

PREFACE

This is the fifty-second 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 “New Directions in the Development of Government Statistical Services”, which was decided as an official agreement of the Meeting of the Heads of the Statistical Departments of the Cabinet Office and Ministries in June 2003. The “New Directions” is a guideline for the development of government statistical services in Japan for coming 5 to 10 years.

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.

Editor

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Part 1 Basic view of “New Directions in the Development of Government Statistical Services”

1 Background and history of deliberations

In March 1995, the Statistics Council of the Management and Coordination Agency (currently the Ministry of Public Management, Home Affairs, Posts and Telecommunications, hereafter “MPHPT”) submitted a report entitled, “New Strategies for Government Statistical Services for the Coming Decade”, setting out guidelines for the directions to be followed by government statistical services. Since then, the Cabinet Office and ministries concerned have developed, with some success, government statistical services in line with these strategic guidelines.

Since the report was submitted, 8 years have already passed, in which time, along with social and economic globalization and advancements in IT (information technology), rapid progress in IT has been made and at the same time Japan’s industrial structure has also changed substantially. In recent years, new administrative systems and policies, such as the introduction of a policy evaluation system, the protection of individual information, and the promotion of the decentralization of the national government have been implemented. Amid these changes, there is a growing demand for improved government statistical services that are responsive to user needs, and for more extensive use of survey results. However, some issues that were discussed in the “New Strategies for Government Statistical Services for the Coming Decade” have yet to come into effect.

Now that the environment for government statistical services has drastically changed as stated above, it has become necessary to formulate new guidelines promptly, taking into account the state of progress outlined in the “New Strategies for Government Statistical Services for the Coming Decade”. Meanwhile, the legal status of the Statistics Council changed in January 2001 under a reformation of councils and similar entities of the central ministries and agencies. The Statistics Council changed from a council authorized to advise on general policy matters based on surveys, deliberations and recommendations on questions, which were given to the Council for consultation, to a judicial council to deliberate on individual statistical surveys in accordance with laws. As a result, at the Meeting of the Heads of the Statistical Departments of the Cabinet Office and Ministries held on June 26, 2002, it was decided that the Cabinet Office and ministries should work together to undertake research on a new developmental direction for government statistical services for the following 5 to 10 years.

Consequently, under the “Meeting of the Heads of the Statistical Departments of the Cabinet Office and Ministries”, both the “Meeting for Deliberation on New Directions in the Development of Government Statistical Services”, and the “Sub-Meetings (1–5)” were established as specific

systems for the relevant deliberations, which were composed of the Cabinet Office and ministries concerned and as observers, academic experts in the field and representatives of local government statistical bodies. The proceedings of the Meeting for Deliberation started in July 2002, with intensive deliberations conducted by each Sub-Meeting between October 2002 and March 2003. The Meeting for Deliberation recorded the outcomes of these meetings as a whole in the period between April and June 2003.

Subsequently, the “New Directions in the Development of Government Statistical Services” (hereafter “New Directions”) became the official agreement of the “Meeting of the Heads of the Statistical Departments of the Cabinet Office and Ministries”.

2 The importance of statistics and the role of government statistical services

(1) The importance of statistics

Statistics provide basic information for planning and designing administrative policies by accurately measuring the state of a group in the aspects of the population, society, and the economy. Recently, the importance of statistics has risen as they are used for the prior and *ex post facto* evaluation of policy effects. Furthermore, amid substantial changes in social and economic circumstances, as seen in social and economic globalization, the progress of deregulation, and the rapid advancement of technologies, statistics have acquired a greater importance for individual households and business enterprises alike, in helping them make accurate decisions. Statistics, which provide information for a wide range of uses by the public, need to be compiled with full attention to this aspect.

In addition, it is vital that statistics, the compilation of which places a burden on the public and requires their cooperation, be provided promptly and continuously for wide use by the public as a common treasure.

(2) The role of government statistical services

The primary role of government statistical services lies in translating the importance of statistics into reality. The Cabinet Office and ministries concerned should fully bear in mind that statistics are playing a very important role not only as the basic data for planning, designing, evaluating and reviewing of policies, but also as information that is indispensable to the public for making rational decisions. Therefore, it is necessary to steadily develop official statistics and provide them in an easy-to-use form. This will contribute to efficient and effective administrations through the accurate implementation of policies. Meanwhile, the reorganization of the Cabinet Office and ministries that took place in January 2001 under the reformation of the central ministries and agencies, and the

associated plan entitled, “The Basic Plan Concerning the Promotion of Streamlining and Efficiency of Administrative Organizations”. (Cabinet Decision on April 27, 1999) are calling for the effective administration of affairs in government statistical services. Thus, it is necessary to make constant improvements to the administrative system.

Given the decentralized system of government statistical services in Japan, it is particularly important to seek full coordination among the Cabinet Office and ministries. In addition to the systematic development of statistics, there has been a growing need in recent years for the development of cross-government statistics involving the Cabinet Office and a number of ministries. Therefore, together with coordination and cooperation among the Cabinet Office and ministries concerned, there is a need to develop the required statistics by correctly bringing into play coordinating functions across government organizations.

Furthermore, given the fact that compiling statistics places some degree of burden on respondents and requires their cooperation, in order for the public to understand and cooperate with statistical surveys, it is important to conduct surveys in simple, efficient and effective ways, and to provide statistical users with the results of surveys in an easy-to-use form. This goes hand in hand with increasing public knowledge of official statistics by dissemination and education, which is instrumental in creating an environment that will facilitate the gaining of public cooperation with statistical surveys.

With regard to the enhancement of government statistical services, in order to secure respondents’ confidence, full attention should be paid to ensuring the confidentiality of individual information. It is also necessary to conduct effective training of staff engaged in statistics, thereby fostering statistical specialists.

3 Basic view of the “New Directions”

Covering government statistical services as a whole, the “New Directions in the Development of Government Statistical Services” deal with administrative issues common to the Cabinet Office and ministries, and present specific measures for the next 5 to 10 years. These issues include the development of statistics that respond to social and economic changes; the efficient and smooth implementation of statistical surveys; the expansion of the use of statistical data; and the promotion of international cooperation.

(1) Development of statistics that respond to social and economic changes

Since the “New Strategies for Government Statistical Services for the Coming Decade” was presented in 1995, the social and economic circumstances in Japan have changed substantially;

Consequently, it is important to steadily promote the development of statistics that are accurately responsive to such changes.

Currently, large-scale statistical surveys on industry are basically carried out by several ministries in different survey years according to the industry. In spite of the high importance of tertiary industries in the national economy, statistics in this field are lacking; they are both insufficient and lack an organized system. As a result, comprehensive industrial statistics for the whole country are not available as yet. Therefore, the development of statistics that can comprehensively measure the economic activities of all industrial fields is an important issue.

The preliminary report (QE) of the quarterly gross domestic product (GDP) presents the Japanese economic situation. It is a set of processed statistics that greatly affect the development of policies. Improving their accuracy would require the prompt release of basic statistics as well as the development of such statistics.

Furthermore, there are socio-economic phenomena that have caused great changes in, and are expected to have a great impact on, society, the economy and national life of Japan. Such phenomena include advancements in IT, global warming, and the declining birthrate. It is necessary to develop statistics that accurately respond to these issues.

Under these circumstances, we have decided to start deliberations on creating statistics (provisionally titled, “Economic Census”) that will, in principle, measure economic activities of all industrial fields simultaneously and comprehensively.

In reviewing the GDP-related statistics, in order to improve the accuracy of the estimation of GDP including the QE, we plan to launch the development of statistics focused on the services field, using fiscal expenditure data, along with the development of statistics on capital stock.

In collaboration with the Cabinet Office and ministries, we plan to address the cross-governmental development of statistics. This includes, besides statistics on the IT field, statistics on recycling (which are needed for the formation of a recycling-oriented society and for countering global warming), statistics that help to promote gender equity in society, and statistics related to population, employment and the national life that accurately represent issues such as changes in the structure of households, etc, and a decrease in the labor force due to the declining birthrate and the aging society.

In developing these statistics, care should be taken not to increase survey workloads and/or respondent burden. The feasibility of conducting these surveys should also be considered.

Connected to this, “The 2002 Basic Policies for Economic and Fiscal Management and Structural Reform” (Cabinet Decision on June 25, 2002) sets forth a statement to the effect that, “in fiscal 2003 and after, the MPHPT, the Cabinet Office and other ministries concerned shall cause statistics

of little value to be abolished, and statistics on employment, environment and new growth fields such as the new service industry and tourism to be developed fundamentally”. Accordingly, it was decided to consolidate and streamline statistical surveys by developing new statistics that respond to these needs on the one hand, and reviewing existing statistical surveys, with the aim of abolishing those of little value, on the other.

With the enactment in April 2002 of the “Government Policy Evaluations Act”, statistics were expected to play a new role as an important tool for policy evaluation. The use of statistics for policy evaluation shall be promoted accordingly.

Furthermore, if large-scale surveys overlap, respondent burden and the workloads of local public bodies will increase. Because this burden and these workloads need to be alleviated, especially in the case of periodic large-scale surveys, we will address the issue of the integration, abolishment, simplification, and streamlining, and the adjustment of the timing of surveys in the context of deliberations on the establishment of the Economic Census (provisional title).

(2) Efficient and smooth implementation of statistical surveys

In developing statistics, it is necessary to generate the required statistics with sufficient accuracy and, at the same time, in implementing statistical surveys, it is necessary to alleviate respondent burden. Therefore, to respond to these requirements, the implementation of efficient and smooth surveys with the cooperation of the public is essential to government statistical services. Meanwhile, the environment for statistical surveys has changed substantially due to the diversification of the public sense of values and increased consciousness of privacy issues, thereby making it difficult to gain an understanding of households and business enterprises. This increases the burden on the central and local governments and on statistical enumerators. Therefore, it is necessary to make relevant work simple and efficient by introducing the latest information and telecommunication technology into the process of collecting, tabulating and providing statistical data.

Based on these circumstances, we have decided to work on the following issues as a step toward the efficient and smooth implementation of statistical surveys:

- (1) The implementation of surveys by multiple survey methods that are responsive to changes in survey environment.
- (2) The promotion of statistical surveys utilizing information and communications technology (ICT) including the expansion of on-line surveys.
- (3) The promotion, as a means of alleviating respondent’s burden, of the use of administrative records, and of data-sharing, by which data on survey results are centrally held and used in common by the Cabinet Office and ministries.
- (4) The promotion of delegating statistical work to the private sector, with due consideration

given to confidentiality issues.

- (5) Cooperation and coordination for those statistical surveys relating to various ministries are involved.
- (6) The promotion of smoother and more expeditious procedures with regard to government statistical services.

Furthermore, in order to implement efficient and smooth statistical surveys with the cooperation of the public, and to maintain the accuracy of compiled statistics over the long term, it is important to improve the systems for implementing, above all, large-scale statistical surveys. Also, staff engaged in working with statistics must have the necessary professional knowledge. As the foundation of statistical surveys, we have decided to address the following issues, which are, among others: (1) enhancement of statistics department of local governments, (2) fostering and training of survey staff, and (3) securing cooperation for statistical surveys.

(3) Expansion of the use of survey results

To make the most of statistical data, which is an important public property, it is important that advanced analysis, processing and dissemination of statistical data is carried out to a greater extent, and to construct foundations for not only administrative agencies but also for public ease of use.

In particular, advancements in IT have brought about substantial innovation in various phases of statistical surveys, including planning, implementing, tabulating, disseminating results, and utilizing and analyzing the statistical surveys. Some examples of this innovation are seen in foreign countries.

Taking these circumstances into consideration, we have decided to seek the following: (1) advanced use of statistical information, (2) advanced dissemination of statistical results, (3) the construction of a foundation for promoting the use of statistical data, and (4) an improvement in statistical classification.

Particularly, with regard to the “Statistical Frame of Establishments and Enterprises”, in order to make advanced use of statistical information, we have decided to investigate measures for multiple uses of the information in such a way that it provides population information, supports sampling in the implementation of various statistical surveys, as well as supports data linkages.

Also, with regard to a “Statistical Data Archive” for the promotion of the use of statistical data, a field presently led by academic institutions, we have decided to investigate what the basic requirements would be for establishing such an archive as a means of expanding the use of statistical information. We will refer to examples available in countries in Europe and North America.

Furthermore, regarding the preparation and use of “tailored tabulation” and “anonymous microdata”, although the subject was taken up in 1995 by the “New Strategies for Government Statistical Services for the Coming Decade”, and deliberations on the subject have since been under way, we will review the results of past deliberations and carry on discussions toward materializing these efforts.

(4) Promotion of international cooperation

Regarding the international situation surrounding statistics on our country, and amid the advances in social and economic globalization, it is of growing importance to compare the actual state of Japan’s society and economy with that of foreign countries. There is also an increasing need to have the international community accurately understand the actual situation in Japan. Additionally, regarding statistics-related activities of international institutions in recent years, there has been rising a new movement toward improving the quality of statistical data, and the building up of the statistical capability of developing countries, in particular.

In light of such circumstances, and by way of concrete measures for issues that our government as a whole should address, we have decided to promote the following matters: (1) the collection and sharing of basic information pertaining to the statistics compiled by international organizations, as the basis for enhancing the comparability of Japanese statistics, (2) the improvement of ways of providing Japanese statistical survey results utilizing modern technology such as websites, and furthermore, (3) proactive participation in the work of formulating international statistical standards, and (4) contributing to building the statistical capability of developing countries, which has been promoted by international organizations.

4 Enhancement of the “New Directions”

(1) Systems for promoting the “New Directions”

To enhance the “New Directions”, the existing “Meeting of the Heads of the Statistical Departments of the Cabinet Office and Ministries” should be utilized, and an expert group meeting should be instituted as necessary under the Meeting to carry on the deliberations. In the case where any existing organ outside this organization is available, it should be utilized as well.

