowed to use the SFE. The database provides the users with information that can be utilized in the following ways: to elucidate the objects of censuses or surveys, to check whether there is duplication of survey objects more frequently than the frequency set in advance, and to analyze the population structure of establishments and enterprises.

d) Access to the information

In principle, the SFE provides the office and ministries on-line with the information needed to avoid duplications, while also providing information for carrying out censuses and surveys on establishments and enterprises using off-line media such as FD, MO, and CMT, taking account of the large volume of the data needed.

# Conceptual Framework of the Statistical Frame of Establishments and Enterprises



\* Avoiding the repetition is to avoid the situation that the same establishment or enterprise is selected as samples doubly or more in a short period.

### 3. The System to Reduce Duplication of Statistical Survey Objects

#### (1) Purpose

The purpose of the system is to avoid excess concentration of the statistical surveys to the same survey objects in statistical surveys on establishments and enterprises.

#### (2) Content

In the system, the standard maximum frequency in which each establishment or enterprise is surveyed is set, and when the frequency in a certain period (one year) before the survey seems to exceed the maximum, the alternative object which has been surveyed less than the maximum are to be selected.

#### (3) Covered Statistical Survey and Covered Establishments and Enterprises

This system covers all statistical censuses and surveys of the central government the objects of which are private establishments and enterprises (including public corporations).

The system covers establishments and enterprises covered in the previous paragraph except:

- a) the objects of censuses
- b) the objects of surveys using cluster sampling in which complete enumeration is adapted for each cluster extracted
- c) the objects which are decided at the time of survey
- d) the objects of surveys using stratified sampling in which complete enumeration is adapted for one or some of strata.

#### (4) The Maximum Frequency

The maximum frequency is preliminary set based on the results of the storage of survey history information in the SFE. It is currently set at the frequency of the object at 1% below the top in relation to the number of registered survey records (5% for the branch establishments of an enterprise with less than 30 % employees). The maximum frequency for establishments which do not coincide with population information is set as the same as the maximum of all the categories of attributes of survey objects (i.e. 70).

Attributes of Survey Objects	Maximum Frequency
Branch Establishments of an Enterprise	
Less than 30 employees	16
30 or more and less than 100 employees	34
100 or more employees	60
Establishments not belonging to any Enterprises	
Less than 30 employees	16
30 or more and less than 100 employees	34
100 or more employees	40
Headquarters of an Enterprise or Establishments without branches	
Less than 100 million yen capital	30
100 million yen or more and less than 1 billion yen capital	50
1 billion yen or more capital	70
Establishments which Do Not Coincide with Population Information	70

(5) Reduction Process

a) Before conducting a statistical survey, each office or ministry submits a list of survey object candidates made on a magnetic media in a uniform format to MPHPT.

b) MPHPT registers the list on the SFE. Then MPHPT calculates the frequency at which each establishment or enterprise on the SFE has been surveyed based on the registered history information. MPHPT returns the list to the office or ministry after adding a flag which indicates that the object be corrected to the establishment or enterprise whose frequency of surveys exceeds the maximum frequency based on the calculation results.

c) Each office or ministry, when noticed the necessity of correction, selects establishments or enterprises which has been surveyed less than the maximum in place of those with correction flags.

MPHPT provides information on whether a establishment or enterprise is the object of correction via Kasumigaseki WAN (wide area network of the central government offices).

d) After each office or ministry corrects duplication, it must report the results and submit the list of survey objects with survey object flag to MPHPT.

e) MPHPT registers historical information of each establishment or enterprise to the SFE based on the list of survey objects submitted by each office or ministry.





#### 4. The Results of Duplication Correction

From July, when the duplication correction measures through this new system started, to September 2002, 11 surveys used this system based on the reception register, and 3 were corrected based on the correction results reports. In these three surveys 16 objects had correction flags and 11 of them were actually corrected. 5 objects were not corrected because alternative objects cannot be selected in sampling.

**The Reduction of Duplication of Statistical Survey Objects**

As of September 1, 2002

	Total	2002		
		June	July	August
<b>Number of Statistical Surveys</b> (Based on Reception Register) Correction without Correction Flag (Reporting is not required) with Correction Flag (Reporting is required)	11 5 6	3 2 1	6 2 4	2 1 1
(Based on Correction Results Reports) Reception of Correction Results Reports	3	0	2	1
<b>Number of Establishments/Enterprises</b> (Based on Correction Results Reports) Number of Survey Objects without Correction Flag with Correction Flag	39,331 39,315 16	0 0 0	24,832 24,825 7	14,499 14,490 9
Corrected	11	0	2	9
Not Corrected (Reason)	5	0	5	0
① Population is too small.	0	0	0	0
② The said establishments are indispensable for accuracy.	5	0	5	0
③ The said establishments cannot be replaced to other geographical areas.	0	0	0	0
④ The said establishments cannot be replaced to the same classification of industry or size.	0	0	0	0
⑤ Other reasons.	0	0	0	0

**The Registration of Historical Information**

As of September 1, 2002

	Total	2002		
		June	July	August
(Based on Reception Register) Number of Registered Statistical Surveys Number of Registered Establishments/Enterprises	20 126,467	3 7,313	9 47,532	8 71,622

## 5. Future Issues

MPHPT, which is in charge of comprehensive coordination in the decentralized statistical system, promotes simple and efficient operation in the registration to the SFE in cooperation with other office and ministries,. Each office or ministry is expected to submit the list of survey object candidates with enough time in advance in order to allow MPHPT to smoothly process the measures needed for the correction of the duplication of survey objects.

The SFE is originally intended for the correction of the duplication of survey objects, not for the sampling population as the EEDIS, thus so far the development of the system for sampling population on the SFE is still on the way. MPHPT plans to develop the system, then the sampling and the correction would be connected, and the process would be simplified.

## IV. Online Data Collection for Statistical Surveys in the Government of Japan

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### 1. Government Policy for Online Data Collection

#### (1) The New Strategies for Government Statistical Services for the Coming Decade

The New Strategies for Government Statistical Services for the Coming Decade, a comprehensive policy vision on official statistics in the Government of Japan submitted by the Statistical Council in March 1995<sup>1</sup>, first proposed the introduction of online data collection for statistical surveys as follows.

#### *Chapter 5. Efficient Implementation and Quality Improvement of Statistical Surveys*

##### *1. Statistical Surveys in the Information Age*

##### *1) Capturing Statistical Data through Magnetic Media or/and Telecommunication lines*

*The development of information and communication technologies makes it possible for information and communication equipment such as computer hardware to be disseminated, for telecommunications networks to expand, for personal computer networks to develop and for telecommunication and software business to prosper. Under these circumstances, enterprises and establishments are equipping themselves with electronic instruments. These enterprises and establishments are not only reducing the cost of business administration and the time used in data exchange by computer but also starting to connect their computers to business partners' to order goods or receive orders (electronic data interchange), hence expanding computer applications.*

*As most of enterprises and establishments are equipped with computers, magnetic media or telecommunication lines need to be used in statistical data collection so as to carry out statistical surveys efficiently and lower the response burden.*

##### *a. Capturing Data through Magnetic Media and/or Telecommunication Lines*

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<sup>1</sup> The Statistical Council is an advisory body of the Statistical Standards Department, Statistical Bureau, Ministry of Public Management, Home Affairs, Posts and Telecommunications (MPHPT) (Management and Coordination Agency up to January 2001), composed of statistical experts.

*In the case of monthly surveys which collect data on the same items frequently, if respondents handle their transaction data by computer, once software is developed to translate data already recorded on respondents into the data requested by a survey, data for that survey will be processed almost automatically using the respondents' original data. As a result, the response burden will decrease dramatically. Enterprises and establishments are therefore demanding that government statistical offices exploit magnetic media such as floppy disks or telecommunication lines such as computer networks in collecting statistical data.*

*In addition, data collection by magnetic media and/or telecommunication lines improves the efficiency of field operations by reducing the cost of checking the contents of questionnaires and decreasing the number of enumerator surveys. Furthermore, such methods of data collection make the arrangement of questionnaires more efficient and reduce the volume of data input, so that the period necessary for data processing is shortened and timelier dissemination of data becomes possible.*

*As can be drawn from the above, we expect to see benefits in all statistical survey processes, that is, from the survey design stage to the data dissemination stage, through the introduction of data collection via magnetic media and/or telecommunication lines.*

*Therefore, data for surveys on enterprises and/or establishments should be collected using telecommunication lines such as computer networks and/or magnetic media such as floppy disks, starting with surveys conducted frequently (monthly or quarterly).*

*On the other hand, as dissemination levels of information and communication equipment in households are relatively low compared with those of enterprises and establishments, at present it would seem difficult to collect data from households or individuals by magnetic media and/or telecommunication lines. Rather, it is desirable to continue to investigate the possibilities of data collection by magnetic media and/or telecommunication lines from households or individuals, keeping an eye on changes in the dissemination levels of information and communication equipment.*

*As we can expect the appearance of cheaper hardware of higher capacity and communication lines of larger volume with cheaper costs, we have to examine the use of information and communication technologies questionnaire distribution part of the survey process.*

#### *b. Points to be Kept in Mind in Collecting Statistical Data Using Magnetic Media and/or Telecommunication Lines*

*When the government collects statistical data using telecommunication lines, the unfortunate possibilities arise of data being sent to the wrong number and the disappearance or leakage of data by illegal access for the purpose of data theft. To avoid such possibilities, it is recommended that such measures as setting ID codes and/or passwords, the strict management of these and the division of computer systems into data transmission systems and internal processing system should be taken whenever possible.*

*Furthermore, because information and communication equipment, data formats and communication protocols differ between respondents, it is desirable to study setting up magnetic media standards and communication protocols to be used in statistical surveys, considering the trend toward standardization of hardware and software and increasing utilization of Electronic Data Interchange.*

## (2) The Promotion of Statistical Surveys via Electronic Measures

In March 1999, directors of statistical divisions of ministries and agencies reached an agreement named the Promotion of Statistical Surveys via Electronic Measures.

The agreement stipulates that the purposes of utilizing electronic measures is i) reducing the response burden by streamlining respondents' time and labor to entry data, ii) efficient implementation of statistical surveys by rationalizing data check at survey-conducting entities such as local governments, and iii) prompt publication of survey results by streamlining data entry by the offices which conduct surveys.

The coverage of statistical surveys in this agreement is for the time being those which collect the same items so frequently as monthly from establishments and/or enterprises because the effect of the measures seems to be realized relatively early in such surveys on account of the diffusion levels of information and communication equipments.

The method to be used is basically online one such as Internet, paying attention to smooth collection of statistical data and data security.

In order to reduce the response burden, the offices which conduct online surveys should make efforts to simplify and streamline data entry workload of respondents when designing and developing surveys. In addition, reporters should be allowed to choose alternative methods to report such as reporting with conventional questionnaires.

## 2. Examples of Online Data Collection in the Government of Japan

### (1) The New-Generation Statistical System of the Ministry of Economy, Trade and Industry (METI)

The Ministry of Economy, Trade and Industry developed the New-Generation Statistical System, a system to process the reports of statistical surveys online utilizing Internet, and started the operation of the System in January 2000.

The System aims not only to reduce the response burden using online reporting via Internet but also to improve services (data dissemination etc.), to secure promptness and to reduce the costs by processing data electronically.

The coverage of surveys are current surveys (monthly surveys) such as Current Production

Statistics Survey of METI, Current Survey of Non-Ferrous Metal Supply and Demand, Current Survey of Petroleum Products Supply and Demand, Current Survey of Commerce, Statistical Survey of Selected Services Industries and Survey of Energy Consumption in Commerce and Manufacturing.

The System also allows the Ministry to produce electronically some indices processed from the above-mentioned statistical survey results such as Indices of Mining and Industrial Production, Shipments, Inventories and Inventory Rates, Indices of Tertiary Industrial Activity and Indices of Commercial Sales Value by Type of Business.

The System adopted a security system in which survey respondents are requested to prepare their system that supports the SSL (Secure Socket Layer) protocol and to register electronic certification, and thus information is encrypted and transmitted based on SSL prepared by METI. Also, in respect of the procedures for electronic certification to utilize the SSL protocol, an institution for examinations and registrations, and that for issuing and managing certificates are separated. As for functions relating to examinations and registrations, METI examines survey respondents, and functions relating to the issuance and management of certificates are consigned to and implemented by private enterprises.

## (2) The Online Application System of the Ministry of Land, Infrastructure and Transport (MLIT)

The Online Application System of MLIT focuses mainly on application and reporting for administrative action such as permission and licensing, but also covers statistical reporting. The system started its operation in FY 2001

Since the System covers both administrative procedures and statistical surveys, the software to be used by survey respondents are common to that to be used by applicants for administrative action. In order to respond the standardization trend of electronic data interchange (EDI) in business, the System adapted XML format. For the security on the Internet, the certification technology of the public key infrastructure (PKI) is used in the System.

At present the surveys covered by the System is limited only to those for transport statistics such as Survey on Air Transport (monthly), Survey on Railway Transport (monthly) and Survey of the Trend of Equipment Investment By Transport Enterprises (annual), all of which are approved statistical surveys based on the Statistical Reports Coordination Law. MLIT now runs trial to implement online report collection for surveys for statistics designated based on the Statistics Law such as Survey on Current Rolling Stock Production and Coastal Vessel Transport Survey (both monthly).

## (3) Online Surveys by the Ministry of Health, Labor and Welfare (MHLW)



MHLW started online data collection for statistical surveys via Internet in FY 2001. Currently reports for Monthly Labor Survey (designated statistical survey, monthly) and Survey on Labor Economy Trends (approved statistical survey, quarterly) are collected online. Both of them are establishment surveys.

### 3. Conclusion

The diffusion of high-performance PCs and Internet in the last decades has enabled us to develop online data collection system rather easily and inexpensively. The broadband technology enhanced the speed of data transfer. The development of SSL and PKI has ensured secure environment for such collection.

So far the introduction of online data collection is almost limited to frequently reported enterprise and establishment surveys because information and communication equipments are more popular in enterprises and establishments and the effect of reduction of reporting burdens is larger in frequent surveys with the same survey items, which are usually found in enterprise and establishment surveys.

