

## **Country Paper : JAPAN**

### **(a) Why Economic Census?**

#### **Backgrounds**

In Japan, censuses and large-scale statistical surveys have been largely divided into major industrial sectors, such as agriculture, forestry and fisheries, manufacturing, commerce, and services sectors, and these censuses and surveys have been conducted in different years and cycles, under a decentralized statistical system.

As a result, it has been difficult to produce comprehensive industrial structural statistics, which cover all industries of Japan at the same point of time.

The Establishment and Enterprise Census has been conducted in Japan every five years (with a simplified survey in interim years). However, its aim is not to investigate the accounting aspects of economic activities, but mainly to compile a list of all establishments and enterprises to produce a national sampling frame, and to produce statistics which count the establishments, enterprises and persons employed.

Moreover, statistics on the services sector cannot be described as adequate in terms of quantity or quality, and their development has been rather unsystematic. This has become a serious concern as the share of the sector in the national economy becomes increasingly important. Therefore, the development of statistics capable of grasping all the economic activities of Japan comprehensively at a single reference time has become a critical issue.

To solve this problem, uniting censuses and surveys, such as the Establishment and Enterprise Census, Survey on Service Industry, etc., an Economic Census, which covers all economic activities of every industrial sector at the same point in time, will be conducted in 2009 and 2011.

#### **Coverage of the Census**

The Economic Census covers all economic activities and all establishments, except for

- privately-managed establishments engaged in agriculture, forestry or fishery ,
- establishments for domestic services,
- foreign governments and international agencies

(because it is hard for enumerators to find out such establishments by appearance.)

No thresholds are applied.

### **Statistical Unit**

The statistical unit in the Economic Census is an “establishment”, which is defined as “a unit of location (a demarcated area) with proper equipment and personnel to produce goods or to render services continuously under a single management.”

### **Method of the Census**

The survey method is, basically, an enumerator walks through the designated areas(enumeration area) and finds an establishment. If the establishment he finds is an office of a single -unit enterprise or a head office of a multi-unit enterprise, he distributes questionnaires, and collects them after they are filled in (For a multi-unit enterprise, a head office has to fill in questionnaires for branch offices.). If the establishment he finds is a branch office of a multi-unit enterprise, he only checks the operating status (i.e. open or close) of the office. For large enterprises, the Statistics Bureau or local governments directly send questionnaires to enterprises by mail. Enterprises fill in questionnaires and send back by mail or via internet.

### **Uses of Economic Census results**

Results of the Economic Census will be used

- as a fundamental data for understanding economic activities in Japan.
- as a fundamental data source for the sampling frame of various economic surveys.
- as a primary data for compiling important economic statistics, such as GDP or Input-Output table.

## **(b) Planning and Organization of Economic Censuses**

### **Legal provisions**

The Economic Census is conducted as a “fundamental statistical survey” of the Statistics Act. The Statistics Act provides the duty of response for fundamental statistical surveys and confidentiality of individual data.

### **Planning of the Economic Census**

In May 2006, the “Meeting for the Planning of the Economic Census” was settled for the coordination of the planning of the Economic Census. The meeting was organized by academia, ministries concerned (Statistics Bureau, METI(Ministry of Economy, Trade and Industry), Cabinet Office, etc.) and prefectures We held 8 meetings from May 2006 to March 2008.

After the meeting, Statistics Bureau made the implementation plan (including questionnaire items) of the 2009 Economic Census. Statistics Act provides that the implementation plan of a fundamental statistical survey must be approved by the Minister for Internal Affairs and Communications, and that the Minister has to hear the opinion of the Statistics Commission. The Statistics Commission discussed the implementation plan from May 2008 to August 2008, and the plan was approved in August 2008.

### **Pilot Survey**

We conducted two pilot surveys for the 2009 Economic Census.

The first pilot survey was conducted in September 2007, mainly to get information useful for making the implementation plan of the Economic Census. The sample size was approximately 4,000.

The second pilot survey was conducted in July 2008, as a rehearsal of the 2009 Economic Census. The sample size was approximately 8,000.

### **Preparation of the establishment list**

As mentioned before, in the 2009 Economic Census, Statistics Bureau, prefecture governments, municipal governments, and enumerators have the responsibility to distribute/collect questionnaires, according to the size (number of branch offices) of enterprises.

number of branch offices	responsible for distribution/collection of questionnaires
0 - 9, unknown	enumerator

10-29	municipal government
30-99	prefecture government
100-	central government (Statistics Bureau)

To avoid duplication/omission, we prepare establishment lists for each enumeration district, identifying

- which establishments are located in the corresponding enumeration district,
- type of establishment (office of a single-unit enterprise, head office of a multi-unit enterprise, branch office of a multi-unit enterprise)
- who is responsible for distribution/collection of questionnaires

If an enumerator finds an establishment which is not in the list, he asks the establishment whether it is a head office or not, and

- if it is a head office, he distributes and collects questionnaires
- if it is a branch office, he asks the name/address of the head office. (questionnaires for the office is filled in by the head office.)