The “Meeting of the Heads of the Statistical Departments of the Cabinet Office and Ministries” shall put together, for release, information on the progress of the “New Directions”.

(2) Comprehensive evaluation of the “New Directions”

The strategies for Government Statistical Services under the “New Directions” are those that have been agreed to by the Cabinet Office and ministries concerned as a guideline for the direction of government statistical services in the next 5 to 10 years. In order to have these strategies accurately respond to social and economic changes in the future, we will review and evaluate them comprehensively in 5 years’ time.

Part 2 Development of statistics responding to social and economic changes

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

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

<Background and current situation>

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

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

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

<Basic direction>

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

<Concrete measures>

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

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

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

(2) Development of name list of establishments and enterprises

<Background and current situation>

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

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

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

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

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

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

<Basic direction>

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

<Concrete measures>

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

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

2 Review of GDP-related statistics

(1) Development of basic statistics for GDP estimation

(A) Development and substantiation of basic statistics

<Background and current situation>

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

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

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

statistics shall be improved”.

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

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

<Basic direction>

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

<Concrete measures>

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

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

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

The study into the level of acquisition of general-purpose software assets shall be continued, including its possibility of grasping the situation.

(B) Utilization of data on fiscal expenditure

<Background and current situation>

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

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

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

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

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

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

<Basic direction>

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

<Concrete measures>

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

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

<Background and current situation>

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

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

<Basic direction>

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

<Concrete measures>

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

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

(2) Development of statistics on capital stock

<Background and current situation>

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

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

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

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

<Basic direction>

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

<Concrete measures>

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

3 Development of the statistics focusing on enterprises

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

<Background and current situation>

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

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

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

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

<Basic direction>

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

<Concrete measures>

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

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

<Background and current situation>

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

Surveys including these industries in the coverage are:

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

Those not including these industries are:

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

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

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

<Basic direction>

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

<Concrete measures>

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

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

(3) Respond to changes in enterprises' activities

<Background and current situation>

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

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

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

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

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

(2) Responding to the overseas shift of production

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

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

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

<Basic direction>

(1) Responding to increasing importance of corporate group information

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

(2) Responding to overseas shift of production

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

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

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

<Concrete measures>

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

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

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

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

(2) Responding to the overseas shift of production

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

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

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

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

4 Development of statistics on services

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

<Background and current situation>

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

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

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

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

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

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

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

< Basic direction >

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

<Concrete measures>

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

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

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

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

(2) Development of statistics on non-profit activities

<Background and current situation>

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

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

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

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

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

<Basic direction and concrete measures>

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

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

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

5 Development of IT related statistics

<Background and current situation>

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

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

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

status of progress in the development of an IT infrastructure.

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

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

<Basic direction>

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

<Concrete measures>

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

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

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

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

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

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

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

6 Development of the statistics on intellectual property

<Background and current situation>

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

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

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

in-house-type software.

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

<Basic direction>

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

<Concrete measures>

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

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

7 Development of the statistics on employment

<Background and current situation>

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

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

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

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

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

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

<Basic direction>

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

<Concrete measures>

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

8 Development of environment statistics

<Background and current situation>

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

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

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

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

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

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

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

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

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

<Basic direction>

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

<Concrete measures>

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

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

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

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

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

9 Development of gender statistics

<Background and current situation>

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

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

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

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

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

However, the current statistical surveys highlight the following issues.

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

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

<Basic direction>

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

<Concrete measures>

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

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

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

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

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

10 Development of statistics on national life

(1) Statistics on the activities of households and individuals

<Background and current situation>

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

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

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

<Basic orientation>

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

<Concrete measures>

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

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

<Background and current situation>

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

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

<Basic direction>

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

<Concrete measures>

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

11 Utilization of statistics for policy evaluation

<Background and current situation>

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

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

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

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

<Basic orientation and concrete measures>

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

In doing so:

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

12 Statistics concerning local economies: the way they should be

<Background and current situation>

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

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

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

<Basic direction and concrete measures>

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

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

<Background and current situation>

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

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

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

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

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

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

<Basic direction>

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

<Concrete measures>

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

14 Consolidation and streamlining of statistical surveys

<Background and current situation>

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

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

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

<Basic direction>

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

<Concrete measures>

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

Part 3 Efficient and smooth implementation of statistical surveys

1 Response to changes in environment for statistical surveys

<Background and current situation>

This is a time of accelerated change in the social and economic fabric of Japan. Reforms in industrial structure, a changing employment environment, the falling birthrate, an aging population, and the advent of an advanced Information and Telecommunications network society all contribute to a growing need for reliable governmental surveys and statistics. At the same time, the conditions governing statistical surveys are also undergoing major change, as evidenced in the observations below. There is concern that these developments may impose heavier burdens on local governments, and could compromise the accuracy of statistical work.

- (1) Diversification of personal attitudes and values, and people's greater consciousness of privacy issues exacerbate the difficulty of gaining cooperation in statistical survey activities. Falling response rates and rising numbers of uncompleted questionnaires are the significant consequences.
- (2) There is greater variety in residential lifestyles: more nuclear families, more households with all members out at work or school during the day, and increasing number of two-income families and single-occupant domiciles. Combine this with the spread of condominiums with auto-security systems, and a surge in the popularity of studio apartments, and the result is more and more families who are either difficult to contact or are not cooperative in responding to survey questionnaires.
- (3) The extended business slump has engendered an ongoing process of company downsizing, which is most marked at the management level. Short-staffed, time-stressed companies and offices are more reluctant to cooperate in statistical surveys.
- (4) Diversification in lifestyles and proliferation of information communication equipment have led to differing demands in respect of questionnaire collection methods.
- (5) Many corporations have introduced centralized head office management systems, making it increasingly problematic, if not impossible, for branch or local offices to provide data for external surveys.
- (6) The emergence of new business styles and the introduction of information technology make it more difficult to discern the true nature of some businesses, e.g., small-office/home-office (SOHO) professionals.
- (7) There is a growing demand for online surveys based on computerization of administrative services, as outlined in the "e-Japan Priority Policy Program - 2002" (established on June 18, 2002 by the Strategic Headquarters for the promotion of an advanced Information and

Telecommunications network society), and the general trend toward utilization of information technologies in public sectors.

- (8) With the “maturing” of existing statistical enumerators, and increasing difficulty in maintaining required staff numbers, there is an urgent need to take effective steps to boost recruitment. Evening visits are also under consideration, because many families tend to be unavailable during the day.

In order to secure public co-operation in the completion of survey questionnaires, and to obtain accurate information under the above-mentioned circumstances, there is a need to further promote the development of new survey techniques, and to implement publicity and education programs designed to communicate the importance of statistics.

<Basic direction>

- (1) In order to foster appreciation of the significance of statistics, and the importance of citizens’ cooperation, there should be a concentrated campaign of publicity, education and public information on these issues, despite the countervailing conditions.
- (2) To accommodate questionnaire respondents’ differing preferences in respect of statistical surveys, and to address the diversity in lifestyles and residential situations, consideration should be given to the objectives, characteristics and effectiveness of implementing and using a variety of survey methods.

There should also be an effort to introduce online survey systems covering both business enterprises and private households through the development of information technologies, and with reference to examples of foreign online survey systems applied for the 2000 population census.

- (3) Appropriate measures should be implemented to address the growing number of small-scale business operations with no regular employees; the proliferation of companies whose true natures are difficult to discern at face value (e.g., SOHO professionals); and the increasing incidence of centralized business management structures, which constrain survey personnel’s ability to collect data.
- (4) To counter the increase in non-cooperative questionnaire responses and blank questionnaires returned, methods for filling out questionnaires should be devised in such a way as to reduce the burden for respondents, and encourage their cooperation; and efforts should be made to maintain and improve accuracy of the information provided.
- (5) Efforts should be made to implement effective measures for recruiting and retaining statistical enumerators, while taking into account the increasing difficulty of implementing statistical surveys by enumerators, due to changes in survey conditions, aging of enumerators and difficulty in recruiting enumerators.
- (6) Additional efforts should be made to promote measures for assuring the safety of statistical

enumerators, so that they can make evening visits to households whose members are out during the day; and can conduct surveys in more remote or difficult-to-access localities.

<Concrete measures>

- (1) In the case of surveys covering households, the Cabinet Office and ministries should focus on their objectives, characteristics and effectiveness; address the differing circumstances of questionnaire respondents; and encourage participation in surveys through a range of response options, e.g., postal methods, envelope submission, face-to-face interviews, and surveys using separate questionnaires for more complex items. In line with this approach, the MPHPT should make an effort to coordinate with the Cabinet Office and ministries concerned, as required, to consider specific online survey techniques, by fiscal year 2005, and should share its conclusions with the Cabinet Office and ministries.
- (2) In the case of surveys covering establishments and enterprises, the Cabinet Office and ministries should focus on their objectives, characteristics and effectiveness, and should promote surveys that use a range of questionnaire response options, such as online surveys and postal methods.
- (3) To counter the increasing incidence of non-cooperative households, establishments and enterprises, the Cabinet Office and ministries should implement measures to secure cooperation in surveys by reducing reporting burdens, e.g., devising improved methods for filling out questionnaires. They should also research reasons for non-cooperation.
- (4) The MPHPT should, in close liaison with the Cabinet Office and ministries, collate information on the actual status of SOHO professionals, and study survey methods before implementing field studies by fiscal year 2005, while taking into account the proliferation of establishments and enterprises whose true natures are not immediately apparent.
- (5) To cope with organizations whose accounting information is centrally controlled by their head offices, the Cabinet Office and ministries should implement methods that allow those head offices to complete questionnaires on behalf of the total organization.
- (6) As part of measures for ensuring the safety of statistical enumerators, the Cabinet Office and ministries should implement systems based on surveys by plural enumerators.

2 Promotion of statistical surveys using information and communications technologies

<Background and current situation>

Given the countervailing survey conditions, it is critical to apply the fruits of technological innovation in the fields of information processing and telecommunications to the process of

collecting and compiling statistical data, in order to minimize reporting burdens and improve survey efficiency.

With regard to information and communications technologies, the Government has committed to the “e-Japan Strategies” (established on January 22, 2001 by the Strategy Headquarters for the promotion of an advanced Information and Telecommunications network society), for example, and fast-tracking of information infrastructure is underway, e.g., introduction of the Internet and broadband transmission. The “e-Japan Priority Policy Program - 2002” states that “the computerization of administrative services should be promoted, with priority being placed on the revolution of services toward electronic provision of administrative information, further promotion of electronic application and notification procedures, further promotion of paperless management, and the sharing and handling of information via networks, in order to realize administrative services which can equally handle both electronic and paper-based information, by fiscal year 2003”. Thus, there is a need to promote online processes for gathering statistical survey data.

The need for online surveys is also suggested in “New Strategies for Government Statistical Services for the Coming Decade”. As of November 2002, the Cabinet Office and ministries had implemented 23 surveys on 17 systems. There are 14 further surveys scheduled on 7 additional systems (see Table 1).

However, there is a pressing demand from business enterprises to move more aggressively into online statistical surveys, given the widespread introduction of electronic equipment, such as computers, and recent advances in information technology.

Table 1 Online surveys implemented

| Division | Medium | Number of systems | Number of surveys under each system mentioned at left |
|--|-----------------|--------------------------|--|
| Online surveys underway | Internet | 8 | 14 |
| | Private line | 6 | 6 |
| | Electronic mail | 3 | 3 |
| | Sub-total | 17 | 23 |
| Online surveys scheduled (under development) | Internet | 6 | 13 |
| | Private line | 1 | 1 |
| | Sub-total | 7 | 14 |
| Grand total | | 24 | 37 |

(Source: Data from the survey related to “statistical survey systems utilizing information technologies”, prepared by the Statistics Bureau, Ministry of Public Management, Home Affairs, Posts, and Telecommunications, November 2002.)

For online submission of questionnaires, it is important to create a conducive environment that will encourage cooperation by questionnaire respondents, e.g., making the system and forms easier to

use. One major concern that must be addressed is the potential for information leakage.

On the other hand, if online survey systems have differences between surveys, this could cause problems for both questionnaire respondents and survey bureaus, as the respective methodologies for collecting and certifying questionnaires will all be different.

<Basic direction>

- (1) Efforts should be made to further promote online survey systems through the introduction of methods that are most appropriate to questionnaire respondents, while taking account of the most recent developments in information and communications technologies.

Introduction of online survey systems should be accompanied by measures to foster appropriate levels of security through the use of policies designed to gain respondents' appreciation of data protection and leakage prevention issues involved in such systems.

- (2) Research should be conducted into basic issues related to online survey systems (authentication methods, receipt systems, and security measures).

<Concrete measures>

- (1) As for designated statistics, the Cabinet Office and ministries should promote a transition to online implementation of vertical statistical surveys on establishments and enterprises in principle.

The same procedure shall apply to approved statistics and notified statistics.

- (2) The Cabinet Office and ministries should conduct research into not only conventional survey techniques, but also measures required to make introduction of online surveys acceptable to questionnaire respondents, so that online surveys can be designed accordingly.

At the same time, the Cabinet Office and ministries should proceed with research into certification methods relating to online surveys, a standard collection system, and the efficiency of statistical office work by prefectural governments.

- (3) The Cabinet Office and ministries should proceed with technical research into security measures involved in online surveys.
- (4) The Cabinet Office and ministries should urgently establish a unit for collaborative studies with experts in information processing, and examine areas of mutual concern in relation to statistical surveys utilizing information and communications technologies as mentioned in (2) and (3) above.