The future issue is the introduction of online data collection to surveys on the households and individuals. This would depend on the diffusion levels of information and communications equipments and broadband connections in the households.

## V. Postwar Reconstruction of Statistical System in Japan

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In this paper the postwar reconstruction of statistical system in Japan is explained to contribute to the capacity building in developing countries.

### 1. Summary of Postwar Reconstruction of Statistical System in Japan

Modern statistical survey institutions were gradually organized since the beginning of Meiji era (1870's). Civil Ministry, which was mainly responsible for home affairs at that time, was established in 1869, and the government ordered the prefectural governments to compile Prefecture Product Statistics, in which each prefecture reported amount of agricultural, forestal, mining and manufacturing products. In 1881, the Statistics Division of Ministry of Finance was established as a body in charge of statistics on taxation, family register etc. In the same year the Statistics Division of the Prime Minister's Office (the previous body of the Statistical Survey Department (SSD), Statistics Bureau, Ministry of Public Management, Home Affairs, Posts and Telecommunications (MPHPT) at present) was also established, and it started to compile nationwide statistics based on the administrative reports from ministries and prefectures. Since then the government gradually organized modern statistical survey institutions. In implementation of statistical surveys, the Population Census of Japan was conducted nationwide in 1920, and thereafter every 5 years.

However, the World War II, which continued up to 1945, gave severe damages to Japanese statistics and statistical system. The government in the war considered statistics as unnecessary and non-urgent business. Thus it reduced statistical budget and institutions under the successive simplification of administrative institution and special orders for wartime public administration, and a number of statistical surveys were abolished or suspended. Also, in order to control information and keep secrecy during wartime, handling of economic and social statistical data became stricter, release of statistics was restricted, and as a result, statistical figures were concealed from the public eyes. In addition, a number of surveys conducted during the war were not compiled because of the damages of bombing to the administrative bodies and people. Even implementation of censuses and surveys were suspended, for example, 1942 Factory Census (Manufacture Census at present)

that started in 1909, and 1945 Population Census.

Therefore, during the World War II the statistical administration was so extremely restrained by reduction of statistical organization and restriction of publication of statistics, that statistics and statistical organization in Japan, which had been developed before the war, was damaged severely.

After the war, leaders in several areas such as the Prime Minister and academic leaders including economists and statisticians perceived that it must be urgent to reconstruct statistical organization, to compile accurate statistical data and to make up a national reconstruction plan based on such statistical data in order to recover the nation from the severely devastated condition.

Based on such perception, the government rapidly promoted the reconstruction of statistical organization as below mentioned. In May 1946 the Ad Hoc Study Group on the Improvement of Statistical System was established in the Cabinet Office, and it conducted theoretical study on reinforcement of statistics and reconstruction of statistical system. Further, based on the Group's opinion, the Committee on Statistical System Reconstruction (Chairperson: Professor Hyoe OUCHI of University of Tokyo) was established under the Cabinet.

In October 1946, the Committee submitted to the Prime Minister the report named "the Report on the Reconstruction of the Statistical System in Japan". In this report the concrete direction for the reorganization and the reinforcement of statistical institutions was presented such as establishment of statistical organizations in central and local governments, improvement in capacity of statistical personnel and statistical survey staff, promotion of publication of statistics, and establishment of the Statistics Law which should be the basis for statistical administration in Japan.

(Main Features of the Report on the Reconstruction of the Statistical System)

a. Establishment of statistical organizations

- Establishment of the Statistics Commission (independent administrative commission) that shall comprehensively coordinate official statistical activities
- Establishment of statistical organization in each ministry
- Establishment of statistical organization in prefectural governments

b. Improvement in capacity of personnel related to statistical activity

- Provision of qualifications, responsibility and authority for the appointment of personnel engaged in statistical activity

c. Publication of statistics

- Prompt release of all important statistics

d. Establishment of the fundamental law concerning statistics and statistical administration

- Establishment of the Statistics Law as the fundamental law concerning statistical administration, including provisions for matters requiring legal basis to realize above-mentioned items as well as provisions realizing items below;

- When a governmental body plans to conduct an important statistical survey, a survey plan shall be submitted to the Statistics Commission for deliberation and obtain its approval
- Important statistical surveys shall impose reporting obligation on the respondents

(For the details on the Statistical Law, refer to section 3 mentioned below.)

Then the Committee also decided, taking the situation in foreign nations into consideration, that the statistical system in the central government of Japan should be the decentralized system, in which each ministries had their own special organization in charge of statistical activities in their jurisdiction, and that the Statistics Commission should be newly established which was in charge of comprehensive coordination on official statistics and surveys necessary for them.

Responding to the Committee's report, the government established the Statistics Commission (the role is succeeded to by the Statistical Standards Department (SSD), Statistics Bureau, MPHPT) in December 28, 1946.

Statistical organization in the central government was also reinforced by each ministry such as reorganization and transfer of the Statistics Bureau from the Cabinet to the Prime Minister's Agency, establishment of the Statistical Survey Bureau of the Ministry of Agriculture and Forestry, etc.

## 2. Reinforcement of Statistical Organizations

### (1) Administrative Organizations for Statistics in the Central Government --Shared Responsibility by Ministries and Comprehensive Coordination

In Japan decentralized statistical system was adopted, in which each ministries has their own special organization in charge of statistical activities as a rule. In addition the Statistical Commission (SSD of MPHPT at present) was established as a comprehensive coordination body.

When we compare the statistical systems in other nations, we can sort them into two categories; those in which statistical activities are relatively centralized to a certain body, and those in which statistical activities are relatively decentralized to several governmental bodies. The former is called centralized system, and the latter is called decentralized system. It is difficult to generalize which is better because to adopt either one or the other depends on the nation's history, culture, political and administrative system, public opinion etc. It is an idea in the small country with scarce human and material resource to begin the establishment of administrative institution for statistics with the centralized system.

### (2) Local Statistical Organizations -- Survey Implementation by Local Governments

As for statistical organization in local governments, All 47 prefectures had special division in charge of statistical activities before World War II, but when the war was ended, only 14 of them had such division. Thus reinforcement of local statistical institution was considered indispensable condition for improvement and development of statistics, and "the Basic Rules of Establishment of Local Statistical Organizations" was decided on by the Cabinet, based on the Incidental Vote made by the Diet when the Statistics Law passed it, and considering the report of the first statistical mission headed by Mr. Rice dispatched to Japan on the request of the General Headquarters of the Supreme Commander for the Allied Forces.

In this cabinet decision the direction for the reconstruction of local statistical organizations was determined as follows;

- a. Statistical census and survey conducted to fulfill the national government necessity must as a rule be done consistently with the national government expenditure and under the supervision of the national government in order to secure the truthfulness and the uniformity of statistics.
- b. For that purpose, employees, who works mainly for statistical activities and whose remuneration was paid by the national government, shall be disposed in local governments and they shall engage in censuses conducted by ministries comprehensively.

Under this direction, in 1947 employees mainly in charge of statistical activities with the remuneration paid by the national government were disposed in prefectural and municipal governments, and major statistical censuses and surveys conducted by the national government were commissioned to the heads of local governments (At present the national government pay the remuneration of employees mainly in charge of statistical activities only in prefectural government.).

### (3) Reconstruction of Capacity of Personnel Engaged in Statistical Activity

Designated statistical surveys were so important that the personnel who engaged in these surveys was supposed to have special knowledge on statistics and surveys. Thus qualification on statistical business experience and educational experience was determined and personnel who engaged in designated surveys were obliged to have this qualification (This qualification, for example university graduate for educational experience, was abolished because local government personnel has became to hold higher educational experience.).

Now the government of Japan (MPHPT), as a host government, has contributed to Statistical Institute for Asia and the Pacific (SIAP), which was established in Japan and has been implementing statistical training to government officials of the developing nations in the region of ESCAP since 1970. SIAP has become one of the most important training institutes for the development of statistical knowledge in Asia and Pacific (The total number of trainees is about 8,000 as of March, 2002) (URL: <http://www.unsiap.or.jp>).

### 3. Establishment of the Fundamental Law Concerning Statistics

#### (1) Enactment of the Statistics Law

In order to secure systematic reinforcement and uniformity of statistical survey business in each ministry, it is strongly requested to establish the fundamental law concerning statistical surveys. Thus the Statistics Law was enforced on May 1st, 1947.

The Statistics Law stipulates following items as the fundamentals of official statistics and statistical administrations;

##### a. Designation of designated statistics

The Statistics Commission (at present Minister for MPHPT as the head of comprehensive coordination body. hereinafter the same) designates statistics that are compiled by the national and local governments and that are necessary for national policy planning and important to people's life

##### b. Approval of designated statistical survey

An authority shall have the approval of Statistics Commission in advance on items to be surveyed, items to be tabulated, measures of dissemination of the result obtained etc. for the implementation of the designated statistical survey (at present Minister for MPHPT must hear opinion of the Statistics Council before his approval)

##### c. Reporting Obligation for designated statistical survey

Designated statistical surveys shall impose reporting obligation to report on the respondents.

##### d. Protection of confidentiality of information obtained by statistical surveys

The confidentiality of information obtained by statistical surveys shall be secured.

##### e. Quick dissemination of the result of the designated statistical surveys

The result of the designated statistical surveys shall be published as quickly as possible.

The main feature of this system is to secure accuracy of important statistics through measures as follows;

a. Survey plans for important statistics including survey items shall be deliberated and approved by the comprehensive coordination body, the Statistical Commission (at present SSD) through the system of the designated statistics.

b. imposition of reporting obligation on the respondents

c. protection of confidentiality on statistical surveys

#### (2) Enactment of the Statistical Reports Coordination Law

After the enactment of the Statistics Law, each ministry implemented statistical surveys so

actively that the reporting burdens of the public gradually became heavy. To improve these situations, the Statistical Reports Coordination Law was implemented in August 1952, the purpose of which is to reduce reporting burden and to improve administrative efficiency. Almost all statistical survey conducted by administrative bodies of the national government other than the designated statistical surveys are required to obtain prior approval of comprehensive coordination body (SSD at present). As a result, reporting burden was alleviated by avoidance of overlaps etc. through government-wide coordination of statistical surveys.

#### 4. Conclusion

We should take account of the following points when we study the fact that Japan succeeded in the postwar reconstruction of statistical institution in a relatively short period of time.

- (1) In the wartime statistical organization was severely reduced but the basic administrative organization was preserved. The reconstruction of statistical organization was done in a way that fitted to the preserved administrative organization.
- (2) Japan had experienced implementation of statistical surveys since Meiji era, i.e. since 1870's, and as a result statistical knowledge had been accumulated about basic and important statistical surveys such as those on population and production, and people's understanding that respondents should cooperate and respond to official statistical surveys had been brought about nationwide.
- (3) Political leaders and leaders in other fields such as economists and statisticians had a strong perception that the reconstruction of statistical institution and statistics was indispensable for reconstruction of the nation.
- (4) Japan reinforced the basic framework in the early time of reconstruction, such as establishment of comprehensive coordination body for important statistical surveys, reinforcement of statistical organization in national and local level, and reinforcement of fundamental laws concerning statistical surveys conducted by the government.

Postwar reconstruction of statistics and statistical institution was promoted in a very short period of time, and we realized uniform statistical institution in the government as a whole. But taking account of the history of the national reinforcement of modern statistics since Meiji era, if a nation were still in the way to attain enough social stability or reinforced administrative organizations, considerable amount of time and efforts might be required.

Therefore,

- (1) International organizations engaged in several sorts of assistance conducted for the establishment of statistical capacity of developing nations should take account of this point, and make efforts from the long run viewpoint.

- (2) The experiences of the experts on statistical administration in various nations should be utilized.
- (3) Japanese experience is one of the cases that contain a lot of implications, but it is not clear whether this would fit directly to the situation of various nations. It is important to promote each nation to take measures step by step by itself, taking account of the situation surrounding it.

(This paper was prepared for the presentation at Paris21 Seminar on Statistical Capacity Building Indicators on April 29–30, 2002)



Reference

## **History of Reconstruction of the Postwar Statistical System**

### **Chapter 1 Trends Toward Renewal**

The Second World War, which continued until 1945, destroyed statistical records and the statistical system of Japan. The Government in wartime regarded statistics as nonessential, and successively simplified the administrations. Under a special wartime administration order, budgets for statistics were cut and the statistical structure was reduced. Statistics indicating the economic and social state of the time were placed under the strict control of the Government because of wartime security measures. Publishing of the resultant figures was not allowed without permission, thus restricting their use, and statistics were not disclosed to the nation. In addition, not all of the results of surveys conducted during the war were aggregated because of damages by bombing or evacuation. In terms of statistical survey implementation, production of the Factory Census (Manufacture Census today), which had been started in 1909, was discontinued in 1942. The Population Census which had been scheduled for 1945 was also suspended.

On the other hand, various organizations conducted surveys randomly and without control, or secretly collected data as needed. As a result statistical surveys were thrown into confusion, truthfulness of the statistics was lost, and reliability was remarkably reduced.

When the war ended, the Government realized the necessity of accurate statistical materials. They were indispensable as the fundamental materials to rebuild Japan, which had been reduced to ashes, to overcome inflation and stabilize economy. Furthermore, Japan was under occupation of the Allied Forces in accordance with the acceptance of the Potsdam Declaration, and had to meet the requests for statistical materials and survey implementation by order of the General Headquarters of the Supreme Commander for the Allied Forces (hereinafter referred to as “the General Headquarters”). It was impossible, however, for the statistical structure which had been reduced during the war to meet those requests.

Under such circumstances, the necessity to rebuild the statistical structure and promptly reform the statistical system overall was recognized by the various organizations concerned. Mr. Takahiko Kawashima, Director General of the Statistics Bureau of the Cabinet, first reported to the Prime Minister about the “Measures for Postwar Construction” (September 29, 1945), then suggested the “Proposed Establishment and Expansion of Japan’s Statistical Functions” (December 25, 1945) to Mr. Daizaburo Tsugita, Chief Cabinet Secretary. Moreover, he proposed the “Objective of the Reform of Japan’s Statistical System” and the “Proposed Reform of the Statistical System” to the government circles including

the Chief Cabinet Secretary and to those at the General Headquarters (See Appendix 1 *Reconstruction Plan of Statistics System*). With these suggestions and proposals as a guide, the reconstruction of statistics and the statistical system began to take shape.