We made the establishment lists, using information from the 2006 Establishment and Enterprise Census, and from the commercial/corporate register.

#### **Utilization of the commercial/corporate register**

In Japan, every corporation is required to register by law. Presently, 2.8 million corporations register in the commercial/corporate register. However, according to the results of the 2006 Establishment and Enterprise Census, there are only 1.7 million corporations in Japan. Part of the difference may be explained by the existence of inactive establishments (but the registers of closing are not made). However, there may be establishments missing in the Census, because it is hard for enumerators to find establishments with no signboards.

To overcome the problem, we utilized the commercial/corporate register data (name and address of corporations) in preparing the establishment lists for the 2009 Census. In the Census, enumerators visit corporations in the lists, and check whether there are really corporations operating at the corresponding address.

#### **Staff recruitment and training**

We use approximately 90,000 enumerators in the 2009 Census. Municipal governments are responsible for recruiting and supervising enumerators.

One-day classroom study (and study at home) is given

Moreover, there are supervisors who support enumerators. (on the average, one supervisor for 17 enumerators)

### **Publicity of 2009 Census**

To raise public awareness and promote responses, Statistics Bureau did the followings;

- press release
- advertise on radio, newspapers, magazines
- put up posters at stations, government offices
- visit economic organizations and industrial associations to ask for cooperation
- mail to large companies
- bus wraps
- make web-site of Economic Census

**(c) Data collection and data processing**

**Data items collected in the 2009 Census**

- Name, Phone number, and Address
- Opening year
- Number of persons engaged
- Kind of business activities
- Type of legal organization (corporation, unincorporated entities, etc.)
- Capital amount and foreign capital ratio
- Month of settlement of accounts
- Name and address of parent company
- Number of subsidiaries

Accounting items (revenue, profit, cost, etc.) will be added in the 2011 Census.

**Methods of data processing**

Head offices are required to fill in questionnaires for branch offices.

For small enterprises (0-9 branch offices), enumerators distribute and collect questionnaires. Collected questionnaires are sent (via municipal governments) to the Statistics Bureau, and the questionnaires are read by OCR.

For large enterprises (10 or more branch offices), central/local governments send questionnaires directly to head offices. Respondents choose one of the followings;

- fill in questionnaires (paper) and send back by mail
- fill in Excel sheet and send back CD-ROM by mail
- fill in Excel sheet and send back via internet

National Statistics Center conducts data processing and tabulation.

**Use of administrative data**

Although we use commercial/corporate register data for preparing establishment lists, we do not use administrative data to impute/correct Census data.

#### **(d) Post-census Activities**

##### **Post-enumeration checks**

Staff in the National Statistics Center checks the questionnaires, and if there is a doubt, he asks the respondents whether the answer is correct.

For example,

- the figures are very different from those of 2006 Census
- although enumerators report the existence of a branch office, the head office doesn't report the corresponding branch office. (and vice versa)

##### **The Economic Census as a basis for subsequent sample survey programmes**

We will revise the business-register using the results of the 2009 Economic Census, and the business-register will be used as a sampling frame for various statistical surveys.

#### **(e) Dissemination of Economic Census results**

##### **Schedule and forms of dissemination**

- Main basic results will be released by the end of June, 2010 (i.e., 1-year after the Census)
- Final results for establishments : by November, 2010.
- Final results for enterprises (without matching parent companies and subsidiaries)  
: by the end of November, 2010.

Final results with matching parent companies and subsidiaries : by March, 2011.

The release will be made via internet and printed materials.

##### **Confidentiality**

Statistics Act provides confidentiality for individual data of statistical surveys, and the use of individual data is highly restricted.

Only a public organ or a person who serves public interest can use individual data of the Census for statistical purpose, under the approval of the Minister for Internal Affairs and Communications.

**(f) Future of Economic Census in the Economic Statistics Programmes**

**Plan of the Economic Census for Business Activity**

We plan to conduct the “2011 Economic Census for Business Activity” (maybe in February 2012). Accounting items, such as revenue/profit/cost, will be surveyed. After 2011, the Economic Census for Business Activity will be conducted every 5 years, with interim Census for Business Frame.

**Key issues**

- Common ID code of establishments for various surveys

Statistical system in Japan is highly decentralized, and there are many statistical surveys which do not use our business-register as a sampling frame. This makes it difficult to match results of various statistical surveys.

Using common ID code of establishments for various surveys will be important for improving economic statistics in Japan.

- Utilization of administrative data

In Japan, utilization of administrative data, such as tax data, for statistical purpose is highly restricted. The only administrative data utilized in the Economic Census is commercial/corporate register. Statistics Commission discussed the matter, but no concrete plan has not been settled yet.