Primary issues to be studied in the new facility are:

- Research into the receipt system
- Technical studies relating to security measures
- Research into the certification methods how should be

3 Measures for reduction of reporting burdens on respondents

(1) Utilization of administrative records

<Background and current situation>

The utilization of administrative records is very important from the viewpoints of trying to simplify and streamline data collection for statistical surveys, and to reduce the burdens on respondents. Promotion of such utilization is also recommended in “New Strategies for Government Statistical Services over the Coming Decade”.

A study into the utilization of administrative records from statistical surveys and policies relating to such utilization, including investigations into the publication of statistics based on administrative records, is underway with the “Working Group for Studies on Policies to Utilize Administrative Records”, the second study committee of the Conference on Promotion of New Strategies for Government Statistical Services over the Coming Decade. The Cabinet Office and ministries are also looking at ways of simplifying individual statistical surveys by utilizing administrative records.

However, administrative records are data obtained from administrative reports for the purpose of issuing permits and notifications, and thereby prohibited from being used for non-specified purposes. Privacy and confidentiality caveats are in force. The range and contents of data in these records are very diverse. Currently, therefore, utilization of administrative records is seen as limited. On the other hand, there is pressure to utilize administrative records as basic supplementary data to provide information that may be missing from collected questionnaires. The recent development and application of information and communications technologies are expected to make it more feasible to utilize these records.

<Basic direction>

- (1) From the viewpoint of reducing of reporting burdens, efforts should be made to positively utilize administrative records in the preparation of statistical data, while taking all necessary care to maintain confidentiality.
- (2) Research into methods of utilizing administrative records should be implemented in line with the trend toward computerization of administrative records.
- (3) Policies for positively utilizing administrative records should be considered from the viewpoint of compensating for shortfalls in data obtained from questionnaires.
- (4) Efforts should be made to prepare, and update, population information through the utilization of administrative records, thereby reducing the burdens on respondents, and improving the accuracy of survey results.

<Concrete measures>

- (1) The Cabinet Office and ministries should initiate research into policies for positively utilizing administrative records in the preparation of major economic indicators, such as production, equipment investment, and capital assets. At the same time, there should also be a study into the potential for supplementing data shortfalls.
- (2) The Cabinet Office and ministries should proceed with a study into positive utilization of administrative records such as register book information and securities reports, in line with computerization of these records.
- (3) In order to move ahead with the studies mentioned in (1) and (2), above, the Cabinet Office and ministries should establish a research unit which includes responsible members of the Cabinet Office and those ministries that maintain administrative records, and conduct studies into policies for positive utilization of administrative records, by fiscal year 2005.
- (4) The MPHPT, working closely with the Cabinet Office and other ministries, should utilize administrative records to begin preparing and updating population information, of the SFEE, by fiscal year 2005.

(2) Measurement of reporting burdens on respondents and application of the method

<Background and current situation>

In order to conduct efficient and effective surveys and ensure accuracy of data, it is important, given the negative survey environment, to clarify the status of the burdens on respondents. This will provide a better understanding of problems they experience when filling out questionnaires, and help to establish measures for reducing those burdens. Research into methods of understanding and analyzing reporting time are underway with the “Working Group on Utilization of Indicators for Burdens on Responders - focusing on reporting time”, the second study committee of the Conference on Promotion of New Strategies for Government Statistical Services over the Coming Decade (hereinafter referred to as the “Working Group on Utilization of Indicators of the Burdens on Respondents”).

Given the recent trend toward complex and sophisticated survey contents, and the increasing demands on respondents, it is necessary to implement research into ways of measuring specific reporting burdens, and making use of the findings. There must also be an effort to gain an understanding of questionnaire respondents, and to promote reduction of the demands on them, taking into account the results of studies conducted by the Working Group on Utilization of Indicators for Burdens on Respondents. “Time” required for reporting serves as one of the effective measures for respondents’ burdens. However, it is difficult to apply a uniform gauge of reporting time, because respondents differ from one survey to the next. It is necessary, therefore, for the

Cabinet Office and ministries to apply techniques considered appropriate for each statistical survey, taking account of its characteristics.

<Basic direction>

Research should proceed into measurement of the burdens on respondents, and utilization of the findings, from the viewpoint of maintaining and improving the quality of statistics by means of appropriate response to changes in survey conditions, securing citizens' appreciation of the value of statistics, and reduction of the burdens on respondents.

<Concrete measures>

The Cabinet Office, other ministries, and the MPHPT (Statistical Standards Department) should initiate specific research into the measurement of burdens on respondents in respect of major central government statistical surveys, taking into consideration the results of studies carried out by the Working Group on Utilization of Indicators for Burdens, and making effective use of those results.

A research unit should be established, as required, for the purpose of studying and utilizing methods of measuring burdens.

(3) Promotion of data sharing to reduce the burdens on respondents

<Background and current situation>

Sharing data on individual questionnaires between the Cabinet Office and ministries concerned is an effective way of avoiding overlapping survey items, and simplifying these items. Therefore, positive promotion of data sharing is urged, in order to accelerate the process of reducing burdens on respondents, and improve the accuracy of surveys. The “Basic Plan Concerning the Promotion of Streamlining and Efficiency of Administrative Organization” (adopted by Cabinet Decision on April 27, 1999, and hereinafter referred to as the “Streamlining Plan”) endorses the belief that sharing data on individual questionnaires will avoid overlapping survey items.

Avoidance of overlapping survey items through sharing data on individual questionnaires between the Cabinet Office and ministries concerned is still lacking, although it should be noted that such data sharing is found to some extent in the utilization of data relating to equipment investment contained in the Survey of Research and Development on the Basic Survey on Japanese Business Structure at the Ministry of Economy, Trade and Industry.

Meanwhile, promotion of data sharing on individual questionnaires involves technical problems, such as an effective method of linking data for different definitions between surveys, data correction for different time factors, streamlining of required office work processing, etc. It is also necessary to gain citizens' understanding that sharing data on individual questionnaires is

designed to simplify surveys and reduce the burdens on respondents.

<Basic direction>

- (1) Efforts should be made to avoid overlap of respondents through the use of the SFEE. Efforts should also be made to promote the sharing of data on individual questionnaires from the viewpoint of reducing the burdens on respondents through avoiding overlap of survey items, and achieving more efficient surveys.

At the same time, there should be an effort, across the whole Government organization, to gain public understanding of the reasons for sharing data on individual questionnaires.

- (2) A study must be carried out on technical problems involved in resolving the issues of sharing data on individual questionnaires.

<Concrete measures>

- (1) To prepare an appropriate environment for the sharing of data on individual questionnaires, the Cabinet Office, other ministries and the MPHPT (the Statistical Standards Department) should make an effort to gain citizen's understanding of the necessity and utility of sharing governmental statistical data in reducing the burdens on respondents.
- (2) A study should be conducted concerning technical problems specific to data sharing, by the research unit referred to in Section 10 ("Promotion of research on Statistical Survey Technology").

4 Promotion of entrusting statistical works to private contractors, and assuring confidence of respondents

<Background and current situation>

The "Directives Relating to Questionnaire Management", a separate attachment to the "Enforcement of Laws for Revising Part of the Statistics Law and the Statistical Reports Coordination Law", dated September 29, 1989, stipulate procedures for commissioning private sector compilation of questionnaires in such a way as to assure the confidentiality of respondents.

The "Basic Plan concerning the Promotion of Streamlining and Efficiency of Administrative Organization" (Cabinet Decision on April 27, 1999) also states "with regard to statistical office work (compilation, database creation and provision, physical inspections, etc.), entrustment to private sector suppliers, including comprehensive entrustment, should be promoted, in order to reduce the burdens on national administrative organizations. Consequently, ministries and agencies should set out future promotional policies relating to entrustment to private contractors, during the current fiscal year". In response to the above, the Cabinet Office and ministries are expected to promote the entrustment of statistical office work, and to take all possible steps to assure the confidence of respondents when entrusting relevant statistical work to private contractors.

In addition, the document “The Status of Administrative Reform Implementation” (reported by the Headquarters for Administrative Reform on March 31, 2003) involves, as part of the follow-up to the Outline of Administrative Reform, organization and coordination of information on the status of commitment to reducing and streamlining national administrative organizations, and states that “entrustment to private contractors should be further promoted for statistical work (compilation, database creation and provision, field work, etc.)”.

As mentioned above, it is essential to practice strict management of questionnaires, in order to assure the confidence of respondents in situations where there is strong demand for further promotion of entrustment of statistical work to private contractors.

<Basic direction>

Efforts should be made to ensure that work related to statistical surveys will be entrusted to private contractors in a prudent and efficient manner, with emphasis on assuring the confidence of respondents.

<Concrete measures>

A meeting for deliberation should be established within the Cabinet Office and ministries for the purpose of: developing an understanding of the factors involved in outsourcing from private contractors, such as the influence of entrustment, accuracy of surveys and associated problems, minimum survey capabilities required of suppliers, areas and methodology of outsourcing, and establishment of guidelines for contracting of statistical surveys to private suppliers in fiscal 2004, with emphasis on assuring the confidentiality of respondents. This shall be implemented with reference to the above-mentioned “Directives Relating to Questionnaire Management”.

5 Cooperation and coordination for statistical surveys relating to various ministries

<Background and current situation>

In recent years, there has been an increasing need for statistics that have relevance for a range of industries, particularly such emergent fields as scientific technologies, biotechnologies and information technologies. Meeting these demands calls for thorough and accurate preparation of statistics.

Planning and implementation of statistical surveys in those areas of economic activity that affect multiple industries will require liaison and coordination between the authorities concerned. To date, one-to-one coordination has been practiced between the Cabinet Office and ministries concerned, as required, from the initial conceptual stage. However, to realize efficient and effective preparation

of statistical surveys across the whole Government organization, it is necessary to establish rules for collaborating from the outset.

A good example of such coordination between various ministries is the “Basic Survey for Bio-Industry Creation”, conducted jointly by the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry, and Fisheries, and the Ministry of Economy, Trade and Industry.

<Basic direction and concrete measures>

The Cabinet Office and ministries concerned should promote efficient planning and implementation of statistical surveys that involve multiple ministries (e.g., surveys covering two or more industries) through liaison and coordination from the early conceptual stage.

To achieve this objective,

- (1) At the designing stage of statistical surveys in which several ministries will be involved, the Cabinet Office and ministries should establish a common mechanism for joint research and study between all ministries concerned, including their policy-making departments for the necessary liaison and coordination work.
- (2) In the case of statistical surveys for which a budget application for the next fiscal year is planned, the MPHPT (Statistical Standards Department) should receive brief outlines of those surveys from the Cabinet Office and ministries early in the fiscal year, and refer them to related ministries. Using this reference, related ministries should take steps to initiate appropriate liaison and coordination.

6 Promotion of more streamlined and expeditious procedures for government statistical activities

<Background and current situation>

Under current procedures governing statistical surveys, some cases require a considerable lead-time before final approval or acceptance by the Minister of Public Management, Home Affairs, Posts and Telecommunications. This results from the sequence of official processes, e.g., submission by the Cabinet Office and ministries of related documents to the Minister of Public Management, Home Affairs, Posts and Telecommunications (Statistical Standards Department), a hearing, then submission of official documents.

However, from time to time the need arises for swift preparation and delivery of statistics in response to urgent issues.

<Basic direction>

Efforts should be made to clarify examination and approval criteria related to statistical surveys, in order to facilitate more smooth and expeditious official procedures.

<Concrete measures>

- (1) The MPHPT (Statistical Standards Department) should, in pursuit of more smooth and expeditious official procedures, review the official procedure directions relating to statistical surveys (e.g., “The Range of Statistical Reports and Methods of Application for Approval”, handed down by the Conference of Report Coordination Officials on October 9, 1952, and “Description Concerning Notification under Article 8 of the Statistics Law”, prepared by the Secretariat of the Statistical Commission in May 1950), and revise them during fiscal year 2003.
- (2) Approved statistical surveys covering establishments and enterprises involve referral to economic organizations for their opinions by the MPHPT (the Statistical Standards Department), whenever those who wish to conduct surveys apply for approval. However, studies should be carried out during fiscal year 2003 into a standard for such referrals, and into the methodology of handling opinions between concerned parties, to work out a final plan.

7 Enhancement of statistical department of local governments

(1) Prefectural governments

<Background and current situation>

Most of the nation’s large-scale statistical surveys are conducted by prefectural governments, municipal governments, and statistical enumerators. In order to conduct these statistical surveys, local statistical organizations are established within prefectural and municipal governments. Full-time statistical personnel are deployed in the statistical department of prefectural governments, at national expense.

The allocation number of regular statistical survey staff members to be so deployed has been reduced since 1968, under national rationalization plans. The number of deployed personnel deployed for fiscal year 2003 is 2,266, reduced to approximately 70% of the 1968 level.

On the other hand, recent changes in social and economic conditions have led to greater complexity and sophistication in statistical survey activity. Changes in survey conditions, such as the increasing incidence of non-cooperation in surveys, are another area of concern. It should be noted that the main statistical survey sections of prefectural governments have been subject to increasing office workloads.

Amid the above factors, the Cabinet Office and ministries to date have tried to provide more smooth and efficient statistical survey services by conducting large-scale statistical surveys simultaneously, adjusting survey timing to conducting during the same fiscal year, and training dedicated statistical survey personnel.

Some designated statistical surveys conducted through the main statistical survey sections of prefectural governments require expertise pertaining to individual administrative services. Therefore, it is desirable that the implementation of such surveys be undertaken not by main statistical survey sections, but by administrative service departments and agencies.

<Basic direction>

- (1) To ensure that large-scale designated statistical surveys will be conducted efficiently, in an effort to continue to substantiate local statistical survey systems.
- (2) Appropriate support should be provided to local statistical survey sections so that they can efficiently conduct statistical surveys requiring special expertise.