Around February 1946, the Government fully realized the necessity of improving the statistical system and decided to deal with this issue. Chief Cabinet Secretary Tsugita invited Mr. Hiromi Arisawa, Professor of the University of Tokyo, to the official residence of the Prime Minister to discuss the matter. Prof. Arisawa advocated that the reform of Japan's statistical system was an urgent necessity, but the result of this discussion was not materialized because of a change of government.

When forming his first Cabinet in May 1946, Prime Minister Shigeru Yoshida requested Prof. Hyoe Ouchi of the University of Tokyo and Prof. Masao Takahashi of Kyushu University to enter the Cabinet as ministers in charge of economic affairs. Since they declined this request, Prime Minister Yoshida asked Dr. Iwasaburo Takano, an elder in the statistical circle of Japan, to act as go-between. Dr. Takano, however, reasoned that improving Japan's statistical system was an urgent issue, and advised the Prime Minister to entrust Prof. Ouchi with this undertaking. The Prime Minister accepted his advice and entrusted Prof. Ouchi with the role of improving statistics and the statistical system. Under these circumstances, the Japan Statistics Research Institute, where Prof. Ouchi was the manager, rendered full-scale participation and cooperation, and the undertaking to improve statistics of Japan, which had been widely demanded since the end of the war, was integrated mainly by Prof. Ouchi.

### **1. Development of Cabinet Councilors' Office**

Following the revision of the "Ordinance to Establish the Provisional Personnel under the Cabinet" (Imperial Ordinance No. 645 in 1945), a project for reconstructing statistics and the statistical system took shape after the Cabinet Councilors' Office was set up in the Cabinet Secretariat, to "manage affairs related to overall coordination of governmental bodies' affairs for important measures."

The Cabinet Councilors' Office started the project for improving statistics and the statistical system on a full scale in April 1946. Mr. Makoto Hashii, Principal Counselor, and Mr. Shiro Yamanaka, Counselor, of the Cabinet Councilors' Office played an active part in promoting this project.

Although the Economic Stabilization Board (established on August 12, 1946 together with the Price Agency) was not yet established at that time, the Cabinet Councilors' Office forecasted that grasping economic statistics as the base of economic measures would be absolutely necessary when the Board started operation. Therefore, as the first-phase objective, the Cabinet Councilors' Office aimed at producing and disseminating dynamic economic statistics needed to undertake a variety of policies. The Office also anticipated that improvement of Japan's statistical system should be naturally taken into consideration when

promoting this undertaking. In other words, if production of dynamic economic statistics and studies of their use proceeded, the truthfulness of the statistics or the statistical system itself would become issues as a matter of course, and preparation process to produce the statistics would certainly come into question.

#### (1) Ad Hoc Study Group on the Improvement of Statistical System

The Cabinet Councilors' Office was studying measures for preparing statistical materials to be submitted to the General Headquarters. It organized the Ad Hoc Study Group on the Improvement of Statistical System where all the parties concerned could freely discuss and exchange information on production and improvement of statistics. The Statistics Meeting consisted of persons in charge of statistics in the ministries and agencies, the Japan Statistics Research Institute and the National Economic Research Institute as well as some statisticians. The statisticians included Mr. Masao Takahashi and Mr. Yasuo Kondo who became the members of a later Committee on Statistical System Reconstruction. In the first meeting on May 22, 1946, the following agenda were discussed: (1) Intentions of the General Headquarters in production and improvement of Japan's statistics and the then current statistical state of the U.S., (2) statistical details to be urgently produced and a necessary liaison system along with the establishment of the Economic Stabilization Board, (3) the then current state of statistical affairs in the ministries and agencies and the measures being taken for improvement. Five meetings were held up to June 19, 1946.

#### (2) Research Group on Statistics

Later, the Ad Hoc Study Group on the Improvement of Statistical System developed into the Institute of Research Group on Statistics. This Group aimed at studying the composition of basic statistics which were the target and measuring indices of the economic stability plan. The Group held the second liaison meeting on July 2, 1946, and decided on the following study objectives for the future operations of the Group: For the 1st phase, studies on production of important statistics needed for determining urgent measures for economic stability and evaluating the effect of the measures. For the 2nd phase, preparation of basic statistical materials necessary for planning reconstruction of the Japanese economy. For the 3rd phase, studies on the proposed drastic improvement of the then current statistical details and the statistical structure.

The Research Group on Statistics was composed of the general committee and the following four subcommittees: population, production and distribution, labor and living, and finance and prices. Persons in charge of statistics in the ministries and agencies concerned and statisticians participated in the committee and subcommittees. The subcommittees selected chairmen, vice chairmen, and secretaries, and held liaison meetings as required. The following individuals were appointed chairmen and engaged in coordinating all studies: Mr. Hiromi Arisawa who was a member of the Japan Statistics Research Institute (in charge of production and distribution), Prof. Ichiro Nakayama of the Tokyo College of Commerce (in

charge of labor and living), Prof. Yuzo Morita of Yokohama College of Economics (in charge of finance and prices), and Prof. Yasuo Kondo of The University of Tokyo. The subcommittees started studies in the first week of July 1946. The population subcommittee aimed at estimating population up to 1950 as quickly as possible. The finance and prices subcommittee focused on making inflation indices, the production and distribution subcommittee, on production restart indices, and the labor and living subcommittee, on measuring indices of national living standards, respectively. However, studies of the existing statistics clearly revealed incompleteness and inaccuracy of the statistics. As the studies progressed, an improved statistics system was required to efficiently produce proper statistics. The statistics submitted to the General Headquarters in response to its request were extremely inaccurate and disorganized compared to those of the United States. This fact served as a catalyst to achieve the study goals.

On July 10, 1946, at the subcommittee liaison meeting of the Research Group on Statistics, Director General Kawashima of the Statistics Bureau presented the “Objective of the Reform of Statistics System in Japan” and the “Proposed Reform of the Statistical System” as his private draft for the improvement of statistics. These brought the improvement of the statistical system to the fore. His private draft was discussed at the meeting on that day, and although it was the ideal form for a statistical system, it was concluded that it should be examined and discussed further judging from the situation at that time.

Director General Kawashima, however, considered that it was the right time to break from the statistical convention and make great strides. He summarized points at issue presented by the ministries concerned on that day and the focal points of statistical improvement into the “Refutation of the Draft Originator to the Opinions of Each Ministry.” He submitted this document to Counselor Yamanaka. Later, the Cabinet Councilors’ Office requested the relevant ministries to submit their opinions on Director General Kawashima’s private draft, state of the statistical survey structure of those days, and their plans for improving the structure. As it was a very broad issue, the Cabinet decided to discuss it in an official committee, and issued the “Opinion on Statistical Reconstruction” as the material for the meeting of the “Committee on Statistical System Reconstruction” to be held at a later time (See Appendix 2 *Opinion on Statistical Reconstruction*).

## **2. Committee on Statistical System Reconstruction**

Taking this opportunity, the Government also considered improvement of the statistical system an urgent matter, and the Cabinet agreed upon the “Establishment of the Committee on Statistical System Reconstruction” on July 19, 1946 (See Appendix 3 *Establishment of the Committee on Statistical System Reconstruction*).

Mr. Hyoe Ouchi, Professor of the University of Tokyo, was appointed chairman of this Committee.

Committee members included, in addition to professors who were chairmen of the subcommittees of Research Group on Statistics, Mr. Masao Takahashi, Managing Director of the Japan Statistics Research Institute and Professor of Kyushu University, Mr. Kei Hoashi, Director of the Japan Industrial Council, Mr. Shuichi Shinohara, Director of the Statistics Bureau, the Bank of Japan, as well as Counselor Makoto Hashii and Director General Takahiko Kawashima of the Statistics Bureau of the Cabinet as government representatives. The board of secretaries appointed Mr. Hashii Chief Secretary, and section chiefs of related bureaus of each ministry such as Counselor Shiro Yamanaka, Mr. Ryoichi Tomoyasu, Chief of the Examination Section, the Statistics Bureau, as secretaries.

The Committee on Statistical System Reconstruction held the first general meeting on August 24, 1946 obtaining agreement of the General Headquarters. Prime Minister Yoshida was expected to attend the meeting, but, he did not attend because the Diet was convened on that day. Instead, Mr. Keinosuke Zen, Director General of General Affairs, the Economic Stabilization Board, gave an address. Mr. E Ross, Manager of the Research and Statistics Department, the Economic Science Division, the General Headquarters, was present at the meeting and expressed his views in the expectation that this committee would play an important role for establishment of Japan's statistics and his intention to cooperate in sound development of Japan's statistics. After that, a discussion was held on the "Opinion on Reconstructing the Statistical System" submitted by the Cabinet Councilors' Office. Prior to discussion, the Committee took account of the following two points to obtain an immediately feasible reconstruction plan under the then current circumstances.

- (1) To avoid weakening the driving force of statistical reconstruction because of confrontation among the ministries and agencies. Enforcement of a policy to give a strong power to any one of the existing governmental bodies would further intensify the confrontation, so to avoid this, a new organization (a Statistics Commission) shall be established based on the consent of all ministries and agencies.
- (2) To lay down detailed provisions in a law with authority and perpetuity to maintain the organization and assure cooperation of the ministries and agencies for this purpose (establishment of a statistics law).

In July 1922, Inquiry No. 2 "Adjustment and Unification of Statistics" was made to the Central Statistics Committee under the Kato Cabinet. The Committee's report on the inquiry had adequate contents in general. However, because this Committee was an advisory organ and not a decision-making and executive organ, only part of the contents in the report were implemented and the result was maintained only for a short period of time. The above-mentioned points were conclusions drawn from reconsidering the nature of the Committee. The objective of reconstruction of statistics depended on respective statistics for the time being although the principal object was to establish an organization to create statistics.

The Committee on Statistical System Reconstruction set up a subcommittee composed of members from the Research Group on Statistics and the relevant ministries to prepare a detailed plan.

Members for preparing a draft were selected from among this subcommittee members. They were mainly statisticians of the Japan Statistics Research Institute including Professors Ouchi, Arisawa, Nakayama, Takahashi, Kondo and Morita. Thus preparation of an reconstruction plan started. In preparing a draft, the following points were discussed: (1) Whether to unite an organization planning and examining statistical activities and an organization conducting statistical activities, or to separate them, (2) if separated, an administrative structure of the planning and examination organization, (3) where the organization belong, (4) relation between expenses required by local statistical organization and national budgets.

Members for the draft preparation had several discussion meetings, conducted fact-finding research in Chiba Prefecture, and the subcommittee approved the draft on September 25, 1946. The draft was submitted to the second general meeting of the Committee on Statistical System Reconstruction held on October 21 of the same year, and after partial modification, adopted as a report to the Prime Minister. In the general meeting, State Minister Zen pledged that the Government would materialize the plan details promptly. He also asserted to introduce bills of statistical laws and other necessary matters to the ordinary session which began in 1946. This "Proposed Reconstruction of the Statistical System" was reported as the "Report on the Reconstruction of the Statistics System in Japan" on the same day (See Appendix 4 *Report of the Reconstruction of the Statistics System in Japan* and Appendix 5 *Press Release on the Report of the Committee on Statistics System Reconstruction*).

### **3. Government's statement on the occasion of promulgation of the Constitution of Japan (portion related to establishment of the statistical system)**

The Constitution of Japan, the fundamental code of the country in its rebuilding process, was promulgated on November 3, 1946. On the day after the promulgation, the "Government's Statement on the occasion of promulgation of the Constitution of Japan" was announced to the nation. To rebuild a peace-loving nation and improve the life of the people under the new Constitution, the Government took this opportunity to announce six tentative basic measures for education, culture, the economy and so forth as guidelines under which establishment and execution of future policies would be made. The Government sought to disseminate and fully emphasize to the public the spirit of the Constitution, and requested the people's cooperation in realizing its goal. These measures were presented to the Diet and awareness of the government and the people was promoted through various committees. The Government expected to accomplish these measures obtaining the people's cooperation and support. In addition, the Government took up reform of the educational system, reconstruction of industry and economy, and settlement of labor problems and stability of the life of the people as matters to be immediately executed or begin preparation for execution, based on the above basic measures. The Government clearly expressed to the people the following points in "1. Establishment of the statistical system" in the part concerning the reconstruction of industry and economy: – 1) establishment of the fundamental law for statistics, 2) reform and reinforcement of governmental organizations for planning and execution of statistics, and 3)

establishment of the statistical system and promotion of extensive use of statistics.

## **Chapter 2 Establishment of the Statistics Commission**

After the Committee on Statistical System Reconstruction reported to the Government, the “Outline of the Emergency Measures for Reconstructing the Statistical System” was approved by the Cabinet on November 22, 1946 and the Statistics Commission was established (See Appendix 6 *The Outline of the Emergency Measures for Reconstructing the Statistical System*).

### **1. Organization of the Statistics Commission**

The governmental regulation for establishing the Statistics Commission was drafted by the preparatory meeting held in the Economic Stabilization Board on December 20, 1946, in cooperation with secretaries of the Committee on Statistical System Reconstruction. On December 28 of the same year, the “The Governmental Regulation on the Organization of the Statistics Commission” (Imperial Ordinance No. 619 in 1946) was promulgated and implemented (See Appendix 7 *The Governmental Regulation on the Organization of the Statistics Commission*)

The first members of the Statistics Commission consisted of the Prime Minister as chairman, Director General of General Affairs, the Economic Stabilization Board as vice chairman, and Mr. Ryokichi Minobe, associate editor of the Mainichi News Papers, Mr. Makoto Hashii (Director of the 1st Department, the Economic Stabilization Board), Mr. Takahiko Kawashima (Director General of the Statistics Bureau of the Cabinet), Mr. Uichi Noda (Director General of the Budget Bureau, the Ministry of Finance) were appointed members in addition to the aforementioned Professors Ouchi, Arisawa, Kondo, Nakayama, Morita, and Takahashi.

A secretariat was set up under the Statistics Commission (Article 7 of the Governmental Regulation of the Statistics Commission) and chief of the secretariat was selected from among the Commission members. The fixed number of the secretariat staff in full service was 14 and there were a few officials from the ministries and agencies concerned who held another post concurrently. Later, on July 1, 1947, the regulations governing the departmental organization of the secretariat of the Statistics Commission was made and the general affairs division and the examination division were set up. The first division chiefs were Mr. Shiro Nakayama and Mr. Masaru Naito, respectively. On June 20, 1948, the division of the secretariat changed to the general affairs division and the 1st and the 2nd examination sections; on April 1, 1949, to the general affairs division, the examination division, and the standards division; on January 31, 1950, to the general affairs division, the 1st and the 2nd examination divisions, and the council section.

On June 1, 1949, in keeping with enforcement of the National Government Organization Law (Law No. 120 in 1948), it was discontinued to conform to the governmental regulation as a legal basis on which the Statistics Commission was established, and articles from Article 6 to Item 4 of Article 6 were added to the Statistics Law (Law No. 18 in 1947) as the new legal basis. The existing prime-minister chairman system was abolished and replaced by a chairman of special service (Mr. Hyoe Ouchi was appointed). A permanent member system was also adopted.

## **2. Authority of the Statistics Commission**

Authority of the Statistics Commission was stipulated in Article 1 of the governmental regulation as follows: “The Statistics Commission shall be under the supervision of the Prime Minister. It shall designate government offices or other bodies which examine plans for important statistics and plans for important statistics to be executed by the government offices concerned and other bodies. It shall also designate government offices and bodies which produce important statistics, and investigate and discuss matters related to improving and developing statistics.” This provision clarified that the Statistics Commission would make administrative decisions such as planning and examining important statistics, and designating organizations conducting statistical activities. This administrative body based on the council system attracted attention of various organizations as the first administrative committee in Japan.

The Statistics Law was promulgated on March 26, 1947 and authority of the Statistics Commission was provided in the Law, including designation of the designated statistics (Article 2). Matters related to the Statistics Commission were provided to comply with the Imperial Ordinance (Article 6) in addition to the provisions in this Law. Thus, the Statistics Law legalized the authority of the Statistics Commission.

## **3. Holding of Commission meetings**

The Statistics Commission held the first meeting on December 28, 1946 and decided on the “Rules for Proceedings of the Statistics Committee.” Mr. Hyoe Ouchi, a member of the Committee, was elected as Chairman, and Mr. Ryokichi Minobe was appointed Director of the Secretariat. On that day, the following individuals attended the meeting: Mr. S. A. Rice, leader of a statistics mission who happened to be visiting Japan by being dispatched to the General Headquarters (Assistant Director of the Bureau of Budget (BoB) and Director of the Statistical Standards Department (SSD) of BoB, the Executive Office of the President of the U.S., and U.S. Representative of the United Nations Statistical Commission), Mr. P. Stap, assistant leader of the group (Assistant Director of SSD of BoB, the Executive Office of the President of the U.S.), and Mr. E. Ross from the General Headquarters (Manager of the Research and Statistics Department, the Economic Science Division). In the meeting, the Committee decided to hold regular meetings every Friday at 1:30 p.m..



The Committee also allocated the responsibilities to each member for smooth operation of the proceedings. Commerce and industry to Mr. Arisawa; agriculture and forestry to Mr. Kondo; finance to Mr. Morita; labor to Mr. Nakayama; population to Mr. Kawashima; and national income and international relation to Mr. Takahashi. Discussions were made on the following points in connection with the provisions conformed to the spirit of the Statistics Law; designation of important statistics, handling of statistical surveys other than those of the designated statistics, establishment of statistical survey systems, and establishment of the statistical institution including central and local statistical structure.

### **Chapter 3 Major Achievements of the Statistics Commission**

The Statistics Commission terminated its mission in five years and 7 months after its establishment. During this period, it contributed to establishing statistical standards, handling the notified statistics, training in and dissemination of statistics, and improving and developing laws and regulations such as establishing the Statistical Reports Coordination Law. In addition, it coordinated important issues such as conducting censuses in 1950 (note: Population Census, Establishment Census, Census of Agriculture Manufacturing Census, and Commerce Census) as well as importing machines necessary for statistical activities. Establishment of the Statistics Law as the fundamental law, and improvement of statistical systems and local statistical structure were the most important achievements of the Commission, and paved the way for the future statistical administration.

#### **1. Establishment of the Statistics Law**

The Statistics Commission first set about drafting the Statistics Law. The Proposed Improvement of the Statistics System reported by the Commission on Statistical System Reconstruction included a clause “Establishment of the fundamental law for statistics.” This clause was provided to establish the Statistics Law (provisional name) as the fundamental law for statistics and to prepare certain rules for items requiring a legal basis on which statistical structure was established, quality of statistical personnel and statistical survey staff was improved, and statistics was published. In response to this report, the Statistical Survey Office of the Economic Stabilization Board started drafting the outline of the Statistics Law in October 1946, in cooperation with officials of the ministries concerned. Thereafter, this undertaking was handed over to the Statistics Commission, and the Commission strove for drafting the Statistics Law after the first meeting.

The bill of the Statistics Law was introduced into the 92nd Imperial Diet on February 26, 1947, which was opened at the end of 1946 as the last national assembly under the Meiji Constitution. This bill was passed as drafted with one consent in the Upper House on March 6, 1947 and in the Lower House on March 17, 1947, respectively. The Statistics Law was promulgated on March 26 as the Law No. 18, and enacted on May 1, 1947 in accordance with the imperial ordinance (Imperial Ordinance No. 163 in 1947)

which stipulated the date of enforcement of the Statistics Law. Simultaneously with the enforcement of the Statistics Law, the Resource Survey Law, the Law Concerning Censuses, and the Law Concerning Statistical Materials and Field Surveys, which had been the existing legal basis of statistical surveys, were abolished. Thus the statistical laws and regulations were integrated under the Statistics Law.

## **2. Designation of important statistics as the designated statistics (Establishment of statistical systems)**

The Statistics Law included a provision to designate important statistics as the designated statistics. This was to establish a statistical system which could win public confidence and contribute to national policies and improvement of the people's living.

It was necessary to designate important statistics as the designated statistics immediately after the Statistics Law was established. Therefore, it was decided to examine the existing ministry statistics to select those to be designated. A small committee was set up appointing the members as chiefs who would examine statistics of the ministries and agencies they took charge. Mr. Arisawa was in charge of the Ministry of Commerce and Industry, the Ministry of Transport, the Ministry of Communications, and the Restoration Authority; Mr. Nakayama, the Ministry of Health and Welfare and the Ministry of Education; Mr. Morita, the Statistics Bureau, the Ministry of Finance, and the Price Agency; Mr. Kondo, the Ministry of Agriculture and Forestry; and Mr. Masaki (member of the Economic Stabilization Board), the Ministry of Home Affairs and the Ministry of Justice. Initially, Mr. Shuichi Shinohara (Director of the Statistics Bureau, the Bank of Japan), a provisional commission member, was appointed as chief in charge of banks. However, this was suspended midway because the Commission decided not to designate bank and private statistics as the designated statistics in the course of its discussion on the bill of the Statistics Law.

The following is an overview of the designated statistics designated from May 1, 1947 when the designated statistics system started up to 1952 when the authority of the Statistics Commission and affairs under its jurisdiction were passed over to the Administrative Management Agency and the Statistics Council which was established as an organization affiliated to the Agency to deliberate important matters.

The first designated statistics were Population Census started in 1920. This was stipulated in Article 4 of the Statistics Law and designated on May 2, 1947, following the day of the enforcement of the Statistics Law. Later, by 1949, fundamental statistics in the current statistical system were designated. They were: Establishment Census (Designated Statistics No. 2), Manufacturing Census (No. 10), School Basic Survey (No. 13), Housing Survey (No. 14), Commerce Census (No. 23) and Census of Agriculture and Forestry (No. 26). The most of them used a complete enumeration method (census) which surveyed all of the fixed targets.

Many of the statistics produced frequently in a relatively short time cycle, i.e., monthly or

quarterly, were designated as the designated statistics during this period. Vital Statistics (No. 5), Monthly Labor Survey (No. 7), Current Production Statistics Survey of the Ministry of International Trade and Industry (No. 11), and Survey on Shipbuilding and Engineering (No. 29) are regarded fundamental statistics even today. Many of the surveys conducted to produce these statistics (current surveys) used a sampling survey method supported by the sampling survey theory which had developed rapidly after the war. From 1950 on, the number of the new designated statistics produced by means of censuses decreased, and those produced by the sampling surveys became dominant. The statistics designated during the period from 1950 to 1952 (including those not currently produced. The same shall apply hereinafter) are Labor Force Survey (No. 30), Statistics on Building Construction Starts (No. 32), Department Store Sales Survey (No. 34), Retail Prices Survey (No. 35), Statistical Research of Farm Economy (No. 36), Crop Survey (No. 37), and Survey of Marine Product (No. 54).

A total of 60 statistics was designated by the end of November 1952.

### **3. Establishment of the local statistical structure**

Local statistical structure was in a complete chaos immediately after the war. Few prefectures had an independent division exclusively for statistics, and statistical affairs were handled in a corner of the general affairs section, the local affairs section or the archives and documents section in many prefectures. Although statistical surveys were conducted by order of the national government, more than 60% of the personnel expenses were disbursed by the prefectures and only the remaining 40% were disbursed by the national government's fund. The number of people in charge of statistical affairs was small, accounting for approx. 24 per prefecture. It was hard for the prefectural governments to meet the national government's request to conduct surveys with this small number of personnel. The situation was worse in municipalities. They were key organizations for surveys, but the national government did not take account of personnel expenses required for their statistical affairs.

On October 21, 1946, however, in the "Report on Statistical System Reconstruction," the Committee on Statistical System Reconstruction stated that each of the prefectures should have a statistical division to conduct statistical surveys and a function to aggregate and quickly report the survey results, and that each municipality should have a statistical division or appoint a person exclusively in charge of statistics. It also stated that all expenses for surveys conducted at the request of the national government should be born by the national government. With this report as momentum, the statistical system began to be improved.

When the bill of the Statistical Law was passed, the House of Representatives also passed the following incidental vote resolution as a joint proposal of all parties: "The national government should give due consideration to renovation of the statistical system and quick reinforcement of statistical structure in

local governments because it is particularly important for the improvement and development of statistics.” This set a firm basis for reinforcement of the local statistical structure thereafter.

Based on these details, the Statistics Commission formed a definite draft after six-month negotiations with the relevant ministries. On July 11, 1947, the “Basic Rules of Establishment of Local Statistical Organizations” was decided on by the Cabinet (See Appendix 8 *The Basic Rules of Establishment of Local Statistical Organizations*). The main points of this outline were as follows:

- (1) Unify statistical personnel of the prefectures funded by the ministries fully or by half and increase the number of personnel necessary for a joint body conducting a large-scale surveys of the national government.
- (2) Reinforce aggregation capability of prefectures and expand the range of local aggregation to expedite statistical activities and local use of the statistics
- (3) Appoint officials fully funded by the national government exclusively in charge of statistics at least one in each office of towns and villages, and in proportion to the population in each city office.
- (4) Appoint local administrative officials or technical officials as statistical officials in each prefectural office. Second-grade officials shall be appointed or dismissed by the Prime Minister. Third-grade officials shall be appointed or dismissed by the prefectural governors after hearing the opinion of the Statistical Commission.
- (5) Statistical affairs shall be directed and supervised by the ministers through prefectural governors. The statistical officials shall supervise officials exclusively in charge of statistics in the municipalities according to the national government instructions.

This bill was expected to be executed immediately after the Cabinet decision. However, just before the execution, the General Headquarters raised an objection because it did not comply with the principle of local autonomy, and this objection made it impossible to assign national government officials to the prefectures. As a result, local statistical structure made a restart in mid-1947 assigning local government officials. In July and August 1947, 1,715 statistical officials fully funded by the national government were employed by the prefectures and 1,200 by the cities, as personnel required for establishing the local statistical structure. All the necessary expenses were disbursed out of the reserve fund and granted being included in the extra local subsidies for censuses. Moreover, in September 1947, the prefectural governments integrated officials whose labor cost had been paid for each survey fully or partially by the Statistics Bureau of the Prime Minister’s Office and the Ministry of Interior, and increased the number of officials by 1,472 in total. The cost of employing the statistical personnel was disbursed out of the reserve fund. Each of the towns and villages employed one official funded by the national government exclusively in charge of statistics (10,300 in total). In October 1947, it was decided that various current production surveys which had been collected by a private control organization and produced by the General Headquarters would be transferred to the Ministry of Commerce and Industry following the

disbandment of the control organizations and conducted through the prefectural governments. For this reason, additional 1,564 officials were newly employed by the prefectures. In 1948, 279 officials were additionally employed as survey-related personnel under the control of the Ministry of Commerce and Industry and the Ministry of Education. As a result, the number of statistical officials funded by the national government appointed to the divisions in charge of statistics in the prefectural governments totaled 5,030. To municipalities, 11,500 officials were employed in 1948 in the same way as the preceding year.

In April 1950, the Local Finance Equalizing Allocation Law (Law No. 211 in 1950) was enacted and most of the local officials funded by the national government were placed under the system of Local Finance Equalizing Allocation. Although the prefectural governments could keep their officials with the national governmental fund as before, officials of the municipalities were placed under this system.

Furthermore, the number of officials exclusively in charge of statistics employed by the prefectural governments which was reinforced for a certain period were reduced to 3,714 in 1952 because of the administrative reorganization in 1949. On the other hand, as the result of introduction of the system of Local Finance Equalizing Allocation in April 1950, statistical officials in the municipalities numbering 11,500 in 1946 and 1947 were also gradually reduced. Many of the municipal offices had to deal with statistical affairs in divisions in charge of general affairs, public relations or elections.

## **Chapter 4 Report of the Statistical Mission Headed by Mr. Rice and Japan's Statistics**

### **1. Dr. Rice and his 1st statistical mission's visit to Japan**

Dr. Rice and his statistical mission visited Japan soon after the war and made numerous suggestions in the postwar statistical rebuilding in Japan. This mission had a strong impact on Japan's statistics, and it must not be ignored when referring to the postwar history of Japan.