<Concrete measures>

- (1) The MPHPT (the Statistical Standards Department) should make an effort to secure the required allocation number of dedicated statistical survey personnel. At the same time, they should study the preparation of systems for physical inspections at the main statistical survey sections of prefectural governments, including checks on the allocation number of exclusive statistical survey staff members deployed, taking into account opinions from prefectural governments.

The Cabinet Office and ministries concerned should continue to provide more streamlined and efficient statistical services through the statistical department, by conducting large-scale statistical surveys simultaneously, and adjusting survey timing to conduct in the same fiscal year. They should also provide support for training and education to improve the skills and performance of dedicated statistical survey staff members.

- (2) With regard to designated statistical surveys conducted through the main statistical survey sections of prefectural governments, the Cabinet Office and ministries concerned shall ask administrative service departments and agencies, as required, for further cooperation in those statistical surveys that require expertise relating to individual administrative services, prepare a comprehensive guide to statistical surveys, and train relevant statistical survey staff members in advance of actual projects.

(2) Municipal governments

<Background and current situation>

As at April 1, 2002, there were 13 municipal governments throughout the nation operating sections

specialized in statistical services. Only 13.6 percent of a total 12,000 municipal government personnel were engaged in statistical services, as at that date.

A major proportion of the nation's designated statistical surveys conducted through the municipal governments are large-scale periodic surveys. In recent years, the difficulty of recruiting statistical enumerators, increasing incidence of non-cooperation in questionnaires and surveys, and the introduction of sealed envelope-style responses have boosted the office workload for staff, resulting in increased services by statistical service personnel within municipal governments.

As mentioned above, the statistical service sections within municipal governments employ many personnel who are also engaged in other services, thus making it necessary to institute systems for large-scale periodic surveys.

<Basic direction>

To facilitate the operation of large-scale statistical surveys conducted periodically, central government should provide municipal governments with appropriate support.

<Concrete measures>

- (1) The Cabinet Office and ministries concerned should, for the purpose of reducing the office workload at local governments, recheck paperwork relating to large periodic surveys scheduled to be conducted through governments from fiscal year 2004.
- (2) The Cabinet Office and ministries concerned should, by the end of fiscal year 2004, consider the possibility of employing non-governmental supervisors (e.g., retired public employees, etc.) to assist statistical service personnel at the municipal government level.

(3) Statistical Enumerators

<Background and current situation>

Surveys conducted by statistical enumerators are notable for their reliability, the high rate of questionnaires collected, and the accuracy of information contained in the questionnaires. Many of the important and large-scale statistical surveys conducted by the country, including Population Census, are implemented through surveys conducted by statistical enumerators.

In recent years, more complex details in statistical surveys, the diversification of citizens' attitudes and values, increasing incidence of non-cooperative respondents, and proliferation of households with nobody at home during the day (e.g., two-income or single-occupant households) have made survey conditions more difficult. Consequently, the problems encountered by statistical enumerators personnel include, quantitatively: (i) shortage of statistical enumerators for large-scale periodic statistical surveys (Population Census, Establishment and Enterprise Census, Housing and Land Survey, Census of Agriculture and Forestry, and Census of Commerce); and, qualitatively: (ii)

low registration of younger statistical enumerators (see Table 2), and (iii) shortage of statistical enumerator who are familiar with interviewing techniques and/or can manage paperwork properly. Given these situations, it can be seen that there is a pressing need for improvement in both the quantitative and qualitative aspects of the statistical enumerators situation.

To address these problems, the government conducts a range of training programs for statistical enumerators applicants being secured by means of advance registration under the “Project for Recruiting Statistical Enumerators” (hereinafter referred to as “registered enumerators”). At present, for budgetary reasons, the project is limited to covering municipal governments that represent populations of 50,000 or greater (484 municipal governments).

Table 2 Number of registered enumerators indexed by gender and age group (for fiscal year 2002)

(Units: persons, age groups, percentage)

| | 20 and under | 21-30 years | 31-40 years | 41-50 years | 51-60 years | 61 and over | Total | Average age |
|--------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|--------------------|
| Male | 10 (0.0) | 645 (2.3) | 1,227 (4.3) | 3,200 (11.2) | 5,547 (19.5) | 17,872 (62.7) | 28,501 (100.0) | 61.6 - |
| Female | 12 (0.0) | 932 (1.4) | 7,475 (11.2) | 17,390 (26.1) | 23,586 (35.5) | 17,132 (25.8) | 66,527 (100.0) | 52.6 - |
| Total | 22 (0.0) | 1,577 (1.7) | 8,702 (9.2) | 20,590 (21.7) | 29,133 (30.7) | 35,004 (36.8) | 95,028 (100.0) | 55.3 - |

(Note: The data in Table 2, above, have been compiled with reference to 47 prefectural governments (main statistical survey sections), surveyed by the Statistics Bureau, Ministry of Public Management, Home Affairs, Posts, and Telecommunications. The figures show the number of registered enumerators, as at April 1, 2002, in municipal governments covered by the Project for Recruiting Statistical Enumerators.)

<Basic direction>

To improve the number and quality of statistical enumerators, the Project for Recruiting Statistical Enumerators should be reviewed. Remuneration and accident compensation structures should also be re-checked, with a view to possible improvement.

<Concrete measures>

- (1) The MPHPT(Statistical Standards Department) during fiscal year 2003 should reconsider the standard for registering enumerators and methods for training them, under the Project for Recruiting Statistical Enumerators.
- (2) Through consultation with local governments, the ministry (Statistical Standards Department) should prepare a guideline for securing and improving the number and quality of statistical enumerators (a standard for registration and writing-off of registered enumerators, methods for managing and training them, safety measures, etc.) as early as

possible in fiscal year 2004.

- (3) The Cabinet Office and ministries concerned should establish a meeting for deliberation into remuneration and accident compensation systems, during fiscal year 2003.

8 Training and Education for statistical staff

(1) Enhancement of training and education of statistical staff (of central and local governments)

<Background and current situation>

“The New Strategies for Government Statistical Services over the Coming Decade” states that consideration should be given to the training of staff engaged in statistical surveys, and to fostering specialist statisticians, because the planning, design, and analysis of statistical surveys require dedicated and technical abilities and experience. It also suggests that an effort to conduct comprehensive training programs for statistical staff will result in better performance and more efficient implementation of statistical surveys. To promote the above-mentioned concept, the Cabinet Office and ministries are now reviewing internal training and education programs for statistical staff of local governments.

Some ministries already implement policies and training plans designed to foster the development of statistical staff, set up special systems, and conduct training programs. Other ministries have no such programs in place. Therefore these ministries have been tackling this issue in their own ways. Furthermore, statistical staff in the Cabinet Office and ministries have tended to be transferred more frequently, as part of the wide-ranging personnel transfer rotation program that resulted from a major organizational reshuffle across central government ministries in January 2001. This has made it more difficult to place experienced and knowledgeable statistics personnel in appropriate positions. The Cabinet Office and ministries face a common challenge: to foster the development of specialist statisticians, in order to efficiently conduct statistical surveys in the immediate future.

As at the end of fiscal year 2001, only about 20 percent of the statistical personnel deployed in the main statistical survey sections (departments) of prefectural governments had more than three years’ experience in statistical work, which highlights the difficulty of developing staff who are familiar with statistical service practice, in particular, as specialist statisticians. About 80 percent of statistical staff within municipal governments are also engaged in other services, and they are not afforded adequate opportunities to participate in training programs. Consequently, for the purpose of assuring quality of statistical surveys, there should be greater demand for the planning and implementation of effective training programs that are easily accessible to statistical personnel within local governments.

In order to maintain the technical competence of statistical staff, the Cabinet Office and ministries prepare manuals on the processes of designing and implementing statistical surveys, but there are no existing guidelines for a standard method of controlling and evaluating the quality of statistical personnel.

<Basic direction>

There should be study and reconsideration of the basic policies for fostering statistical staff at both national and local government levels. This should aim at development of those personnel who are best equipped to provide such services as planning and implementation of effective and efficient statistical surveys, and utilization and analysis of the statistical data thus obtained.

<Concrete measures>

(1) Statistical staff within the national government

The Cabinet Office and ministries should compile existing data on currently active training programs for statistical staff within the national government, establish a meeting for deliberation, and, during fiscal year 2003, initiate a study of the basic policy for fostering specialists, and methods for learning dedicated skills.

(2) Statistical staff within local governments

With regard to the ongoing statistical service-related training programs for statistical staff inside local governments, the Cabinet Office and ministries concerned should enable trainees to answer questionnaires about their training programs, then apply the findings to a restructuring of training periods and other aspects of the programs.

The Cabinet Office and ministries during fiscal year 2004 should look at policies to assist local governments in developing and training their statistical staff, and then prepare specific proposals. At the same time, the MPHPT (Statistical Standards Department) should prepare databases, e.g., training data from the Cabinet Office and ministries, in association with its Statistical Research and Training Institute, and should consider the possibility of providing information to the parties concerned.

(3) Standardization of statistics preparation processes

The Cabinet Office and ministries should examine the information in their manuals that relates to processes for designing and implementing statistical surveys, and consider the need to complete a uniform guideline for the common portion of these manuals by fiscal year 2004.

(2) Reinforcement of training functions at the Statistical Research and Training Institute of the MPHPT

<Background and current situation>

The Statistical Research and Training Institute (hereafter SRTI) of the MPHPT functions as both an institution for conducting training programs on statistical services for central and local government officials, and is the only agency for fostering statistical staff, as designated under the Statistics Law. In this capacity, the SRTI conducts a wide range of training programs for novice statistical personnel, supervisors, experienced statistical staff, and analysts, with the clear objective of instilling the know-how required for statistical service work. These training programs will play an important role in fostering the statistical staff required for effective implementation of statistical surveys at both central and local government levels.

However, some issues have been raised by local governments in respect of the training programs provided by the SRTI of the MPHPT.

They include:

- (1) Some training programs last more than a month, and there are concerns about the effect on trainees' primary duties, thereby precluding them from joining the programs.
- (2) Such training programs involve a number of specialist subjects, such as processing and analysis, which are more oriented to personnel from the Cabinet Office and ministries. Therefore, the courses are not really appropriate for local government statistical personnel, who are mainly engaged in practical survey and inspection activities.

<Basic direction>

The SRTI of the MPHPT should, at this stage, establish and review the following training curriculum, while studying the need for training programs; promote the introduction of new training methods; and look into desirable training service strategies for the medium- and long-term future, so that statistical staff at both central and local government levels can have access to courses of SRTI that are worthwhile, practical and relevant to their situations.

<Concrete measures>

The SRTI of the MPHPT should set and review the following training curriculum, in fiscal year 2003, and beyond, taking into account trainees' questionnaire responses and the requirements of the Cabinet Office, ministries and local governments, with the objective of lifting the abilities and performance of the statistical staff at both central and local government levels.

- (1) The SRTI should seek to accommodate those local governments that are reluctant to have staff participate in long-term training programs by giving thought to shortening or modularizing training periods, or by considering the implementation of localized training programs.
- (2) The SRTI should also take account of those local governments that conduct practical surveys and inspections by making an effort to reconsider the formats and contents of training

programs, with a focus on workplace training courses.

- (3) Starting in fiscal year 2003, the SRTI should try to initiate correspondence training courses via the Internet, for local government statistical staff who cannot easily attend regular training programs. The SRTI should also aim at actually implementing such programs from fiscal year 2004. The SRTI should also begin studying the development of materials for online training courses.

The SRTI of the MPHPT during fiscal year 2003 should organize a liaison meeting comprising the Cabinet Office, ministries and local governments, on the development and training of statistical staff. The liaison meeting would study the concepts for medium- and long-term training services at the training center during fiscal year 2004, while coordinating the training programs for statistical services jointly conducted by the Cabinet Office, ministries and local governments.

9 Securing cooperation for statistical surveys

(1) Promotion of publicity campaign for securing cooperation in statistical survey activities

<Background and current situation>

“New Strategies for Government Statistical Services over the Coming Decade” states that the publicity campaign for statistical services should focus on the utilization of statistical survey results, as well as on reduction of the burdens on respondents. The strategy also urges efforts to improve statistical surveys by using various media to give the public ample information, so that respondents will take more interest in surveys. As one way of increasing the level of citizens’ cooperation in statistical surveys, these plans suggest the consistent use of a “uniform logo” on questionnaires and handouts, which will indicate that the surveys are being conducted as part of a national project.

Publicity activities conducted by the Cabinet Office, ministries and local governments are aimed primarily at enlisting cooperation in carrying out statistical surveys. Up to now, there has been little public relations activity explaining the uses to which statistical survey results are put. Publicity activity covering reporters and their increased pay allowance will also require further study. No study has been conducted, so far, on the proposal of a “uniform logo”, despite the statement of “New Strategies for Government Statistical Services over the Coming Decade”.

<Basic direction>

- (1) A public relations campaign for government statistical survey activities should be further promoted to make respondents aware of the significance of statistical surveys, and enlist their cooperation in the programs.

- (2) There is also a need to study what the rewards for respondents should be.

<Concrete measures>

- (1) To prepare the environment for obtaining cooperation in statistical survey activities, the Cabinet Office and ministries should set up a meeting for deliberation (i) what publicity activities should be used to reach reporters, (ii) What compensation allowances should be paid to respondents, according to different types of statistical surveys, and (iii) the displaying of a “uniform logo” on questionnaires, to indicate that the surveys carried out by the Government. Specific measures should be prepared during fiscal year 2004.
- (2) The Cabinet Office and ministries in fiscal year 2003 and beyond should set out to publicize activities that provide public information which is based on the results of statistical surveys, together with examples of their use and application, at the time of recruiting respondents for cooperation in statistical survey activities.

(2) Education to highlight the importance of statistics

<Background and current situation>

Children and students are required to develop a rich understanding of the humanities, the flexibility to adapt to social change, keen judgment, and the ability to decide what action they should take. Utilization of statistical data is an essential element of making such decisions. Education plays a very important role in cultivating appreciation of the importance of statistical data, through the process of learning how to read and use statistics.