In response to the request of the General Headquarters to the U.S. Government on October 31, 1946, the first mission came to Japan on December 22 of the same year, just before the Statistics Commission was organized, to research and recommend on reform of statistical affairs of the Japanese Government and other matters. The mission conducted research in cooperation with the Statistics Commission and, on May 28, 1947, submitted to the General Headquarters a recommendation titled "Modernization of Japan's Statistics."

The leader of the mission was Dr. S. A. Rice, Assistant Director of the Bureau of Budget (BoB) and Director of the Statistical Standards Department of BoB of the Executive Office of the President, and the sub-leader was Mr. P. Stap, Assistant Director of the same department. The mission also included Mr. J.

Cornfield, Mr. E. T. Crowder, Mr. W. E. Deming, and Mr. M. Sapire. Dr. Rice submitted the “First Report on Japan’s Statistical Organizations” to the General Headquarters on January 11, 1947 and returned to the U.S. at the end of the month. Mr. Stap stayed until April leading the mission. Mr. Sapire and Mr. Cornfield contributed to giving guidance in statistics to Japanese as a member of the Survey and Statistics Department of the General Headquarters thereafter. During this period, the mission had meetings frequently with the Statistics Commission and the ministries’ statistical organizations and conducted field study on local statistical structure.

The report of this mission was published in two parts. Part I was titled “Importance of Japan’s Statistical System,” and Part II, “Necessity of Modernization of Japan’s Statistical Organizations.”

Dr. Rice and his mission examined the aforementioned report of the Committee on Statistical System Reconstruction and expressed full support to the report. The mission greatly contributed to the reconstruction of the statistical system in cooperation with the Statistics Commission. It gave useful suggestions for establishing the Statistics Law, improving local statistical structure, and planning Establishment Censuses. It also had a strong impact on diffusion of the statistical thought in Japan by suggesting measures for developing statistical training in Japan.

## **2. Dr. Rice and his 2nd mission’s visit to Japan**

In response to the request of the General Headquarters, the 2nd statistical mission revisited Japan on March 25, 1951. The mission conducted research in cooperation with the Statistics Commission and submitted a recommendation to the General Headquarters in July of that year. The mission consisted of Dr. S. A. Rice as the leader, Mr. Dedorick, International Statistical Coordinator of the Bureau of Census, Department of Commerce and Dr. Tapper, Special Adviser to the President. Dr. Tapper was invested with an important mission on Japan’s economic control in conjunction with Japan-U.S. economic cooperation, so Dr. Rice and Mr. Dedorick directed research on Japan’s statistical structure.

This mission aimed at recommending the ideal way of the statistical system in Japan after the effectuation of the peace treaty. Therefore, many recommendations were made on the statistical structure. The report titled “Ideal Way of Statistical Structure in Japan” was composed of the following chapters: Chapter 1 Introduction, Chapter 2 Further modernization required, Chapter 3 Fostering specialists in statistics, Chapter 4 Centralized control of statistical coordination, Chapter 5 Statistics Commission, Chapter 6 Statistics Bureau of the Prime Minister’s Office, Chapter 7 Statistical departments of ministries, Chapter 8 Statistical activities in the prefectural and municipal governments, Chapter 9 Statistics in the private sector, Chapter 10 International statistics. The number of recommendations in the report totaled 50.

Judging from the development after the report was submitted, the following recommendations had particularly strong impact on Japan's statistics:

- (1) Recommendation that the Statistics Commission should adopt a single-head system was realized by dissolving the Commission into the Statistical Standards Department of the Administrative Management Agency.
- (2) Recommendation that reports should be controlled was realized by limiting the control targets to statistical reports in accordance to the Statistical Reports Coordination Law (Law No. 148 in 1952).
- (3) Recommendation pointed out that Input-Output analysis showed as yet no first sign of its presence, but a rapid development was seen in this field thereafter.

## **Chapter 5 Disbandment of the Statistics Commission**

The conclusion of the peace treaty was close at hand and the Government was discussing the ideal way of administrative structure after independence, and the "Reform of Administrative Structure" was decided by the Cabinet on April 5, 1952. One of the important points of this structural reform was disbandment of the administrative commissions in general. When the disbandment of the Statistics Commission was made decisive in line with this reform, many discussions were made about the way and form to continue its function after the disbandment.

Prior to this, the second statistical mission with Dr. Rice as the leader stated in its recommendation as follows: "The Statistics Commission does not fulfill its function as the agency to uniformly control statistics. The main cause is in its structure. It could be said that its structure and its task are contradictory. In other words, the Commission is expected to fulfill administrative responsibilities having the structure suitable for an advisory body. Therefore, we propose to reform the current Statistics Commission and separate the administrative function from the advisory function." It also stated in Recommendation 19 as follows: "... to be composed of one chairman who is the principal administrative official and two committee members to act as the first and second deputy chairmen." The mission considered that it was desirable to reform the Commission into a powerful administrative organization adopting a single-manager system, but that it would come one step closer to such an organization by appointing one chairman and two permanent committee members for the time being.

There were three options for the ideal statistical structure after disbanding the Statistics Commission following the basic direction of the administrative reform. One was continuation of the Statistics Commission in conformity to the mission's recommendation, another was integration into the Economic Counseling Agency, and the other was integration into the Administrative Management Agency. The Statistics Commission took the third option. Chairman Ouchi explained about this decision in the 13th Diet as follows:

- (1) The Statistics Commission was the administrative commission based on a council system and had experienced many difficulties in exercising statistical administration. The report control based on the Statistical Reports Coordination Law to be enforced in the near future was considered almost impossible in the administrative capacity of the Statistics Commission.
- (2) Statistics required by the Economic Counseling Agency were limited to those on economic planning and analyses. However, the Statistics Commission aimed at statistical administration such as establishing more extensive statistical systems and improving and developing them. Therefore, it was considered inadequate to transfer administrative jurisdiction of the Statistics Commission to the Economic Counseling Agency.
- (3) The Administrative Management Agency should have authority of coordinating administration in general, and it was desirable to coordinate administrative planning on statistics as one of the departments of this Agency.

As a result, two reform bills were laid before the 13th Diet: one was for the Statistics Law to disband the Statistics Commission, and the other was for the Administrative Management Agency Establishment Law to establish the Statistical Standards Department of the Administrative Management Agency and the Statistics Council as a subsidiary agency, which would take over the authority and affairs of the Statistics Commission. These laws were enforced on August 1, 1952, and the Statistics Commission was disbanded, thus ended its activities extended over a period of 5 years and 7 months on July 31 of that year.

On July 30, the day before its disbandment, the Statistics Commission held the 61st and the final meeting. It was the 145th meeting when we start counting from its establishment on December 28, 1946 through the organizational reform in June 1949. It is no exaggeration to say that Japan's postwar statistics were reconstructed mainly by the Statistics Commission. Although it continued to exist only for less than 6 years, the Committee's achievements were truly commendable in the statistical history of Japan.

(This document is the excerpt from the introduction part of *Forty-Year History of the Statistics Council* (the Statistics Council, March 1995).)



### **Reconstruction Plan of Statistics System**

(Proposed by Takahiko KAWASHIMA, the Director General of the Cabinet Statistics Bureau, in July 1946)

#### **The Objective of the Reform of Statistics System in Japan**

In the Orient since the era as old as of Zhou in China, the statistics and the maps were regarded as two important instruments essential for the governance of the country. This was because of the then government that had intended to plan and to carry out a correct government policy based on the actual state of the country that was grasped on empirical foundation. National statistics system and operation thereof of then China deserves the praise. Owing to such system, prosperity of the people, cultural development and stable national defense had been achieved their targets and these are clearly evidenced as the historical facts. However, due to an abstract, deductive and ideological nature of the Han Chinese, the people had gradually turned to discuss the national policies without taking account of concrete facts. And, finally, this time-honored national statistics system of the Orient had declined and ruined completely. Afterward in the 18<sup>th</sup> century, there occurred a science with respect to new statistics in Europe. This science has achieved a remarkable progress under scientific research methods, but it was the statistics for the search of theory with respect to social phenomena and it was not yet functional to be applied directly to the needs of businesses in the real world. In the recent years, as a resultant of an invention of statistical computer in the United States of America, a new field of statistics utilization has been reclaimed. Along with the development of statistical functions, the statistics has now become usable directly in actual management of the various fields of society such as industry, economy, military, etc. For this reason, the statistics is being utilized comprehensively in management and operation of the entire nation and the entire society in a modernized and highly developed way that were once held by the ancient Oriental statistics. This statistics is being called the management statistics. One prominent example of the power of this management statistics is in the Soviet Union. They have learned this new statistics method from the United States and have established a national statistics system that corresponds with this new statistics method. By this national statistics system, they have plotted to prepare and fulfill the excellent statistics and thus have accomplished a 5-year program of that time, before the war, rapidly without any miscalculation. During the war period, they have brought military's ability to full play, and during the post-war period, have contributed greatly to cope with vicious inflation and unemployment problems, and have been recovering from the damages of the war steadily and extending the state of the country. Also, in the United States, the management statistics have been applied actively to various social sectors, have been ensuring

the successful planning and implementation of such various projects and have been improving the standard of people's capacity in general, which are demonstrated by a number of examples. The national statistics in various sectors in our country at present are remarkably lagged behind in comparison with those in these countries. It can be expressed as nothing but a relic of the past that lacks entirely of the modern factors of the management statistics. Our country at present is encountered with a most serious situation in which even the alteration of the constitution must be carried out resolutely for the sake of restoration of the country and conservation of a people. When internal and external situation of our country is feared with reference to ancient and modern historical facts, it is necessary at this juncture to do away with the conventionalities of the past and to establish a new national statistics system as the fundamental necessity for the administration and the management of the country. It is most earnestly required now to develop an empirical, a rational and a comprehensive government business based on the axis of such excellent statistics produced by such a new national statistics system and to discuss the policy issues accurately. Any national plan which lacks concrete figures of time, place and quantity for the present and future and, thereby, is incapable of calculations and estimates by itself is deemed a dream of an idiot only. Such a plan is surely be obstructed in its implementation by obstacles from all the corners, and there are so many instances that plans were ended as castles in the air after consuming useless energies for impatience and worry. As such, the modern management statistics is deemed as an instrument to fill the defective part thereof in the plans, and certainly the function of the management statistics is exclusively to be involved with the systematization of statistical work and the operation of the single system. The scholars and well-informed people in the advanced countries such as the United States and Soviet Union have pointed this out equally. These are the grounds on which the reform of statistics system in our country has become necessary.

### **Proposed Reform of the Statistics System**

1. The Government Regulation on the Organization of the Cabinet shall be amended partially to have the stipulation that authorizes the Prime Minister to order, command and superintend and lead each minister with respect to the matters concerning the statistics.
2. The Central Statistics Bureau shall be established in the Cabinet, and a statistical survey division (it may be a department or a bureau depending on the volume of the work) shall be established in each ministry or agency (including subordinate administrative offices) respectively, and have these offices to conduct statistical survey works of their own necessity. In addition, the Central Statistics Bureau shall be authorized to conduct statistical works, and lead and superintend statistical works of all the ministries and agencies as a higher leader and the statistical survey divisions shall be authorized to conduct statistical works, lead and superintend statistical works of other bureaus and divisions within the competent ministries and

agencies as a higher leader:

- (a) The Central Statistics Bureau shall be positioned in the system under the direct control of the Prime Minister and shall be the supreme organ for the statistical administration of our country.
  - (b) The statistical survey division of each ministry or agency shall be positioned in the system under the direct control of the minister or director general of the competent ministry or agency. A full-time director shall be appointed to this division and in addition this division shall undertake any and all documents transmission and receiving works other than the statistical works in case such works are deemed necessary for controlling the statistical works of the competent ministry or agency.
  - (c) The statistical survey division of each prefecture shall be positioned under the direct control of the Central Statistics Bureau and shall work under its direct orders in rendering guidance on the statistical works of subordinate local administrative organs.
3. The statistical survey division of each ministry or agency shall be responsible for executing instructions and issues given by the Central Statistics Bureau, at the same time, following the operational guidance rendered by the minister or director general of the competent ministry or agency. Similar relationship shall be adapted to the relationship in between the persons in charge of the statistical works of other bureaus or divisions within the same ministry or agency and the statistical survey division thereof.
  4. In the event any ministry or agency plans to carry out any statistical survey, such survey plan shall be submitted to the Central Statistics Bureau for its examination and approval. It is required that the results of such a survey to be submitted to the Central Statistics Bureau for its confirmation. In the event any ministry or agency plans to establish, reform and/or abolish the statistics system in that ministry or agency, such a plan shall also be submitted to the Central Statistics Bureau for its approval.
  5. The existing laws now in force for the statistical surveys are in unorganized and unsorted state and it shall be arranged and integrated into enactment of one unified law. It shall be made clear in this law that there is no obligation on the part of the people to make declaration against any statistical survey which has not been approved by the Central Statistics Bureau. And there is no obligation on the part of the authorities concerned to carry out works for such a survey either.
  6. Every year, the amount equivalent to 5 percent of net total national budget shall be kept aside by the Ministry of Finance as expenditure for the statistical works. And any and all expenditure budget for the statistical works of each ministry or agency (including that of the Central Statistics Bureau) shall be disbursed from this amount. The Central Statistics Bureau shall make an assessment of budget requested by each ministry or agency within the framework of this amount. In case the amount is found to be insufficient still after the assessment, the Ministry of Finance shall make an assessment of such budget requested and, in case of having

surplus in the budget, such amount shall be reserved and may be allotted to the budget in later years.

7. The Central Statistics Bureau shall establish a system by which it will dispatch its personnel continuously to each ministry or agency to observe statistical works executed by it, to render guidance and training to it and to superintend it for the purpose of improvement of its works.
8. With respect to the enumerators to be appointed to work in a front-line of the statistical surveys of each ministry or agency, the Director General of the Central Statistics Bureau shall have a unified authority to control over their appointment, dismissal, salary and other treatment, etc.
9. With respect to appointment, dismissal, promotion and demotion of the director of the statistical survey division of each ministry or agency, the Director General of the Central Statistics Bureau can express opinion to the authorities concerned. Further, the appointment, dismissal, promotion and demotion of the directors of statistical survey division and of other staff who are engaged in the statistical works cannot be enforced without the consent of the Director General of the Central Statistics Bureau.
10. The Director General of the Central Statistics Bureau shall be given the qualification to be in presence in the Cabinet meeting at all times and to express his/her opinion from an independent standpoint with respect to the problems related to the statistics. Similarly, the director of the statistical survey division of each ministry or agency shall be given the qualification to be in presence in the highest meeting in the competent ministry or agency at all times and to express his/her opinion related to the statistics.
11. The head or designated public officials (including lower government employees) of each ministry or agency shall be obligated to submit the statistics report on the matters fall under its jurisdiction or on the other matters related to its jurisdiction, various materials concerned with the statistics and/or copies thereof, under the request of the Director General of the Central Statistics Bureau.
12. The Director General of the Central Statistics Bureau shall be responsible for the statistical matters in relation to the national policies in general, and the director of the statistics survey division of each ministry or agency shall be responsible for the statistical matters of the competent ministry or agency in general.
13. A special school for the statistics shall be established in Tokyo under the management of the Central Statistics Bureau for training of leading members of the statistical staff of both government and private sectors. Concurrently, the school shall provide knowledge and skill to the ordinary public officials for learning how to utilize the management statistics.
14. A system shall be established to examine the skill and ability of management statistics of the ordinary administrative officials at the time of selection, appointment, promotion and dismissal.
15. Public officials who are engaged in the statistical works shall not be a member of any kind of assemblies concurrently and shall not be engaged in any political activities.

16. A system shall be established to allow a special seniority wages for the public officials who are engaged in the statistical works.

### **Opinions on Statistical Reconstruction**

(The Cabinet Councilors' Office on August 5, 1946)

Proposed Reform of the Statistics System (the Director General of the Statistics Bureau)

Opinions against Proposed Reform of the Statistics System (Ministry of Interior)

Opinions against Proposed Reform of the Statistics System (Ministry of Finance)

Opinions against Proposed Reform of the Statistics System (Ministry of Health and Welfare)

Opinions against Proposed Reform of the Statistics System (Ministry of Agriculture and Forestry)

Opinions against Proposed Reform of the Statistics System (Ministry of Commerce and Industry)

Opinions against Proposed Reform of the Statistics System (General Directorate of Railways,  
Ministry of Transport)

Refutation of the Draft Originator against the Opinions of Each Ministry

### **Proposed Reform of the Statistics System (See Appendix 1)**

#### **Opinions against the Proposed Reform of Statistics System (Ministry of Interior)**

1. It is agreeable in principle to establish a division to be in charge of statistical works in each government office including the local government offices in order to expand and strengthen the statistics system.
2. However, its organization, personnel affairs and operation are not agreeable on the following points:
  - (a) The statistical survey division of the local government shall not be a direct subordinate of the Central Statistics Bureau. It should be an individual division of the local government office. As a supporting organ to the Prime Minister and as similarly as other ministers, the Director General of the Central Statistics Bureau shall render guidance on the works that come under the jurisdiction of Bureau to the statistical survey division of the local government through the channels of the director general (governor) of the local government.
  - (b) Personnel affairs of the staff engaged in the statistical works shall be handled and treated as similarly as that of the general staff in the central and the rural offices.
  - (c) Complicated procedures for examination, approval and confirmation with respect to the execution of the statistical surveys and unification of other right of command and order shall restrict the mobility and activity, and shall be resulted in hindrance of efficiency of the works pointlessly.

- (d) It is not necessary to give a name of statistical survey division uniformly. For instance, if the division of Archives and Documents and/or General Affairs can handle the actual statistical works, these division names shall be unchanged and these divisions shall handle the statistical works according to the actual situation of the ministries or agencies. When such are determined, the necessary number of staff shall be increased for statistical works.
  - (e) Other than the general statistics, it is deemed more rational to have the competent agency, bureau or division to handle the statistics related to its jurisdiction.
3. Proposed unification of statistical methods and establishment of a special school for statistics is agreeable.
  4. It is deemed necessary to clarify the relationship between the unification of economic statistics at the Economic Stabilization Board and the Central Statistics Bureau.

### **Opinions against Proposed Reform of the Statistics System (Ministry of Finance)**

Opinions of our ministry concerning the subject matter are as follows:

1. This proposal represents an idealistic plan, however, it seems difficult to be realized under the present circumstances.
2. The present government statistics are being compiled for administrative purposes by a certain government bureau or division that needs such statistics in accordance with their needs. If such statistics turns to be concentrated in and controlled by the Cabinet immediately, it is feared that it would be causing not only to invite a hindrance on administrative business but also to result in the statistical compilation for statistical purposes only.
3. Accordingly, it is deemed an appropriate that the improvement of statistical system shall be executed taking into consideration the following points at this moment:
  - (a) The Cabinet Statistics Bureau shall exclusively compile censuses such as the population census and render guidance and improvement on the statistical technologies as well.
  - (b) At each ministry or agency the statistics required for each administrative purposes shall be compiled, and thus compiled statistics shall be gathered and sorted out in one division of that ministry or agency and be provided for utilization by that or by other ministry or agency.
  - (c) To avoid duplications in statistical surveys among ministries and agencies, the statistics of each ministry or agency presently stored in the Cabinet Councilors' Office shall be gathered and sorted out in the Cabinet Councilors' Office or in the Cabinet Statistics Bureau.
  - (d) With respect to statistics of the private sector, it is deemed necessary to study separately how to improve its collection system and organization. However, in view of the present situation, each ministry or agency is required to establish a system by which the private

sector's statistics are to be controlled or guided.

- (e) It is not agreeable to decide the budget as mechanically as the amount equivalent to 5% of the every year's net total budget shall be used for the expenditures of statistical works because it is difficult to do so under the present financial situation.
- (f) With respect to appointment, dismissal, promotion and demotion of the directors of statistical survey division and of other staff in charge of statistical works, salaries for the enumerators, and a special seniority wages for the officials in charge of statistical works shall be required to be studied further as these issues contain many points we cannot easily agree.

### **Opinions against Proposed Reform of the Statistics System (Ministry of Health and Welfare)**

1. With respect to the primary statistics that belong to exclusive jurisdiction of each administrative agency and the secondary statistics, it is feared that the works will become complicated uselessly, desire of each administrative agency to conduct surveys will be reduced and preparation and compilation of the statistics will take much longer time and would result in deceleration of administrative operation, if and when a statistics organ which does not have any contact with a practical aspect of the administration does conduct the statistical surveys and make confirmation of the results of the surveys.
2. Presently, the most of the governmental statistics in our country are being executed for the purpose of collecting necessary data and materials required for the administrative operations. This represents that such statistics are considered most appropriate to be executed by the government office of the competent administrative jurisdiction. Especially, the labor administration can only be properly planned and executed on an actual condition that is grasped based on the precise labor statistics. Labor survey and preparation of labor statistics themselves are the important aspect of the labor administration, and thus it is absolutely inseparable of this portion of the work from the labor administration. It is deemed that labor statistical works in the US Labor Department reflect such similar circumstances.
3. The following measures are required to be taken to reform the statistical works:
  - (a) An adequate liaison and coordination body consisted of the concerned officials of each administrative organ (including the central statistics organ) and people of learning and experience etc. shall be established to avoid duplications of statistics at the level of each administrative organ by reinforcing the systematic connections between them and make efforts to reduce the burdens of frontline organs and of the people subject for statistical surveys. Further, expansion and strengthening of the statistics organs of both local and central administrative bodies shall be contemplated.
  - (b) The central statistics organ is deemed appropriate to be in charge of the following



matters:

- (1) A primary statistics that does not belong to the exclusive jurisdiction of each administrative organ (e.g. the Population Census).
- (2) Add up and tabulation works commissioned by each administrative organ and other office.
- (3) Training of statistical staff.
- (4) The spread of statistical knowledge

It is deemed appropriate that the Ministry of Health and Welfare is to be in charge of the labor related statistics as explained in the attached gist. Accordingly, the statistics that should be transferred from the Statistics Bureau to the Ministry of Health and Welfare are as follows:

Annual Labor Statistics

Monthly Labor Statistics Survey

Living Expenses Survey

Special Labor Statistics Survey

Statistics Survey Organs of the Ministry of Health and Welfare,

Labor Related Statistics

Ministry of Health and Welfare—Division in Charge of Labor in Local Agency  
(Prefecture)—Labor Stations

Sanitation Related Statistics

Ministry of Health and Welfare—Division in Charge of Sanitation in Local Agency  
(Prefecture)(the majority: in some prefectures Division in Charge of Statistics)  
—City, Town and Village, Public Health Center, Police Station

Social Work and Social Insurance Related Statistics

Ministry of Health and Welfare—Division in Charge of affairs in the jurisdiction of  
the Ministry of Health and Welfare in Local Agency (Prefecture)—City, Town and  
Village

Or

Ministry of Health and Welfare—Division in Charge of Social Insurance—Social  
Insurance Branch Office

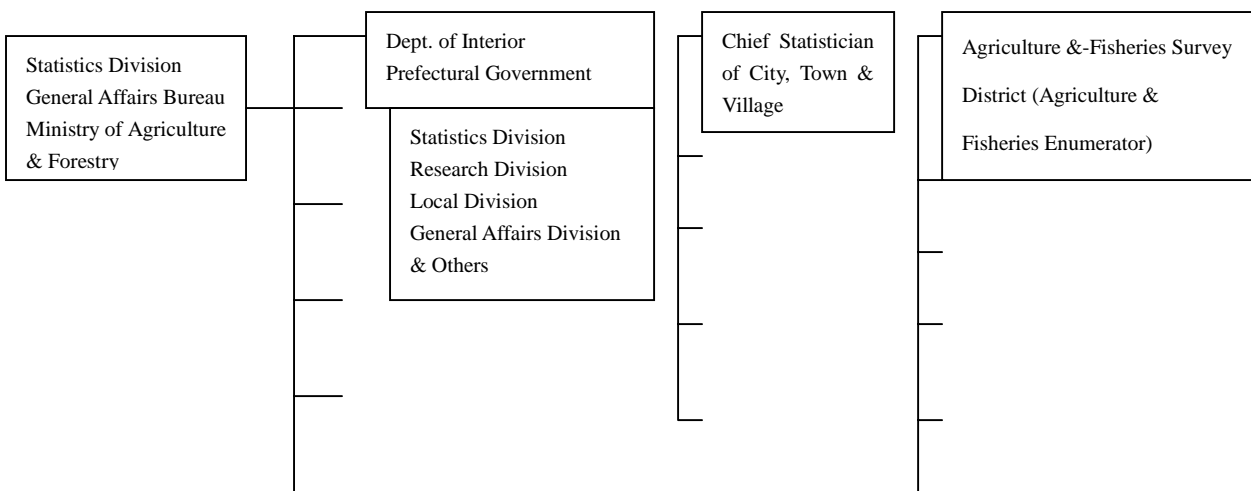
### **Opinions against Proposed Reform of the Statistics System (Ministry of Agriculture and Forestry)**

1. There is no need to establish the Central Statistics Bureau as the highest central organ of a unified statistics administration. Mutual adjustments with regard to the statistical surveys planned and executed by each ministry and agency are to be made by the Economic Stabilization Board. Another possible solution is to utilize the liaison meeting of the present

Statistics Research Group.

2. The Statistics Bureau shall execute only those statistics that are executed on the entire nation scale with complete enumeration such as the Population Census. All other statistical surveys are to be executed by each ministry or agency in charge of respective public administration.
3. Local statistical survey organs are not necessarily be under the direct control of the Statistics Bureau. They can be utilizing the method and technology peculiar to or common to each ministry or agency. However, it is necessary to contemplate an early realization of expansion and fulfillment of the local organizations for the statistical survey works.

(Organization for Agriculture and Forestry Statistics Survey)



Note

1. Of all the prefectures and metropolitan governments, 29 prefectures have independent divisions exclusively assigned for statistical surveys, and other prefectures have local divisions or general affairs divisions to include those works of the statistical surveys concerned. Even in the prefectures which have independent divisions for statistical surveys, very few have directors exclusively supervising such divisions.
2. Normally, one chief statistician is appointed in each city, town or village, but he/she undertakes various kinds of other works as well as the statistical survey works, and they perform their duty without any assistant in most cases.
3. The Agriculture and Fishery Survey Districts are located in the farm villages and are generally coincide with the executive union (communities). These Districts are approximately 160,000 in total distributed in nationwide (about 15 Districts per each city, town or village in average) and one enumerator is located in each district.

## **Opinions against Proposed Reform of the Statistics System (Ministry of Commerce and Industry)**

### **I. General Comment**

1. The government organization, personnel and command system for the statistics proposed are far separated from the actual conditions and are not adaptable to the actual state of the government organization.
2. Measures for having reflections of the statistics knowledge in the administration are not by a system but by a concrete operation of the works.
3. With respect to securing the budget required for the statistics, the proposed plan may be considered as one idea, but it would be more appropriate that the disposition of a budget shall be determined based on the considerations for each matter.
4. Provision of the legal system for the statistics is necessary, but the one proposed thereby are deemed too crude.
5. Opinions concerning the training of the statistical staff are considered adequate.

### **II. Tentative Plan**

1. Planning and overall adjustment regarding the government statistics should be enforced strongly by the Economic Stabilization Board. It is necessary, at that time, to absorb fully the opinions of authoritative private sector groups such as Japan Statistics Research Institute, etc.
2. Each ministry or agency is considered more appropriate to take charge of the implementation aspects of the statistics such as survey conduct and compilation according to its jurisdiction. The Cabinet Statistics Bureau as one of implementation agencies shall be in charge mainly of the population statistics and others that do not belong to the jurisdictions of any other ministries or agencies (It may be more adequate to change its name to the Population Statistics Bureau).
3. It is of an urgent necessity that the divisions or departments taking charge of the statistics in the prefectural governments, cities, towns and villages are to be prepared and fulfilled. For this purpose, reinforcement of organization, securing of budget, increase in the number of personnel and their education and training are necessary.
4. To have the statistical materials and data reflected on the administration shall be promoted strongly with the Economic Stabilization Board in center of the promoter, and with the Japan Statistics Research Institute and others to be utilized for giving publicity and diffusion of the statistical knowledge to general society. Further, it is deemed necessary to have more preparation and more disclosure of statistical data and materials by all the ministries and agencies concerned should be promoted at this time.