However, in the current education framework, the compulsory curriculum covering statistics has been diminished under the New School Curriculum Guideline. It is, however, possible to cover statistics in periods of comprehensive studies, and in the study of selective subjects. It is important that teachers take the initiative in discussing statistics from the viewpoint of statistical education, during school hours dedicated to individual subjects and comprehensive studies.

In this regard, the MPHPT conducts “statistics instructor workshops” which include teachers; supports national contests for statistic graphs and the national statistics education study conference; and has opened a page for children and students on the website of the Bureau of Statistics and the Statistics Center, to promote its commitment to education highlighting the importance of statistics

<Basic direction>

Statistical information should be proactively provided to teachers and other staff at educational institutions, so that they are encouraged to expand the boundaries of education highlighting the importance of statistics.

<Concrete measures>

- (1) The MPHPT (Statistical Standards Department) should consider expanding the “statistics instructor workshops” for teachers, and look at what is needed to complete the contents of these workshops, during fiscal year 2003, in association with the Cabinet Office and ministries, local governments, and related organizations such as the Council for Statistical Education Studies.
- (2) The ministry should make an effort to prepare and make available teaching materials (reading materials) for comprehensive studies at elementary and junior high schools, and should promote their distribution from fiscal year 2004.
- (3) The Cabinet Office and ministries concerned should, in fiscal year 2003 and beyond, set out to open Internet home pages for children and students, and organize their complete content. It should also look at preparation and provision of reference data and materials associated with statistical education. At the same time, the MPHPT (Statistical Standards Department) should provide the Cabinet Office and ministries concerned with information on teachers’ needs, obtained through liaison with local governments and related organizations such as the Council for Statistical Education Studies.

10 Promotion of research into statistical survey technology

<Background and current situation>

At the same time as the demand for statistics is growing and becoming more diversified, in response to social and economic developments, there is also increasing pressure to reduce the burdens on respondents related to statistical surveys. Thus, it has become important to seek ways to improve the accuracy of statistics and the implementation of more efficient statistical surveys through the development of statistical survey technologies.

It is a matter of urgency to effectively exploit recent advances in information and communications technology. In addition, it is necessary to establish a mechanism for joint research and development within the Cabinet Office and ministries, in order to address the many issues being noted in research and development work for statistical survey technologies. These problems include the succession of sampling technologies, the development of new analysis and processing techniques, and the development of new survey techniques that can be adapted to meet changes in survey conditions.

It is equally important to foster specialist statisticians in the Cabinet Office and ministries, to share information on statistical survey technologies between governmental departments, and to maintain and improve statistical survey know-how.

<Basic direction>

Efforts should be made to share information on statistical survey technologies and information processing between governmental departments, in order to maintain and improve statistical survey know-how at governmental levels.

<Concrete measures>

- (1) A permanent study organization (Expert Group on Statistical Survey Technologies and Information Processing -tentatively) should be established during fiscal year 2003 for investigation and study of statistical survey technologies.
- (2) The major subjects for study shall be as follows:
 - Study of statistical survey techniques
 - Study of advanced statistical analyses
 - Study of the utilization of information and communications technologies in statistics
 - Technical study of the sharing of data from individual questionnaires

Part 4 Expansion of utilization of survey results

1 Advanced use of statistical information

(1) More advanced statistical analyses and dissemination of results

<Background and current situation>

Statistical data should be utilized more practically as public common property. The increasing and diversifying demands for such data are closely associated with social and economic developments. To respond to these needs, it is important that information collected through statistical surveys should be analyzed and processed to a more advanced degree, in order to make the most of the available information.

It is also necessary for information on statistics and their characteristics to be presented positively from the viewpoint of correct understanding and utilization of statistics, and of their availability to users.

Many of the area divisions in major central government statistical surveys are based on prefectures, municipalities, and population size hierarchies. However, it is required that the results of major central government statistical surveys should be prepared in an area-wise style, in response to such factors as recent expansion of jurisdiction due to the merger or consolidation of municipal governments associated with the promotion program of decentralization, or changes in local residential zones and areas of economic activity.

A great deal of information on local regions is now being accumulated in the database systems at the Cabinet Office and ministries, and it is expected that these data will be rounded-out with information provided by the Geographical Information System (GIS).

<Basic direction>

- (1) Efforts should be made to analyze and process statistical survey data at more advanced and higher levels, to achieve maximum utilization.
- (2) Efforts should be made to actively provide information on statistics and their characteristics, for the purpose of providing maximum convenience to users.
- (3) Efforts should be made to promote a review of area indications, taking into account factors such as expanded jurisdiction due to the merger or consolidation of municipal governments, changing residential zones or areas of economic activity, with the aim of providing more complete data on local areas.

<Concrete measures>

- (1) Cabinet Office and ministries to conduct further analysis of information collected through

statistical surveys in accordance with the characteristics of the surveys, not only the average and sum values but also various statistics values relating to distribution, from the viewpoint of offering the maximum convenience to users, with reference to examples of previous analyses and information.

Specific studies should be conducted into efficient and effective methods for processing statistical data at the research facility that is due to be established (see 3-10 “Promotion of Research into Statistical Survey Technology”).

- (2) The Cabinet Office and ministries should initiate a study into the nature of ideal area indications, including small-area statistics, timed to coincide with large statistical surveys such as the population census. Efforts should be also made to extend the provision of area data through GIS.

(2) Positive utilization of databases for establishments and enterprises

<Background and current situation>

With regard to databases for establishments and enterprises, the preparation of a Statistical Frame for Business Enterprises and Establishments (tentative name) has been suggested as a population information resource for business enterprises and establishments in “New Strategies for Government Statistical Services for the Coming Decade”. The MPHPT has been promoting preparation of the frame as the “Establishments and Enterprises Information Database System (EEIDS)” since 1996, and part of the database has been operative since 1998.

Following that initiative, the MPHPT began developing the “Statistical Frame of Establishments and Enterprises (hereafter SFEE)” in 2000. This resulted from the “Streamlining Plan” statement that the MPHPT should unify population information, including existing survey history, via the “SFEE”, by utilizing the results of statistical surveys held by the Cabinet Office and ministries, and available administrative records. The Streamlining Plan also states that the Cabinet Office and ministries should correct overlapping questionnaire respondents by utilizing the above database when selecting respondents for statistical surveys. Since June 2002, the MPHPT has provided the Cabinet Office and ministries with information for elimination of duplication of respondents for statistical surveys.

Population information for the “SFEE” has been prepared from the Census of Manufacturers, Census of Commerce, Financial Statements Statistics of Corporations by Industry, and data from the private sector (information from Teikoku Databank Ltd.), based on data from results of Establishment and Enterprise Census. It is necessary to provide population data in the early stages. The database contains some list information based on administrative records. Therefore, it is necessary to make the population information more reliable, and to prepare information by effectively utilizing those data.

In addition, the “SFEE” is expected to be utilized for a variety of applications, which will include sampling support through the use of population information for various statistical surveys, utilization for data links between statistical surveys through the use of establishment codes, and data presentation for the identification of institutions and business enterprises whose true nature is not immediately obvious, e.g., SOHO professionals.

<Basic direction>

With regard to the “SFEE”, efforts should be made to provide information on the elimination of overlapping questionnaire respondents, and to provide population information in the early stages of various statistical surveys. Functions of the database should be expanded toward support for implementation of statistical surveys, such as sampling support, data linkage between statistical surveys, and the preparation of panel data on business enterprises. There should also be a study into policies for utilizing the database in a variety of applications.

<Concrete measures>

- (1) With regard to the “SFEE”, the MPHPT should provide information for the elimination of overlapping questionnaire respondents (which information has been already put into practice), in close liaison with the Cabinet Office and ministries, and should begin providing population information in fiscal year 2003. At the same time, the ministry should look at procedures for using the database for the presentation of population information, and ways of presenting such information.
- (2) The MPHPT should support sampling and preprinting activities for various statistical surveys by utilizing the “SFEE”, and should study procedures for utilizing the database and methods for providing information, by fiscal year 2005.
- (3) The MPHPT should promptly initiate studies into more advanced analyses, such as the elimination of overlapping survey items through data linkage with establishment codes, new statistical analyses with two or more crossover results of statistical surveys, the arrangement of enterprise information in panels, and the preparation and presentation of enterprise frames. The ministry should also research geographical information that would allow effective area analyses.
- (4) The MPHPT should, by fiscal year 2005, attempt to utilize list information based on administrative records, in addition to various statistical surveys accumulated in the database, toward preparation of lists for supplementing statistical surveys for institutions and business enterprises, updating population information, and making the information more reliable. The ministry should also consider providing information to establishments and enterprises whose true nature is not immediately obvious, such as SOHO professionals.
- (5) The ministry should install a meeting for deliberation to reflect opinions from the Cabinet

Office and ministries when studying (1) to (4) above.

(3) Promotion of sharing data as compiled results of statistical surveys between Cabinet Office and ministries, central government and local governments

<Background and current situation>

The sharing of data as compiled results of statistical surveys will serve to provide more efficient administrative services by promoting efficient and effective utilization of statistical data, and will improve services to both the public and enterprises, thus making the public more aware of the value of statistical surveys.

With regard to data sharing, the “Streamlining Plan” states that the Cabinet Office and ministries should promote the preparation of databases for compiled results individually or jointly, and should try to share results of statistical surveys through Kasumigaseki WAN. In addition, the Outline of Administrative Reform (decided by the Cabinet on December 1, 2000) states that, with regard to various types of information in administrative agencies, more and more databases should be actively prepared, and information sharing should be promoted. The Outline also states that efforts should be made, as a general rule, to provide a good deal of such information to the public and enterprises.

In response to the above, the Cabinet Office and ministries are engaged in promoting the preparation of more databases for data as compiled results of statistical surveys to be shared via Kasumigaseki WAN and the Internet, based on the document, “Promotion of the Preparation of More Databases for Data as Compiled Results of Statistical Surveys and Making More Information Open to the Public” (the common consent for the Promotion Committee for “General Plan statistics-related items Relating to the Basic Plan concerning the Promotion of Streamling and Efficiency of Administrative Organizations”, May 31, 2001).

As a result, the Cabinet Office and ministries are engaged in the preparation of databases for 173 (50.3 percent) of the 344 statistical surveys covered. Databases are to be prepared by fiscal year 2003 for 142 of the remaining 171 statistical surveys (80.3 percent). However, it is desirable to further promote the preparation of additional databases for compiled results of statistical surveys by expanding database functions and making further details of the data provided, as such preparation serves as a basis for the sharing and electronic presentation of the statistical data.

With regard to sharing and provision of statistical data, such data are now provided on 129 (37.5 percent) of the 344 statistical surveys covered via the Internet, as tabulated below, to promote sharing and presentation of statistical information. (see Table 3)

Table 3 Statistical data available on the Internet

(As of June 2002)

| Type | Number of statistical surveys covered | Statistical surveys with statistical data already available on the Internet | Statistical surveys with statistical data to be posted on the Internet | | | |
|---|---------------------------------------|---|--|-------------|-------------|-------|
| | | | Fiscal 2002 | Fiscal 2003 | Fiscal 2004 | Total |
| Designated statistical surveys | 60 | 40 | 8 | 10 | 1 | 19 |
| Approved and notified statistical surveys | 284 | 89 | 55 | 103 | 23 | 181 |
| Total | 344 | 129 | 63 | 113 | 24 | 200 |

(Note: Statistical survey results either compiled as databases, opened to the public or shared between ministries, September 2002. Researched by the Statistics Bureau, the Ministry of Public Management, Home Affairs, Posts, and Telecommunications).

Efforts should be made to further promote presentation and sharing of data on compiled results of statistical surveys, because this can contribute to the implementation of more efficient statistical surveys.

The presentation and sharing of data as compiled results of statistical surveys between the central government and local governments has been promoted by means of electromagnetic recording media. However, the foundation was laid for online statistical data sharing with completion of the Local Government Wide Area Network (LGWAN). In response to this, it is necessary to promote the sharing of such data between central and local governments to an even greater degree, in line with developments in information and communications technologies.

Efforts should be made to promote local governments' commitment to statistical data sharing with the central government, at a steady pace, with necessary support from the Cabinet Office and ministries.

<Basic direction>

- (1) Efforts should be made to further promote the sharing of data as compiled results of statistical surveys by positively utilizing not only Kasumigaseki WAN or LGWAN, but also the Internet, for the presentation of greater volumes of statistical data.

In addition, the statistical data and portal sites mentioned in Part 4 2-(1) "Advanced Dissemination of Statistical Results via the Internet" are a general window for a guide to governmental statistics, are linked with statistics sites and databases of the Cabinet Office and ministries, and are designed to take advantage of the Internet as an information medium. Given the effectiveness of these sites in sharing and making available data as compiled results of statistical surveys, efforts should be made to utilize these sites as avenues for data sharing between the Cabinet Office and ministries, and between central and local

governments.

- (2) Sharing of data between the central government and local governments should be promoted in line with the commitment to sharing data as compiled results of statistical surveys between the Cabinet Office and ministries.