## Explanatory Note

1. The government statistics of our country was originated in the action of a competent authority that was in need of a certain statistical data and materials for its business and had collected and gathered those by its own hands. Then, thereafter, it was developed along such line and had become the shape and form as presently seen (in commerce and industry statistics, agriculture and forestry statistics, etc.). Though it does not bear the name 「statistics」, there are many materials that could be used from the statistical view point and they are all in the form of business reports that indicate an original form or a varied form of the official statistics (such as the Outline of XX Project). As such, the matters does not belong to the jurisdictions of any ministries or agencies, or the matters with common features that is considered inappropriate to belong to any jurisdiction of any one government seems to have been made to be in the jurisdiction of the Cabinet Statistics Bureau.
2. Within such historical reasons as above cited, there are the reasons for existence for the existing official statistics, and at the same time, there are some defects considered to be existing as follows:
  - (a) There are a considerable number of duplications in survey items, and this would not only increase the burdens on respondents but also incur a useless waste of time and money upon compilation of surveyed figures.
  - (b) There are many unsatisfactory points in usage of statistical materials from the viewpoint of users because the sufficient relevancy is not maintained among the different statistics or there are some missing data.
  - (c) There is unevenness on the technical aspects of compilation of survey results among ministries and agencies, and there is no government-wide uniform system but different systems are adopted by one ministry to another with respect to organization and budget. This becomes more clear and obvious with frontline organizations in the local agencies (prefectures), cities, towns and villages.
  - (d) Utilization of completed statistics and reflection of such statistics to administrative policies by other ministries and agencies are not fully realized yet.
3. The above note is considered to present major defects existing in the present government statistics system. Therefore, it can be said that the reform plan proposed by the Statistics Bureau has given a brave decision toward the direction of correcting these defects theoretically. Or, it can be said that, from the viewpoint of execution, the said reform plan has many points required to be reviewed, and considered impossible to materialize its operation as expected by the planner.
  - (a) Getting hold of the full power of statistical staff of each ministry or agency by the Central Statistics Bureau (9\*) and exercise the right to command on the works (2\*

and 3\*) will disturb the discipline of organization of each ministry or agency and will not harmonize with the present personnel and business situations.

- (b) Control of statistical surveys of each ministry or agency by the Central Statistics Bureau (4\* and 5\*) is a matter of an extent. However, as proposed by this plan is too much of a control. At least, something like a business report that does not go by any statistical methods shall naturally be excluded.
- (c) Separation of the divisions for statistics and their commanding system cannot be discussed uniformly. ((b) and (c) of 2\*). Attendance of the Director General of the Central Statistics Bureau to the Cabinet Meetings is a similar problem.

(Translation Note: The numbers with asterisks (\*) refers to those in "the Proposed Reform of the Statistics System in Appendix 1)

4. Are the defects described in (a) and (b) of 3 above fatal from the viewpoint of the statistical administration or the statistical utilization? Correction methods of such defects are not only of the exclusive jurisdiction of one ministry as proposed. Rather, it is of a problem that belongs to planning of the statistical administration, and therefore, it may be possible to have some powerful organ to control the statistical planning of each ministry or agency. The newly established Economic Stabilization Board is deemed most appropriate to take the charge of this task at the moment. It is a pressing need for this Board to issue directives to concerned ministries and agencies to prepare required statistical data and materials and make use of these aggressively and comprehensively in order to reconstruct the Japanese economy toward the future. There are many statistics other than the so-called economic statistics which would be required directly or indirectly for the economic stabilization. At this juncture, it is a matter of course that comprehensive coordination shall be made over the statistics bureaus of all the ministries and agencies.

The point mentioned in (c) above shall be considered in the same way and accordingly the Economic Stabilization Board is hoped for launching an aggressive improvement and fulfillment of statistics system at this moment. Especially, the front line organs such as local agencies (prefectures), cities, towns and villages were influenced by so-to-say statistics negligence policy during the war period and their statistics systems and organizations were dispersed and become quite disagreeable with the demand of the times of a scientific administration with a high regard of the statistics. Improvement and fulfillment of the statistics system means not only that to improve quality and quantity of the statistical materials to be prepared but also it is considered a most pressing need is to prepare and fulfill such frontline organs for implementation and compilation of surveys first of all.

A concentrated use of the facilities for implementation and compilation of surveys as suggested in the proposal will become impossible or inefficient along with the increase in

number of statistical items. Instead of doing this, to use the existing system of each ministry with fulfillment would be more appropriate.

This would be a key to solve the problem of statistics utilization at the government.

This means that the basic policy would be more appropriate to centralize planning and to decentralize execution (It is deemed appropriate to change the name of the Cabinet Statistics Bureau, because it is confusing, to the Population Statistics Bureau, at this time).

5. Recently, the Japan Statistics Research Institute has been established with some statisticians in the center and has started its activities aiming at the planning and publicity of the statistics.

When the Cabinet undertakes to carry out comprehensive coordination of ministries' statistics, it would be appropriate to have such an impartial group of professionals to map out an authoritative plan from the viewpoint of statistics utilization and to have the government to absorb such plan and reflect it strongly on the practical administration. Improvement on the statistics system is a demand of the times, but at the same time, it should not be a product of a bureaucratic easy compromise and of opportunism. It should be authoritative in academics as well as all over the world.

Recently, we have learnt that GHQ is also planning to undertake an improvement of statistics system in Japan. Further, we know that there is a member of the aforementioned Japan Statistics Research Institute who is closely connected with a research authority of GHQ. It is considered necessary that we get hold fully of GHQ's intention on this regard through such connection.

Further, it should be considered fully that to acquire and collect the opinions organizations and groups in the private sector related to the statistics or surveys through the Japan Statistics Research Institute would be worthwhile in heightening the authority of official statistics.

6. Lastly, we would like to mention the recognition of the importance of the statistical materials, in other words, creation of ethos for high respect for the statistics. This would require, as a matter of course, the government itself to enforce rational policies based on statistical foundations in the public administration. Further, it would require implantation of ideas of respect for the statistics into the mind of the society in general and of the specific groups in the society that is at the same time statistical objects. For the realization of these concepts, there are many actions needed to be taken such as an official release of official statistical materials and publication of statistical explanation materials. In this area many actions may be dependent on the activities of the aforementioned Institute and other private sector organizations and groups. However, the Economic Stabilization Board is believed to be taking some suitable measures in due course.

**Opinions against Proposed Reform of the Statistics System (General Directorate of Railways, Ministry of Transport)**

1. It is recognized that a systematic communication and liaison are necessary among the ministries and agencies, but, such a strong control as proposed would be a blocking factor on efficient operation of the statistical works.
2. The statistics should be prepared independently in accordance with the actual situation by a body in charge that uses the statistics, and a strong control over the statistical works may make it difficult to prove effective in many cases.
3. Especially with the ministry like ours that is mainly engaged in operational works, the selection and preparation of statistics are closely connected with the actual state of the works and the accomplishment of business and are performed autonomously and promptly. It is impossible to comply with this request under the proposed system.

**Refutation of the Draft Originator against the Opinions of Each Ministry (Cabinet Statistics Bureau)**

1. On improvement of statistics, most urgently required under the present circumstances is that how to obtain reliable figures. This is a problem related with the methods of surveys. The aspect of the use of the statistics is important, of course, but if the figures obtained are unreliable, the effect of the statistics cannot be expected. Therefore, the measures on the survey should be determined first of all by any means. At this point the opinions of each ministry seem to have suggested a wrong order of before and after.
2. The opinions of each ministry or agency seem to represent that present survey organization would suffice the needs. However, the unreliability of statistical figures through out the periods of before the war, during the war and after the war still exists. This is because no improvement was ever made on the methods of surveys.
3. With respect to duplications of statistical surveys among the organizations of ministries, the methods of making adjustments within the present set-ups of organizations and systems by mutual consultations and/or by the method of establishing a sort of a survey council in alliance with ministries and agencies have already been experimented many times. Nevertheless, at least for these experimental operations, it can be said that these were to prove that such halfway measures on operation could not be effective as they were all discontinued like temporary trials.
4. The statistical surveys are required to be executed as efficient as possible under the ever-tightened national budget after the war. For this reason, it is required to have a mighty central power to control over and make adjustments between the surveys of a large

number and various kinds spread all over the national administration.

5. Future national policy must be based on a comprehensive program. For such a comprehensive program, suitable statistics are necessary. And in order to obtain such statistics each ministry or agency cannot determine the methods of each survey each in its own way because it becomes impossible to perform a comprehensive computation of relationship among various statistics. That is to say, consistent and systematic methods of surveys must be adopted. Therefore, it is necessary that the central organ of the statistics even to penetrate into, control and regulate the methods of surveys that each ministry plans to adopt.
6. Survey      Statistical Chart      Administrative Planning      Execution      Results.  
The effect of the statistics upon the actual politics is represented in this sequence. When aggravation of economic situation is so rapidly in progress as in the present days, the improvement plan of the statistics in an incremental way always results in the delay of statistics compared to the planning.

It is, therefore, necessary to be ready much earlier with the target set at 10 steps or 100 steps ahead of the present situation.



Appendix 3

**Establishment of the Committee on Statistical System Reconstruction**

(Cabinet's Consent on July 19, 1946)

1. The Committee on Statistical System Reconstruction shall be formed in the Cabinet for discussion and formation of a concrete plan on the statistical system reconstruction.
2. The Committee shall comprise of the members of statistician, representatives of research institute, other related groups concerned and officials concerned of each ministry or agency, and a person with experience of business shall be appointed as secretary of the Committee.
3. The proceedings of the Committee shall be expedited as prompt as possible and the Government shall swiftly execute the matters decided.

### **The Report on the Reconstruction of the Statistics System in Japan**

(The Report of the Committee on Statistics System Reconstruction, Chaired by Hyoe OUCHI, to the Prime Minister Shigeru YOSHIDA on October 21, 1946)

#### **Preamble**

With respect to a matter of the Improvement of Statistics System that was inquired to this Committee earlier, the matter was submitted to the general meeting on August 24 of this year and, was diligently studied by a subcommittee that was formed under the resolution of the general meeting. Further, the matter, on the basis of the deliberation of the subcommittee, was submitted to the general meeting of the Committee and through further deliberation thereof, a proposal with respect to the preparation of the statistics organ, that is required to be initiated first of all, has been obtained as follows:

With respect to the arrangement and unification of Japan's statistics, there was a reform plan that was submitted in compliance with the inquiry of the Central Statistics Commission in 1922, and that was executed only on a part of the proposal. There is no question that the restoration of disunited and confused situation of Japan's statistics is the prerequisite for the reconstruction of Japanese economy at this juncture. However, the undertaking represents its complexity and diversity, and requires a large number of manpower and considerable cost.

The aim of the improvement is rather pointed at various statistics themselves, but organs to prepare statistics must be established first at this moment.

Accordingly, this report limits itself to the improvement on this point only, but this Committee anticipates that the Statistics Commission that shall be newly established is to make a proposal on the improvement of statistics themselves immediately. There are some opinions that the power of statistical institution may be centralized by nature and that the Statistics Authority shall be established as a powerful organ of the Cabinet. However, there are various obstacles in realizing this idea at one stroke. Thus this idea is expected to be realized in the future but in the mean time it seems appropriate that the Statistics Commission shall be established in the Cabinet to form a concrete plan not only of the statistics to be produced for new Japan but also of the executive organs which produce these statistics, and that the completion of the system shall depend on the results of the execution of the plan. That is to say, this Committee is serving as midwife to assist the improvement of statistics system so that the Statistics Commission should be organized and established as most appropriate to form various plans on the basis of professional knowledge of the statistics and to execute thereof with sufficient political powers.

Respectfully submitted herewith is the report in compliance with your inquiry.

## **Proposed Improvement of the Statistics System**

### 1. Establishment of statistical structure

The following organizations shall be established:

#### (A) The Statistics Commission

(1) Establish the Statistics Commission (provisional name) in the Cabinet to conduct the following activities to improve important statistics. The Commission shall:

- (a) Examine plans for important statistics and designate survey bodies.
- (b) Instruct the authorities concerned to plan for important statistics, or the Commission shall make plans by itself.
- (c) Audit the relevant organizations' affairs on important statistics.
- (d) Be required to give the Commission's opinion in advance when the Government appoints Director General of the Central Statistics Bureau.
- (e) Provide qualifications for statistical personnel and authorize the qualifications.
- (f) Integrate the existing statistical laws and regulations.
- (g) Hold meetings for the purpose of improving and integrating statistics.
- (h) Draft and examine plans for improving the statistical system.

(2) Chairman of the Commission shall be the Prime Minister and vice chairman, Director General of General Affairs, the Economic Stabilization Board. The committee members shall consist of experts in statistics and their number shall be less than 10. Extra members may be appointed as required. Secretaries shall be selected and appointed from among officials concerned.

(3) The Commission shall have a secretariat. The chief of the secretariat shall be appointed from among the Commission members.

(4) Officials of the authorities concerned may attend the Commission's meetings and express their opinions. The Commission also may request officials of the authorities concerned to attend the Commission's meetings and explain or express their opinions.

#### (B) The Central Statistics Bureau

(1) The Central Statistics Bureau (provisional name) shall be established in the Economic Stabilization Board to conduct the following affairs (the existing Cabinet Statistics Bureau shall be replaced):

- (a) Censuses and other comprehensive surveys
- (b) Aggregation of large-scale statistical surveys conducted by the ministries and other organizations
- (c) Compilation of the statistical yearbook
- (d) Printing, publishing and sale of statistical and governmental printed matters
- (e) Management of the Statistics Research Institute and a Statistics College (provisional)

name)

(f) Dissemination of statistical knowledge

(g) Establishment and opening to the public of a statistical material library

- (2) The Government shall ask for opinions of the Statistics Committee prior to appoint the Director General of the Central Statistics Bureau.
- (3) The Statistics Research Institute shall be engaged in research on statistics as well as research based on statistical survey results.
- (4) The Statistics College shall have curricula of statistics and other necessary subjects, and train and re-educate statistical personnel.
- (5) Statistical publications shall be unified in their forms. Governmental publications shall also be unified in their forms as much as possible. They shall be gathered at one place aiming at their extensive use.