<Concrete measures>

- (1) The Cabinet Office and ministries should continue to promote the preparation and sharing of databases for compiled results of statistical surveys, and the sharing of data between the Cabinet Office and ministries via Kasumigaseki WAN and the Internet, on the basis of the document “Promotion of the Preparation of More Databases for Data as Compiled Results of Statistical Surveys and Making More Information Open to the Public” (the common consent for the Promotion Committee for the “Streamlining Plan”, May 31, 2001).
- (2) The Cabinet Office and ministries should try to prepare databases for the most urgent of the three major surveys: designated statistical surveys, approved statistical surveys, and notified statistical surveys, by fiscal year 2003; and other statistical surveys by fiscal year 2005.
- (3) The MPHPT should promote the sharing of data between the Cabinet Office and ministries, and between central and local governments by promptly creating a mechanism for the sharing of recorded basic data through Kasumigaseki WAN and LGWAN, relating to the “System of Social and Demographic Statistics” (SSDS), which is scheduled to be developed and commissioned during fiscal year 2003, as a data system common to the Cabinet Office and ministries. The system involves the systematic recording of statistical data by area, covering economic and social statistical data, such as population, households, economic infrastructure, education and workforce, based on results of statistical surveys by the Cabinet Office and ministries, and local governments. At the same time, the ministry should record all information.
- (4) The Cabinet Office and ministries should support local governments in making a commitment to the sharing of data between central and local governments.

2 Advanced dissemination of statistical results

(1) Advanced dissemination of statistical results via the Internet

<Background and current situation>

Governmental statistical data are now provided to the public and enterprises through statistics sites operated by the Cabinet Office and ministries. “Location guide functions” have also been prepared. However, there are no sites that enable governmental statistical data to be viewed from associated sites. Therefore, the Internet linkage is not necessarily providing adequate availability of such data.

“Basic Policies for Economic and Financial Management and Structural Reform 2002” states that “primarily, the MPHPT should develop a mechanism for allowing advanced utilization of statistical information held by the Government by making such information available on the Internet”. It is necessary to develop a mechanism for presenting governmental statistical data so that they can be utilized to a greater degree, for a variety of applications. On the other hand, statistics sites of the Cabinet Office and ministries are required to contain information that has real value for the users. It is also important to secure an organic linkage for statistical data between the central government and local governments.

Statistical data are available on foreign portal sites, as shown in Table 4.

Table 4 Examples of portal sites for statistical data in foreign countries

| Country name | Organization | Designation | Functions and information provided |
|----------------|-----------------------------------|----------------------------|--|
| United States | Federal government | FEDSTAT | Retrieval across sites of statistical data of ministries Linkage to associated statistical agencies Main statistical information list by state |
| Canada | Statistics Bureau Canada | - | Presentation of governmental statistical data by category, such as economy, geography, population, lifestyle, etc. Presentation of business-related information for private enterprises |
| United Kingdom | National Statistics Bureau | National Statistics Online | Presentation of time series data through databases Data in the form of graphs and analysis are possible. |
| Australia | Australian Bureau of Statistics | - | Main statistics list Presentation of major data by category, such as population, prices, employment, and GDP Data in the form of graphs and analysis are possible. |
| Korea | Korea National Statistical Office | KOSIS | Main indexes in graphic form Analysis and process functions through database |

(Note: The table lists information on statistical data provided on foreign portal sites.)

<Basic direction>

- (1) Efforts should be made to provide statistical information to the public and enterprises in a more advanced manner through the Internet, in line with developments in information and communications technologies.
- (2) In line with “Basic Policies for Economic and Financial Management and Structural Reform 2002”, a portal site providing a general gateway to governmental statistical data should be built as a site common to the Cabinet Office and ministries for the provision of statistical information. The portal site shall be made easy to understand, rapidly accessible, and shall have a range of functions such as analysis and representation in graphic form.

Efforts should be made to achieve close liaison between the Cabinet Office and ministries when building and operating the portal site.

- (3) There should be a function that serves as a conduit for statistical data between central and local governments, through linkage of the portal for statistical data to the statistics sites of prefectural governments.

<Concrete measures>

- (1) The MPHPT should build a portal site as a joint site for the Cabinet Office and ministries, and start operating the site during fiscal year 2003.

The portal site should be configured as follows:

- a) A snapshot of the nation as seen through statistics
 - The Government's key statistical indicators should be provided in a simple form featuring tables and graphics.
 - Key indicators can be listed by category, such as population, macro-economic indicators, economic statistics, and social statistics.
- b) A general gateway to the sites of the Cabinet Office and ministries
 - The portal should provide a site map showing the statistics sites provided by the Cabinet Office and ministries, statistical database, and the latest data released.
 - The portal can be linked to statistics sites provided by the Cabinet Office and ministries, statistical database, and the latest data released.
- c) A general guide to governmental statistical data
 - Governmental statistical data can be efficiently and effectively searched and retrieved in the Japanese Kana phonetic alphabet, and by using free words.
- d) Primary statistical database
 - Primary governmental statistical data should be provided in the form of databases.
 - With retrieved data, the following is possible: preparation of statistical tables, map representations, graph representations, and analysis with related statistics.

Efforts should be made to provide the portal with not only the above, but also an English-language version to enhance the site's appeal (and audience).

In addition, efforts should be made to link the portal to the statistics sites of prefectural governments, in order to create a systematic linkage between central and local governments.

- (2) The Cabinet Office and ministries should aim to perfect the content provided for their statistics sites.

Efforts should be made to prepare and make the contents and functions of the portal complete, in close coordination with the Cabinet Office and ministries. To achieve this objective, there should be an ongoing "collaboration conference" between the Cabinet Office and related ministries.

(2) Promotion of prompt and diverse release and dissemination of statistical data

<Background and current situation>

Utilization of information and communications technologies can reduce the costs and time associated with information distribution. This will facilitate the exchange of highly complex information.

There are a wide variety of demands for those types of statistics that are designed to capture social and economic developments quantitatively and objectively, and to provide information on these changes in a timely and effective manner. This situation makes it imperative to utilize information and communications technologies in order to release accurate information quickly, and to provide information in analyzable and processable forms, appropriate to how the information will be used.

In addition, information on the release of statistical survey results is extremely important to users, who utilize statistics in a planned and efficient way. It is therefore necessary to improve the service through earlier announcement of information release dates.

<Basic direction>

To meet varying requirements for statistical data, efforts should be made to release data on statistical results through the use of information and communications technologies, and to provide such data in diverse forms, so that the users can analyze and process such data according to their particular requirements. Efforts should also be made to announce release dates as early as possible.

<Concrete measures>

- (1) The Cabinet Office and ministries should try to speed up the release of data on statistical results by pre-releasing partial tabulations and tentative figures. Efforts should also be made to announce the date of release in compliance with the standard (three months before the date of release) operated by the International Monetary Fund (IMF).
- (2) The Cabinet Office and ministries should aim to diversify the methods of releasing such data, by publishing not only in government gazettes and publications, but also on the Internet.
- (3) The Cabinet Office and ministries should look at using CD-ROMs for the convenience of users when a large volume of data for major surveys (e.g., periodic surveys) is being presented.
- (4) The Cabinet Office and ministries should continue to promote the supply of data through databases, so that users can process and analyze them easily.

(3) Dissemination of information relating to statistical surveys

<Background and current situation>

Results of statistical surveys are very useful information. It is important that these results should be understood clearly and used correctly. It is therefore essential to provide explanatory information on the method used for preparing statistics, such as survey methods, estimation methods, and on sampling error, when providing results of statistical surveys.

Provision of such explanatory information leads to not only improvement in the availability of such information to users, but also to increased public confidence in statistics. It is therefore necessary to positively promote the provision of such information.

In response to the development of information and communications technologies, developed countries now provide these types of information via the Internet. Commitment to providing such information by these methods is already gaining traction in Japan, too. However, some of these types of information are still not adequately provided via the Internet. It is therefore necessary to accelerate efforts in this direction.

<Basic direction>

Efforts should be made, in respect of designated statistical surveys, to expand the provision of explanatory information on statistical surveys and the characteristics of statistics, and to promote the provision of such information by electronic means such as the Internet.

Efforts should also be made to promote the provision of explanatory information on approved statistical surveys and notified statistical surveys, as recommended above for designated statistical surveys.

<Concrete measures>

- (1) The Cabinet Office and ministries should provide the following information in reference to designated statistical surveys in the case of top-shelf handling of information in various statistical surveys:
 - a) Explanatory information on statistics
Objectives of survey, history, coverage, period of survey, survey items, questionnaire samples, survey method, size of survey, notes for users, description of terms, contents of compiled lists without reports contained therein, and references
 - b) Error information
Sampling method, sampling rate, collection rate, compilation, estimation method, and attainment errors
 - c) Seasonal adjustment information
- (2) The Cabinet Office and ministries shall make an effort to provide firm information on statistical surveys, for which the above types of information have been already provided. They should also attempt to provide information on approved statistical surveys and notified

statistical surveys, in proportion to the statistical surveys, as described for the designated statistical surveys.

- (3) The Cabinet Office and ministries should promote the provision of information not only in print publications, but also on the Internet.

3 Construction of infrastructure for promoting the use of statistical data

(1) Reflection of opinions and requirements of statistical users, and prompt release of statistical results to meet user needs

<Background and current situation>

To promote the utilization of statistical data, it is important that we heed the users of statistical data. With regard to designated statistical surveys, users' opinions and wishes concerning relevant statistics are reflected in survey plans through deliberation at the Statistics Council, which comprises academic experts in statistics. In the case of some national statistical surveys conducted by the nation, opinions and requests from the users of statistics may be received on a home page, for example, if the information on the results of statistical surveys has been provided via the Internet. These opinions and comments are reflected in the next survey plan.

Looking at a total 312 statistical surveys (designated statistical surveys, approved statistical surveys and notified statistical surveys) conducted in fiscal year 2001, and processed surveys prepared in the same fiscal year, interaction took place with users of statistics, as follows: 108 surveys (34.6 percent) involved dialogue with users of statistics, and 4 surveys (1.3 percent) involved the receipt of opinions and wishes from the public.

The fiscal year 2001 statistical services report (prepared by the MPHPT Statistical Standards Department) on statistical surveys conducted via primary statistical survey sections of prefectural governments indicates that there were about 3,000 opinions, desires or complaints from public users (users of statistics and reporters) relating to statistical surveys, as shown in Table 5.

Table 5 Development of number of consultations about statistics

Unit: case

| | Utilization of statistics | Opinions and desires | Complaints | Others | Total | Viewing and lend-out |
|-------------|---------------------------|----------------------|------------|--------|--------|----------------------|
| Fiscal 1998 | 38,262 | 745 | 3,179 | 3,499 | 45,685 | 72,012 |
| Fiscal 1999 | 49,846 | 685 | 2,732 | 5,932 | 58,655 | 102,005 |
| Fiscal 2000 | 45,901 | 983 | 4,349 | 6,468 | 57,701 | 98,026 |
| Fiscal 2001 | 42,618 | 620 | 2,526 | 4,108 | 49,872 | 95,885 |

(Note: From the nationwide compiled data obtained at statistics consultation windows of prefectural governments.)

In addition, an earlier release of the results of statistical surveys will help to promote the utilization of statistical data, and is also sought by users of statistics. Data on release of the results of statistical surveys show that 42 (73.7 percent) of 57 designated statistical surveys with actual releases of the results of statistical surveys were made as early as specified (within 60 days of the monthly survey and within 12 months of the annual or periodic survey for the first release, as at March, 2003). Data on the release dates for a total 211 fiscal year 2001 approved statistical surveys and notified statistical surveys indicate that 177 (83.9 percent) actual releases of results took place as early as specified above.

<Basic direction>

- (1) To reflect opinions and desires expressed by users of statistics, efforts should be made to interact with them.
- (2) Efforts should be made to release the results of designated statistical surveys, approved statistical surveys and notified statistical surveys as early as possible, in response to the needs discovered through communication with users of statistics.

<Concrete measures>

- (1) The Cabinet Office and related ministries should introduce dialogues with users of statistics (including reporters) from fiscal year 2003, excluding the following statistical surveys:
 - a) Statistical surveys that are not suitable for dialogues with the users of statistics, because the utilization objective is limited to specific administrative applications.
 - b) Statistical surveys that have already elicited opinions from related agencies, including users of statistics.
- (2) The Cabinet Office and ministries themselves should evaluate the utilization of results of statistical surveys, including responses to recently conducted statistical surveys, by utilizing the policy evaluation system.
- (3) With regard to designated statistical surveys, the Cabinet Office and ministries concerned should aim to release results of surveys in line with the target release period already specified. For approved statistical surveys and notified statistical surveys, they should also aim to do

the same, in proportion to the target period for release of designated statistical survey results. The MPHPT (Statistical Standards Department) shall organize and announce the release timetable for these statistical surveys, once a year.

The MPHPT (Statistical Standards Department) should also during fiscal year 2003 study release timing and release methods designated by law, for government gazettes or publications. It is necessary to study methods for releasing the results of statistical surveys from the viewpoint of achieving wider utilization.

(2) Study of “statistical data archives” for promoting the utilization of statistical data

<Background and current situation>

“Statistical data archives” organize and store individual data and anonymous sample data (for a definition, see 3-(4) “Preparation and Utilization of Anonymous Micro Data”), for the purpose of providing data for secondary utilization. They have been established in many Western countries. There is an example of a statistical data archive installed at a university research institute, for statistical surveys conducted by private agencies in Japan.

The storage of data on individual questionnaires and related documents after completion of designated statistical surveys conducted by the Cabinet Office and ministries is set forth in survey rules for individual cases and is not necessarily unified across the Cabinet Office and ministries. The storage of data on individual questionnaires for approved statistical surveys has been left to the discretion of the Cabinet Office and ministries.

Consequently, it is desirable that data on individual questionnaires should be organized and stored under a uniform protocol, following the compilation of statistical surveys that have so far been conducted by the Cabinet Office and ministries. It is also desirable that the function of statistical data archives should be studied, so that such data can be utilized in secondary applications, such as administrative policies, education, and research.

<Basic direction>

The installation of statistical data archives should be studied, together with their necessity in relation to statistical data.