(C) Ministries

(1) A bureau or a division exclusively for statistics shall be set up in the ministries and handle statistics controlled by the respective ministries.

(2) The bureau or the section exclusively for statistics shall hold a statistical liaison meeting to coordinate plans for statistical activities and reports on important affairs in the ministry concerned.

(D) Local governments

(1) Each of the prefectures shall have a statistics division to handle affairs on the primary statistical surveys of population, agriculture, forestry and fisheries, commerce and industry, and labor as well as affairs on educational and other statistics.

(2) The statistics division shall have a function to compile survey results and report the results quickly in order to perform the production and use of the statistics.

(3) Each of the municipalities shall have a statistics division or appoint a person in charge of statistics to handle affairs on the primary statistics on population, agriculture, forestry, and fisheries, commerce and industry, and labor as well as affairs on educational and other statistics.

(4) The Government shall bear all the expenses required for handling affairs on the above-mentioned primary statistics which the prefectures and municipalities conduct as needed by the Government.

(5) Statistical affairs of the local governments shall be supervised and instructed by the ministers if the affairs are under the jurisdiction of respective ministries, and by Director General of General Affairs, the Economic Stabilization Board if they are under the jurisdiction of the Central Statistics Bureau.

(E) Private statistics organizations

(1) Statistical surveys that may be conducted by private organizations shall be entrusted to those organizations as much as possible to promote development of private statistical activities.

- (2) Plans for important statistical surveys to be conducted by private organizations shall be examined by the Statistics Commission.
  - (3) The Government may order private organizations to conduct statistical surveys. The Government may also prohibit them conducting statistical surveys that compete with those of the Government. However, this shall require examination by the Statistics Commission.
2. Improvement in quality of statistical personnel and statistical survey staff
    - (1) Qualifications, responsibilities and authority shall be provided to appoint or commission statistical personnel and statistical survey staff.
    - (2) The statistical personnel and the statistical survey staff shall have their wage raised and those whose achievements are excellent shall be awarded a prize.
3. Publication of statistics

All of the important statistics shall be promptly opened to the public. The date of publication may be designated as required.

The Statistics Commission shall approve statistics which should not be publicized for a fixed period of time.
4. Establishment of the fundamental law concerning statistics
    - (1) The Statistics Law (provisional name) shall be established as the fundamental law concerning statistics, and shall provide rules for matters requiring a legal basis to realize above-mentioned items. The Statistics Law shall include provisions concerning the following main points.
      - (a) When the Government or a governmental body plans to conduct an important statistical survey, the survey outline shall be submitted to the Statistics Committee for discussion and obtain its approval.
      - (b) The range of important statistics to be submitted to the Statistics Committee shall be decided by the Statistics Committee.
      - (c) A statistical survey discussed by the Statistics Commission shall impose on survey objects and the respondents an obligation to be truthful. Penal regulations shall be provided for those who do not meet their obligation.
      - (d) Matters related to publication and maintenance of statistics.
5. Requests

The Statistics Commission requests that adequate measures be promptly taken for the following points in addition to the items mentioned above.

    - (1) To review and improve the current statistics in the ministries immediately.
    - (2) To request local governments to report the actual state of statistics and opinions on improving statistical affairs in local governments.
    - (3) To investigate the state of maintenance of the existing important statistics and take measures for preventing them from dispersion.

- (4) To promptly disburse for expenses needed to realize the matters decided by the Statistics Commission.

**Press Release on the Report of the Committee on Statistics System Reconstruction\***

(October 22, 1946 at the Cabinet)

\* This document was also introduced as "Development of the Committee on Statistics System Reconstruction" at the Economic Stabilization Board on October 22, 1946.

1. The Purport of the Establishment of the Committee

In view of disunited and confused situation of Japan's statistics, the government has decided to establish, based on the Cabinet's Consent on July 19, a committee in the Cabinet to deliberate and to form a concrete plan related to the improvement of statistics system in an attempt to establish the statistics system as shall be the foundation for building peaceful new Japan, and has also decided to implement as prompt as possible of the matters determined by this Committee.

2. Composition of the Committee

The Committee chairman was Professor OHUCHI of University of Tokyo. The Committee members were composed of statistician, the persons concerned in the private sector, the government officials concerned. The secretariat is composed of personnel in charge of business at ministries and agencies.

3. Development of the Meetings

The first general meeting of the Committee was held on August 24, and after the representatives of ministries has expressed their opinions the preparation of a concrete plan was committed to the subcommittee.

At the subcommittee, drafting subcommittee members were selected from among the subcommittee members. They met several times for deliberation with the Chairman Mr. OHUCHI in the center. They took a trip to Chiba Prefecture to observe the actual situation of the local statistics system. After such careful studies and discussions they completed drafting a concrete plan and on September 25 the subcommittee was held and the plan was adopted. Then at the second general meeting of the Committee on October 21 the plan was adopted with partial amendments thereto. On this occasion Mr. ZEN, the State Minister, expressed that the government was placing a great importance to the reinforcement and the improvement of the statistics and that the efforts shall be exerted for realization of the contents of this report of the Committee at an earliest time as possible.

4. The Gist of the Report

(1) The Statistics Commission shall be established in the central government.

This Commission shall be a strong central organ to enforce unification and improvement

of statistics of our country and shall be in the position to examine the plans of all the important statistics for the improvement, to coordinate the statistical works among ministries and further to carry out the unification and fulfillment of statistics laws and regulations vested with wide and strong authority in connection with Japan's statistics in general.

- (2) The Central Statistics Bureau shall be established.

The Central Statistics Bureau shall be established in the Economic Stabilization Board and the functions of the present Cabinet Statistics Bureau shall be shifted to the new Bureau. The Bureau shall carry out comprehensive censuses such as the Population Census, compilation, printing and publication of large-scale statistics carried out by each ministry, spread of statistics knowledge and disclosure of materials. Statistics College shall be established and carry out the training and re-education of statistical staff.

- (3) A bureau or division exclusively in charge of statistics shall be placed in each ministry to have it take charge of liaison and unification of statistical works within the ministry.
- (4) A division or chief statistician exclusively in charge of statistics shall be placed in each local agency (prefecture) and the utilization of statistics shall be promoted at the local level by upgrading the quality of such a division or chief statistician. The cost of statistics taken based on the national needs shall all be borne by the National Treasury.
- (5) It shall clearly be stipulated that the statistics is accompanied with an obligation to announce to the public promptly.

Other measures such as promotion of the development of statistics in the private sector, upgrading and improvement of the quality of statistical staff and enumerators and improvement of their pay and other labor conditions shall be carried out, too.

With a legislation of the basic law that shall be the foundation of all the above provisions and by integration and re-arrangement of various existing laws and regulations concerning the statistics, it is now providing a firm legal support to the reinforcement, improvement and development of Japan's statistics system.



### **The Outline of the Emergency Measures for Improving the Statistical System**

(Cabinet Consent on November 22, 1946)

1. Establishment of the Statistics Commission as the central organization for Japan's statistical administration
  - (1) Composition of the Statistics Commission

The Prime Minister shall be chairman of the Committee, and Director General of General Affairs, the Economic Stabilization Board, shall be vice chairman. Commission members shall be men of learning and experience and their number shall be less than 10. Extra members may be appointed from among statistics-related persons from the ministries concerned.
  - (2) The secretariat shall be set up under the Commission. The chief of the secretariat shall be appointed from among the Commission members.
  - (3) Main functions of the Statistics Commission shall be decided in conformity with the Statistics Law (provisional name) to be newly established.
    - (a) Planning and examination of important statistics and designation of survey bodies
    - (b) Inspection of affairs concerning important statistics
    - (c) Drafting and scheduling plans for improving the statistical system
2. Affairs of the Statistics Commission scheduled for the current year
  - (1) Drafting the Statistics Law (provisional name)
  - (2) Drafting plans for improving the statistical structure of the Statistics Bureau of the Cabinet and the ministries.
  - (3) Making a detailed plan for improving the existing important statistics
  - (4) Dissemination of the objective of the improvement and investigation of actual state of statistical affairs in local governments.
  - (5) Prevention of dispersion and collection of important statistical materials.
3. Expenses necessary for above-mentioned affairs for the current year shall be disbursed out of the reserve fund for fiscal 1946.

## Appendix 7

### **The Governmental Regulation on the Organization of the Statistics Commission**

(Imperial Ordinance No. 619 signed and sealed by the Emperor on December 27 and promulgated and implemented on December 28, 1946)

#### Article 1

The Statistics Commission shall be under the supervision of the Prime Minister, make plans with regard to important statistics, examine plans with regard to important statistics conducted by the government offices concerned or others, designate government offices or entities that are to be in charge of production of important statistics, as well as studying and deliberating any other matters with regard to improvement and development of statistics.

#### Article 2

The Commission shall report its opinion at the request for advice of the Minister concerned. The Commission may submit a recommendation to the Minister concerned.

#### Article 3

The Committee consists of one Chairman, one Vice Chairman and ten members or less. In addition to the fixed number provided for in the preceding sentence, it is possible, if necessary, to have provisional member(s).

#### Article 4

The Prime Minister shall be assigned to the Chairman.  
The Director General of the Economic Stabilization Board shall be assigned to the Vice Chairman.  
Cabinet shall appoint the members and provisional member(s) among people who have experience and academic standing of statistics in accordance with the request of the Prime Minister.  
The term of office of the members shall be two years. Provided, however, that there is any special circumstances, it is possible to dismiss them even during their term of office.

#### Article 5

The Chairman shall control and manage Commission's affairs.  
The Vice Chairman shall assist the Chairman, and in the event that the Chairman is unable to act as a chairman, the Vice Deputy Chairman shall take his place.

#### Article 6

The Chairman may demand that government offices concerned report or explain their opinions, if he

deems it necessary.

Article 7

The Commission shall have the secretariat, which shall take charge of affairs of the Committee.

Article 8

The secretariat shall have the following personnel:

The Chief Secretariat

Cabinet Administrative Officials or Cabinet Technical Officials

Four (4) Full-time Officials: Second grade

Cabinet Administrative Officials or Cabinet Technical Officials

Ten (10) Full-time Officials: Third grade

The Chief Secretariat shall be appointed from the members of the Committee.

Article 9

In addition to the personnel provided for in the first clause of Article 8 above, Cabinet may appoint Cabinet Administrative Officers from the first or second-graded government officials of the government offices concerned, at the request of the Prime Minister.

Article 10

The Chief Secretariat shall control and manage the Secretariat affairs, control and supervise relevant personnel, and determine at his own discretion whether or not the third-graded government officials should resign.

Supplementary Provisions (omitted)

### **The Basic Rules of Establishment of Local Statistical Organizations**

(Cabinet Decision on July 11, 1947, prepared by the Secretariat of the Statistics Commission)

#### 1. Purposes

In order to improve and develop statistics, it is indispensable to expand the local statistics organization that is in charge of field operation affairs and completely reform the functions thereof. In this regard, in the light of the purposes of the previous incidental vote upon the deliberations on the bill of the Statistics Law at the ninety-second (92<sup>nd</sup>) Imperial Diet, and further in accordance with the recommendation described in the report by Dr. Rice, the head of the United States statistics mission dispatched at the request of the Supreme Commander for the Allied Powers, the purpose hereof is to attempt rapid development and improvement of the local statistics organization.

#### 2. Policy

- (1) Statistical survey conducted on the national necessity basis shall be implemented, in principle, consistently under the national direct control and at the national government expense in order to secure truthfulness and uniformity of statistics.
- (2) For this purpose, prefectural chief statisticians and either municipal chief statisticians or staff engaged exclusively in statistical affairs entirely paid by the National Treasury shall be disposed to local institutions in order to have them collectively carry out census survey affairs conducted by each agency.
- (3) By enhancing the aforementioned functions, a scope of local tabulation would be expanded, tabulation affairs would speed up, and utility value of survey results at local administration would be enhanced.

#### 3. Outline

##### A. Disposition of Prefectural Chief Statisticians

- (1) Local administrative officials or local technical officials (for the time being, staff engaged exclusively in statistical affairs) shall be disposed as prefectural chief statisticians to every prefectural government.
- (2) Appointment and dismissal of prefectural chief statisticians at the prefectural government shall be conducted by the Prime Minister for the second-graded officials and by governors of the prefectural governments for the third-graded officials. However, in the light of peculiarity of statistical affairs, it is decided that the Statistics Commission may state its opinion, if necessary, as well as making it possible to exchange personnel between the central government and the local governments, or among the local governments.
- (3) The prefectural governors shall directly control and supervise prefectural chief statistician, and the Minister who is in charge of each statistical survey shall control and supervise clerical work

of such survey through the prefectural governors.

(4) Disposition of prefectural chief statisticians is as described in the Exhibit 1 (omitted).

B. Disposition of Municipal Chief Statistician to Cities, Wards, Towns and Villages

(1) Staff engaged exclusively in statistics entirely paid by the National Treasury (to be referred to as "municipal chief statisticians" and "municipal deputy chief statisticians" at the cities and wards, and as "statistical secretaries" at the towns and villages) shall be distributed to cities, wards, towns and villages. Clerical works of various kinds of statistical surveys carried out by the national government and instructions given to statistical enumerators are to be assigned to them.

(2) The head of the cities, wards, towns and villages shall supervise the positions of the aforementioned staff.

(3) Clerical works of various kinds of statistical surveys implemented by the national government shall be controlled by the prefectural chief statistician at the cities, wards, towns and villages in accordance with direction by the respective competent ministry or agency of the national government.

(4) Disposition of the staff engaged exclusively in statistics entirely paid by the National Treasury to the cities, wards, towns and villages shall be as described in the Exhibit 2 (omitted).

4. Measures

A. In order to implement this scheme, a part of the enforcement ordinance of the statistics law and the enforcement regulations of the local autonomy law shall be revised.

B. Any and all costs necessary for this scheme shall be earmarked in the additional budget for the fiscal year 1947, and costs of government offices concerned overlapping this scheme among the predetermined budget for this year shall be consolidated into such additional budget. (Exhibit 4 (omitted))

C. The personnel secured for extraordinary census by payments from the reserve fund for this fiscal year (for both July and August) shall be carried on into this scheme.