<Concrete measures>

The Cabinet Office and ministries concerned should, during fiscal year 2003, provide a mechanism for studying the installation of statistical data archives, in order to gain an appreciation of actual organization, storage, and utilization or disposal of data on individual questionnaires, following the release of results of statistical surveys. They should then, during fiscal year 2004, study the basic concept of installation of statistical data archives, including the range of statistical surveys that

would be suitable for these archives, and the storage and utilization of data on individual questionnaires. At the same time, they should also study (i) legal issues in reference to the Statistics Law, and (ii) the issue of package management of data on individual questionnaires.

(3) Tailor-made compilation

<Background and current situation>

It is a major challenge to prepare statistical data in response to users' needs as already mentioned in 3-(1) "Reflection of Opinions and Requirements by Statistics Users, and Prompt Release of Statistical Results to Meeting to Users' Needs". However, it is difficult to gauge all possible needs for statistical data to be used as basic policy data against a backdrop of diversifying administrative services. Neither is it necessarily appropriate, for cost-effectiveness reasons, to prepare probable statistical tables in advance.

Consequently, it may be considered that statistical data will be custom-compiled as a way of complying with requests from individual users of statistics.

With regard to custom compilation, "New Strategies for Government Statistical Services for the Coming Decade" states that it is also a challenge, requiring study, that custom compilation will be performed at cost, with a promise of maintaining confidentiality as a prerequisite, in response to requests from private users with individual compilation needs". With no specific studies underway, there is no mechanism presently in place for meeting individual compilation needs.

<Basic direction>

A mechanism that will permit custom compilation should be researched, with maintenance of confidentiality as a prerequisite, to meet diverse individual compilation needs, regardless of public or private requirement.

<Concrete measures>

- (1) The Cabinet Office and ministries concerned should study the definition of custom compilation, understand its requirements, the basic idea of such compilation, and problematic issues concerning introduction of custom compilation. They should then organize trials, including system-related ones, on the introduction of a system of custom compilation, during the fiscal year 2003. At the same time, they should also organize trials on a mechanism (a basis for charging fees, their amounts and method of collection) for a consignment procedure, such as the collection of fees from private compilation users.
- (2) The Cabinet Office and related ministries should study and build basic frameworks, in sequence, for the implementation of custom compilation, such as the preparation of guidelines, from fiscal year 2004, while considering the organization of the above trials.

(4) Preparation and utilization of anonymous micro data

<Background and current situation>

“New Strategies for Government Statistical Services for the Coming Decade” states that, with regard to the provision of micro data (data sampled from individual questionnaires in which individual indicators such as area classification, and household number cannot be identified because they have been erased), it is necessary to conduct exclusive and technical research for approximately two to three years as a yardstick, concerning mainly policies for maintaining confidentiality of individual sample data, foreign systems and examples of sample data provided, actual needs for such data in Japan and foreign countries, the relationship with current judicial systems, and specific methods for providing such data. In response to the above statement, the Cabinet Office and ministries concerned participated in exclusive and technical joint research exercises and, through examination, found that there is a likelihood that some sample data (hereinafter referred to as “anonymous micro data”) will be put to practical use. However, this has not occurred, to date.

The preparation and utilization of anonymous micro data is tentatively underway at universities and research institutions, in response to the above new strategies.

<Basic direction>

To meet needs for statistical data that can be compiled and analyzed by users themselves, whether they be public or private users, results of studies made so far concerning the necessity of social consensus of anonymous micro data and legal problems should be examined, with confidentiality as a prerequisite, as a step toward practical use in terms of its preparation and utilization.

<Concrete measures>

- (1) The Cabinet Office and ministries concerned should clarify the definition of anonymous micro data and the range of statistical surveys that will suit the preparation of such data, while considering results of studies made so far. They should also organize trials, including system-related ones, on the preparation and utilization of anonymous micro data, during fiscal year 2003.

At the same time, they should also study methods and places for utilizing anonymous micro data, if the utilization of such data is to be introduced.

- (2) The Cabinet Office and ministries concerned should consider organization of the above trials to study and build basic frameworks for the practical use of anonymous micro data, such as the development of a guideline for the preparation and utilization of such data, in sequence during fiscal year 2004.
- (3) The Cabinet Office and ministries concerned in the interim should prepare tentative

anonymous micro data, as required, in order to understand needs for utilizing such data and challenges with its utilization, as a trial case.

(5) Clarification of approval criteria for the use of questionnaires for purposes other than those originally intended, and implementation of prompt approval

<Background and current situation>

The use of questionnaires for designated statistical surveys for purposes other than those originally intended is banned, as a general rule, under Item 1, Article 15, Statistics Law. In the following cases, however, exceptional permission is given for such use if it is approved by the MPHPT, and the objectives of such use are publicly announced under the provision in Item 2 of the same article:

- (i) if the above questionnaires are used as administrative basic data, or
- (ii) if they are used in academic studies and these studies are highly exclusive and of a high public interest nature.

Use of the above questionnaires for purposes other than those originally intended can be found in the following situations:

- (1) Procedures for applying for approval of such use are handled according to “Instructions Concerning Applications for Approvals of Use of Questionnaires for Designated Statistical Surveys for Purposes Other Than Statistical Ones Originally Intended” (decided by Director General of Administrative Management Agency, on February 26, 1965). With regard to the current operation of these instructions, however, there are some unclear portions, such as the concept of public interests.
- (2) Examples of applications for such use, dealt with between April 2001 and the end of September 2002, show that there were repeated applications for the same use by the national government and local governments. (53 applications for Census of Manufactures, 14 applications for Census of Commerce, and 13 applications for Basic Survey on Wage Structure).
- (3) With regard to the period of applications for such use, some examples are found to have taken a considerable time for applications to reach those governments that conduct relevant surveys, and then be sent to the MPHPT (Statistical Standards Department). In addition, “the above instructions state that applications sent to the ministry should be announced publicly in the governmental gazettes within 24 days of their acceptance, as a general rule”. Except in some special cases, the time between acceptance and public announcement in the gazette for fiscal year 2002 applications averages 36.4 days (including holidays).

Other than the above, Item 2-2, Article 15, the Statistics Law, states: “The ban on the use of questionnaires for designated statistical surveys for purposes other than those originally intended does not prevent those who conduct surveys from using or allowing someone to use questionnaires

or statistical reports in ways that cannot identify those who are covered by surveys or were asked to respond”. Thus, such use is left to the discretion of those who conduct surveys. However, such use is similar to the handling of national designated statistical surveys, and is permitted if it meets such requirements as “of a public interest nature”.

<Basic direction>

- (1) Efforts should be made to embody and clarify standards for approving the use of questionnaires for statistical surveys for purposes other than those originally intended.
- (2) Efforts should be made to further expand comprehensive approvals relating to questionnaires for designated statistical surveys.

<Concrete measures>

- (1) The MPHPT (the Statistical Standards Department) should revise the above instructions during fiscal year 2003, mainly to clarify part of the current operation of the instructions that relate to approving the use of questionnaires for designated statistical surveys for purposes other than those originally intended. Efforts should also be made to clarify the same for approved statistical surveys and notified statistical surveys.
- (2) The MPHPT, the Cabinet Office and ministries concerned should promote a move to comprehensive approvals for repeated applications for the same purpose of use by central and local government users.
- (3) The MPHPT and the Cabinet Office and ministries concerned should improve paperwork procedures, through mutual efforts and cooperation, so that such use can be possible within the period of time set forth in the above instructions.

4 Review and revision of statistical classifications

<Background and current situation>

Standard statistical classifications, such as industry classification, play an important role as benchmarks in enhancing the possibility of making comparisons between various statistical surveys. It is necessary to assure not only the time-series characteristics of such classifications, but also their compliance with international standard classifications, in response to requests for as-required and appropriate revision in line with changing social and economic situations.

Studies relating to the revision of standard statistical classifications require that Cabinet Office and ministries concerned, in concert, properly understand and analyze trends in a wide range of fields. It is therefore necessary to establish a mechanism for joint studies by the Cabinet Office and ministries.

<Basic direction>

To revise standard statistical classifications effectively and as required, in line with changing social and economic situations, systems should be developed for studies to properly review and revise statistical classifications.

<Concrete measures>

In order to review various standard statistical classifications as required, and in a proper and planned manner to cater for a changing industrial structure, employment system and structure, and the emergence of new commodities, a permanent study organization (Statistical Classification Expert Group - tentative) should be set up during fiscal year 2003.

The Expert Group on Statistical Classification should study the following items:

- (1) Matters concerning studies of drafts for revising standard industrial classification
- (2) Matters concerning the organization of proposed revisions to standard job classification and standard commodity classification
- (3) Matters concerning other statistical classifications
- (4) Matters concerning investigations and research into statistical classifications
- (5) Matters concerning liaison and coordination in the governmental sector concerning statistical classifications

Part 5 Promotion of international cooperation

1 Promotion of the availability of internationally comparable statistics and of the use of statistics in other countries

(1) Review of statistical surveys for promoting the availability of internationally comparable statistics

<Background and current situation>

Information on statistics from foreign countries is indispensable to understanding international trends in the organization of policies and the performance of social and economic activities in Japan. To effectively utilize such information, however, it is important to ensure that the foreign statistics and the Japanese statistics are comparable. With regard to statistical surveys, it is also necessary to try to improve the availability of internationally comparable statistics by performing required reconsideration where necessary.

Reconsidering statistical surveys in response to international trends is also useful for the improvement of statistics in Japan.

(Examples of fields in which efforts have been made, so far, to promote the availability of internationally comparable statistics)

- The industry classification and the commodity classification are scheduled to be involved in revision of the International Standard Industrial Classification (ISIC) and the Central Product Classification (CPC) in fiscal year 2007. In Japan, the Japanese Standard Industrial Classification (JSIC) was revised, prior to the above revision, in fiscal year 2002, and the new, major classifications, such as that for info-communications lines, have already been introduced.
- With regard to other international classifications, the preparation of various classifications is also proceeding under the United Nations framework for international economic and social classification.
- For IT statistics and R&D statistics, the preparation of model questionnaires and manuals is underway at OECD's committees.
- Japan has so far been committed to the preparation of international input-output tables, starting from the 1985 table.
- The international comparison of SNA, price statistics and wage statistics requires the reflection of purchasing power parity. For this purpose, Japan has participated in international comparison programs since 1975.
- Japan has so far responded to overseas trends in terms of survey technologies, such as

seasonal adjustment methods.

<Basic direction>

- (1) Promotion of gathering and sharing information in relation to statistics in foreign countries and international institutes.
- (2) Promotion of positive participation in international standard establishment operations relating to statistics, and the application of international standards to statistics in Japan.
- (3) Promotion of cooperation in international comparison programs, and their use in Japan.

<Concrete measures>

- (1) The MPHPT (the Statistical Standards Department) should establish a “General Window to International Statistics Information” function for sharing information with the Cabinet Office and ministries. The Cabinet Office and ministries should accumulate and provide the following information, which can be retrieved and referenced from the “General Window”:
 - (i) Statistics systems in foreign countries, and reports issued by major international institutions (Japanese translation)
 - (ii) International standards relating to statistics (originals and their Japanese translations)
 - (iii) Information on statistics-related international conferences in which the Cabinet Office and ministries have participated.

Statistical information to be made widely available to the public will be accumulated and provided on websites in easy-to-understand forms. Information on exclusively statistical services, massive volumes of data, and highly detailed and technical information will be accumulated and provided via Kasumigaseki WAN.

To implement this policy, the Cabinet Office and ministries should urgently establish a study mechanism under the auspices of the Inter-ministerial Liaison Meeting on International Statistical Affairs (hereinafter referred to as “Inter-ministerial Liaison Meeting”).

The MPHPT (the Statistical Standards Department) should establish a window tentatively based on existing information, during fiscal year 2004. The ministry should prepare specific proposals on specifications for the window, and specific information to be accumulated by the Cabinet Office and ministries, taking into account the results of the interim window. The ministry should then promptly open a fully-fledged window, and the Cabinet Office and ministries should accumulate information in sequence.

Attention should be paid to the fact that it is necessary to solve copyright issues in advance, if reports issued by international institutions are to be shown on websites.

- (2) With regard to the 2007 revision of ISIC and CPC, the MPHPT (the Statistical Standards Department) should participate in and contribute to the Expert Group on International Economic and Social Classifications, and Technical Subgroup ranked under the group, through cooperation with the Cabinet Office and ministries, based on experience in Japan.

- (3) With regard to other international standards, the Cabinet Office and ministries concerned should also understand the existing standards, in order to participate promptly and positively in activities for organizing and reconsidering standards, based on experience in Japan. Standards thus newly organized should be studied in terms of their applicability in Japan, and their applications should be promoted whenever possible. In addition, their applicability in Japan should be considered and fed back to reconsideration operations. With regard to international standards, it is necessary to pay attention to the fact that there are some fields where it is difficult to prepare statistics in accordance with international standards because of Japanese own administrative system and needs, and Japanese statistical continuity.
- (4) When committed to the preparation of international input-output tables, the Cabinet Office and ministries concerned should continue to make proposals for the promotion of their standardization, to encourage the availability of international comparison.
- (5) The MPHPT (the Statistical Standards Department) should, through cooperation with the Cabinet Office and ministries concerned, continue to cooperate with the international comparison program, in line with progress of the Asia-Pacific Area Comparison Program and the OECD Comparison Program, by participating in the management committee for the 2003 Round of the Asia-Pacific Area Comparison Program (Project period: 2002 to 2005, reference year: 2004), conducted as part of the World Comparison Program. The ministry should also positively announce purchasing power parity data as a result of the program, through such media as Internet websites. With regard to the 1993 –Round of the Asia-Pacific Area Comparison Program, and the 1999 Round of the OECD Comparison Program, the ministry should immediately publicize information on these international comparison programs, with explanations on the website of the Bureau of Statistics, Ministry of Public Management, Home Affairs, Posts, and Telecommunications.
- (6) With regard to survey technologies, primarily the MPHPT (the Statistical Standards Department), and the Cabinet office and other ministries should collect and analyze information on overseas trends and reflect the information in domestic statistics.

(2) Responding to international trends in the quality of statistical data

<Background and current situation>

The International Monetary Fund (IMF) has organized a framework for assessing the quality of statistics in each country, called Data Quality Assessment Framework (DQAF), which is applied to Reports on the Observance of Standards and Codes (ROSCs, IMF examination concerning nations' currency policies. IMF uses DQAF to assess the quality of statistical data of its member countries. IMF's DQAF has already been applied to statistical data from some developed countries, such as Sweden and Italy). There are some DQAFs that have been prepared tentatively, besides the frameworks concerning general statistics (general framework). They cover individual fields such as

SNA, international trade balance statistics, money supply statistics, financial statistics and producer and consumer price indexes. IMF is scheduled to improve the accuracy of these frameworks and to prepare frameworks for other individual fields.

The Food and Agriculture Organization of the United Nations (FAO) has prepared frameworks for the quality of agricultural statistics. In addition, OECD has committed to review the quality of the data it releases.

<Basic direction>

- (1) A study should be made concerning the application of IMF's DQAF in Japan, in order to feed back results of the review to IMF.
- (2) Information should be gathered concerning other international institutions' commitment to the quality of their data.

<Concrete measures>

The Cabinet Office and ministries will, based on the analysis of the examination for developed countries, study possible problems and challenges should the application of DQAF in Japan be realized the Inter-ministerial Liaison Meeting should set up study mechanisms.

With regard to the specific application of the general frameworks, the MPHPT (Statistical Standards Department) and the Cabinet Office and other ministries should analyze the statistical data from developed countries that have so far undergone ROSCs. They should then analyze the results of ROSCs examinations for the countries covered in fiscal year 2003, and study possible problems and challenges with the application of ROSCs in Japan, taking the results into account. With regard to the frameworks for individual fields, the Cabinet Office and related ministries should make a study during a period that is applicable to the study on the general frameworks.

In Japan, however, it is necessary to pay attention to the fact that studies are required more on specific cases than on the general principle. With regard to the standards related to the release of individual statistical data, such as information associated with statistical surveys (hereinafter referred to as "metadata"), it is necessary to pay special attention to the degree at which required levels are attained, in respect of current monthly surveys.

(3) Improvement of methods for providing results

<Background and current situation>

With regard to the provision of statistical data on websites in Japan, English websites do not necessarily provide sufficient accumulated or time-series information.

With regard to the general provision of statistical data, they are not often prepared in an internationally comparable form. In addition, no standardization of English terms related to

statistics is available.

With regard to the provision of metadata, there appears to be a trend toward the setting of mechanisms for the preparation of common metadata and intensive metadata management in Statistical Data and Metadata Exchange (SDMX), and initiatives (action plans) concerning the exchange of statistical data and metadata among international institutions.

With regard to the presentation of statistical data to international institutions, limitations determined by ministries are, in some cases, imposed on the supply of the statistical data obtained through electronic media from other ministries.

<Basic direction>

- (1) Efforts should be made to provide English Websites with complete information.
- (2) Internationally comparable statistical data and metadata should be provided.
- (3) The use of uniform and common English terms concerning statistics should be established.
- (4) Limitations and restrictions should be eased in the presentation of statistical data to international institutions.

<Concrete measures>

- (1) The Cabinet Office and ministries should establish a mechanism for studying, within the Inter-ministerial Liaison Meeting, a uniform standard for providing statistical information on English websites, while considering the standard for providing statistical information in Japanese, mentioned in Part 4 2-(3) "Provision of Information Related to Statistical Surveys". They should then implement such a uniform standard.
- (2) The Cabinet Office and ministries should indicate data on results of statistical surveys, as required, while paying attention to international standards and classifications, with the reconsideration of these surveys as a prerequisite toward the promotion of international comparability of the data.
- (3) Primarily the MPHPT, and the Cabinet Office and other ministries, should investigate and study the international standard for metadata and organize a metadata benchmark to meet the international standard. The Cabinet Office and ministries should urgently establish a mechanism within the Inter-ministerial Liaison Meeting to study such a standard, and then organize a proposed standard by fiscal year 2005, taking account of the extent to which SDMX has been studied.
- (4) To prepare a glossary of English terms for statistics, the Cabinet Office and ministries should promptly set up a study mechanism within the Inter-ministerial Liaison Meeting. They should analyze the OECD glossary of terms, and examples of applications of terms, in order to prepare such a glossary by fiscal year 2004.
- (5) Limitations imposed by arrangement between ministries will be eased uniformly across the

whole Government structure, to allow the provision of statistical data obtained from the Cabinet Office and ministries to international institutions. To achieve this, the Cabinet Office and ministries concerned should improve the handling of such data during fiscal year 2003. When easing such limitations, the minimum conditions required are not to be preventive. They can include the range of data submitted to the original data-preparing ministries by a ministry before supply to international institutions, and the reporting of international institutions to which the relevant data are to be provided.

(4) Promotion of elimination of duplicated reports to international institutions

<Background and current situation>

With regard to double reports among international institutions, commitment to the elimination of such duplication has already taken place. Such double reports are even discussed at international conferences such as the UN Statistical Commission.

<Basic direction>

To reduce the burden of making reports to international institutions, Japan should also promote the elimination of double reports in international institutions.

<Concrete measures>

- (1) The MPHPT (the Statistical Standards Department) should investigate the actual situation of double reports provided by the Cabinet Office and ministries to international institutions during the fiscal year 2003.
- (2) The Cabinet Office and ministries should collect information, as required, at international conferences and encourage improvement of the actual situation regarding double reports at international conferences, if necessary. They should also encourage international institutions to improve the situation. The MPHPT (Statistical Standards Department) should generalize the information gathering and encouragement by the Cabinet Office and ministries toward improvement of this situation.

(5) Commitment to a common data transmission system among international institutions

<Background and current situation>

A common data transmission system is under study at SDMX to consider the system as a standard for data exchange between international institutions. The study is now underway on the basis of the GESMES method, used in the European Union, and the GESMES/CB method, used between international institutions and central banks.

<Basic direction>

Japan should participate in the operation to organize a common data transmission method, while considering its availability in Japan.

<Concrete measures>

- (1) The Cabinet Office and ministries should gather information at SDMX and international conferences, so that the common transmission method for time-series transactions (exchange) and data which are based on the GESMES/CB method, now in use for data transmission between international institutions and central banks, is available as a platform (a communications foundation) for data transmission in Japan, in the future. They should also encourage international institutions to collect information and improve the actual situation of double reports. The MPHPT (Statistical Standards Department) should generalize the information gathering and encouragement by the Cabinet Office and ministries toward improvement of this situation.
- (2) Primarily the MPHPT (the Statistical Standards Department), and the Cabinet Office and other ministries, should collate the potential merits and demerits (costs, compatible type of data, and compatible type of data transmission) involved in actual utilization of various types of data transmission methods, for each type of statistical data, through studies groups established within the conferences for individual ministries, taking into account the results of studies at SDMX.

2 Progressive international cooperation in the field of statistics

(1) Comprehensive and integral promotion of international cooperation in statistics

<Background and current situation>

International cooperation in the field of statistics is underway independently at the Cabinet Office and ministries. In contrast, the Inter-ministerial Liaison Meeting has been held twice a year since 1995, under the New Strategies for Government Statistical Services over the Coming Decade. At present, however, the Inter-ministerial Liaison Meeting involve only the exchanging of information on international conferences that members have participated in, and international cooperation.

<Basic direction>

A specific mechanism should be studied, to reinforce liaison between the Cabinet Office and ministries concerning international challenges.

<Concrete measures>

- (1) Primarily the MPHPT (Statistical Standards Department), and the Cabinet Office and other

ministries, should, at the Inter-ministerial Liaison Meeting, set topics for discussion of substantial policies, such as policies for promoting the items outlined in the document “New Directions”, and flexibly utilize working groups toward more fruitful studies there. Systems of deliberation should be developed without delay at the Inter-ministerial Liaison Meeting concerning challenges specified to be studied in the above-mentioned document.

- (2) Primarily the MPHPT (Statistical Standards Department), and the Cabinet Office and other ministries, should create a mechanism for accumulating across these ministries and sharing know-how for international cooperation. (see 1-(1) “Review of statistical surveys for promoting the availability of internationally comparable statistics”)

(2) Fostering statistical staff who can take charge of international cooperation

<Background and current situation>

Personnel who can take charge of international cooperation are not currently fostered in a systematic and ongoing manner.

<Basic direction>

Efforts should be made to develop staff who can take charge of international cooperation in a systematic and ongoing manner (gaining a master’s degree or doctorate, short-term training, etc.).

<Concrete measures>

- (1) The SRTI at the MPHPT will offer courses that enable acquisition of linguistic skills, knowledge about statistics and international cooperation, in order to foster those staff members who have the potential to take charge of international cooperation. The training center should develop a curriculum during fiscal year 2004, taking into account the wishes of the Cabinet Office and ministries, and begin offering these courses fiscal year 2005.
- (2) The Cabinet Office and ministries should urgently set up a meeting for deliberation within the Inter-ministerial Liaison Meeting, and gather intelligence on international developments in the field of statistics that should be understood by and shared with the entire Government, such as the background and prior history of those items that are common challenges at international conferences. The Cabinet Office and ministries should make specific studies concerning the inclusion of these developments in training programs at the Cabinet Office and ministries, while considering how far these items have been studied at conferences for individual ministries.
- (3) When expanding opportunities of secondments for overseas study, under the Outline of Reform of the Civil Service System, the Cabinet Office and ministries should make efforts to assure a constant number of applicants covering statistics-specific staff, as one of the staff

training courses, and review the training course while considering what progress is being made in the promotion of the reform of the civil service system.

- (4) The Cabinet Office and ministries should take advantage of opportunities for selected personnel to study at overseas graduate schools under the overseas long-term training programs offered by the Japan International Cooperation Agency (which will be Incorporated Administrative Agency after October 2003, both called JICA for short), and opportunities to study in the graduate school development assistance course in English, under the domestic long-term training program.
- (5) The Cabinet Office and ministries should continue to take opportunities to participate in the United Nations' Statistical Institute for Asia and the Pacific (SIAP).

(3) Contribution to improvements in statistical capacity building of developing countries

<Background and current situation>

PARIS 21 (Partnership in Statistics for Development in the 21st Century) was established in 1999 as an international cooperative body dedicated to the improvement of statistical capacity building of developing countries.

PARIS 21 is a joint project comprising specialist statisticians and development specialists from assistance-providing countries and institutions, and assistance-receiving countries. The joint project was established mainly by international institutions such as the United Nations, OECD, World Bank, and IMF, and aims to promote the building of statistical capacity building for developing countries in a cooperative manner. An administrative committee has already been established to organize and promote operation of the project. The committee is made up of representatives from the international institutions and assistance-providing countries (France, Germany, Switzerland, U.K., and U.S.), plus representatives by region from assistance-receiving countries. The Japanese Government was a member of the tentative administrative committee but is not a member of the current one. Consequently, PARIS 21's secretariat and members strongly requested that Japan become a member. In response, the Japanese Government is now committed to necessary steps toward registering probably two officials of the Ministry of Foreign Affairs and the MPHPT (the Statistical Standards Department) to the committee.

Japan has been positively engaged in contribution to SIAP by providing it with cash and products since it was established in 1970, and Japan's contribution has been working increasingly effectively in the effort to contribute multilateral cooperation for the improvement of statistical abilities in developing countries.

Activity related to statistical needs in developing countries includes Human Development Reports in 1990 and since, and the introduction of Development Goals, e.g., Millennium Development

Goals. There are growing needs for statistics for measuring these indicators.

In addition, there is a growing international interest in problems of poverty. For example, the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) has established a committee concerned with the reduction of poverty. In response to this, there are requests for the promotion of international cooperation in individual fields associated with the needs of developing countries.

Japan's statistics-related general international cooperation toward developing countries suffers from insufficient awareness of its statistical systems and surveys, despite its expanding international cooperation in statistics. For example, there is a situation where the relationship between Japan and its trainees from developing countries tends to dissipate following training periods.

<Basic direction>

- (1) Japan should continuously promote its contribution to PARIS 21 and SIAP.
- (2) Japan should promote the understanding of needs in developing countries (especially in fields now free of its contribution), and information sharing.

<Concrete measures>

- (1) With regard to activities in PARIS 21, the Cabinet Office and ministries should promptly establish mechanisms for information exchange at the Inter-ministerial Liaison Meeting, and promote information exchange in this country. The MPHPT (the Statistical Standards Department) should participate in the PARIS 21 Administrative Committee, in cooperation with the Ministry of Foreign Affairs, taking into account the above-mentioned promotion of information exchange.
- (2) The MPHPT (Statistical Standards Department) should continuously practice cooperation with SIAP.
- (3) The Cabinet Office and ministries should continue to gather information on relevant international conferences.
- (4) Primarily the MPHPT (Statistical Standards Department), and the Cabinet Office and other ministries, should promote exchange of information that they hold. (Refer to 2-(1) "Comprehensive and Integral Promotion of International Cooperation in Statistics".)
- (5) The Cabinet Office and ministries should continue to promote the acceptance of trainees for governmental employment from developing countries, and the establishment of international workshops (international seminars) for leaders.
- (6) The Cabinet Office and ministries should regard basic information about the country's statistical systems and statistical surveys as common items for their training programs. With regard to these common items, primarily the MPHPT (Statistical Standards Department) should embody their contents in mechanisms for studies within the Inter-ministerial Liaison

Meeting, during fiscal year 2004.

- (7) The Cabinet Office and ministries will promote policies for staying in touch with accepted trainees from developing countries, following their training periods, and will exchange information on these trainees at the Inter-ministerial Liaison Meeting, without delay.