

On the Recent Reform of Official Statistics in Japan

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1.

The Statistics Act of Japan was completely revised in May 2007. It was a major step forward in the reform process of Japanese official statistics, implementing many reforms which have been widely discussed for some years. The former Act was promulgated in 1947, and provided the basic framework for the system of government statistics, which was thoroughly reformed after its collapse during the War and defeat. Most of the present important government statistics were started before 1970, and have continued until now with some but not much revision.

After the War, most urgent task was to reconstruct the economy devastated by the War, and to recover the living standard of the people, and then to develop the economy by construction and industrialization to the level of advanced nations. And the government needed a wide variety of reliable statistical information for the planning and execution of economic recovery and growth policies through control and regulation. The statistical system was designed mainly to meet such objectives.

However, after the rapid growth and maturity of the economy, the Japanese socio-economic conditions changed completely, and with it the role of government in the economy. Accordingly, what was required of official statistics has also changed. On the one hand, data for policies of direct economic intervention and control were needed less than before. But on the other hand, more refined and precise information, based on more comprehensive and accurate statistical data, was now required for policies of indirect economic stimulation by the government, as well as for decision making in the private sector in today's complex economy.

And it was recognized that the previous statistical system did not necessarily fit the changing socio-economic situations, nor was it equipped with the means to meet the new demands placed on it. For instance, it was observed that in the system of Japanese official statistics, the primary and secondary industrial sectors were much more heavily represented compared to the tertiary sector, despite the fact that the latter's relative importance in the economy much outweighed that of the former.

Some conditions unfavorable for conducting statistical surveys have also developed. Increasing privacy consciousness and diversifying life styles and social activities have made it more difficult to obtain responses to surveys. With limited resources made available to statistical surveys, it has become more difficult to extend or expand existing

statistical surveys, or to introduce new ones. This has led to the recognition that rather than relying solely on statistical surveys in compiling statistics, existing administrative records and registers must be more widely and efficiently utilized.

The Japanese statistical system was decentralized. In addition to the Statistical Bureau in the Ministry of General Affairs, several other ministries also had their own statistical sections. The problem with the decentralized system was the lack comprehensiveness of the statistical system as a whole, while overlaps and inconsistencies could not be weeded out. There existed organs for coordination, but their powers were insufficient for the task, and the establishment of a stronger agency for the coordination and total planning of official statistics was called for.

After many discussions, proposals were made by various parties, and the Statistical Act was revised.

2.

The most important points in the new Statistics Act are;

- 1) Official statistics should give the citizens critical information in their decision making, and it is the obligation of the government to produce comprehensive, reliable, and relevant statistics as a part of the public service of the government, not merely for the policy implementation of the government. To that effect, four basic principles are stated.
 - a. Official statistics shall be developed through cooperation of administrative agencies etc.
 - b. Official statistics shall be produced by appropriate and rational methods in order to ensure neutrality and reliability.
 - c. Official statistics shall be provided widely for the citizens and be easily available for effective use.
 - d. Confidentiality of the information concerning the individuals or juridical persons or other organization obtained in the production of official statistics must be protected.
- 2) Formerly, the Statistics Act was mainly concerned with statistical surveys and statistics produced from surveys. But now the concept of Fundamental Statistics is clearly distinguished from Fundamental Statistics Surveys and includes not only those produced from surveys but also those from administrative records and registers, and also figures calculated from the primary data such as the national accounting. Accordingly it is also stipulated that administrative record held by government organs may be used for statistical purpose if necessary.

- 3) Utilization of primary information in the statistical surveys for other purpose than compiling statistical tables is promoted. The so-called “order-made statistical tabulation” and provision of “anonymous data” are also mentioned.
- 4) The government shall determine a Basic Plan for official statistics in order to promote comprehensive measures for the development of official statistics, which shall be revised approximately every five years. The Basic Plan affords comprehensive and unified policies for official statistics to coordinate all statistical agencies and other organs within the decentralized statistical system.
- 5) In order to discuss the matters related to official statistics, the Statistics Commission was established. It has wider responsibility than the previous Statistics Council, and it is expected to play the role of “control tower” for official statistics. The Commission started in 1st of October 2007, and has just begun its activities.

3.

As the Chairman of the Statistics Commission, I would like outline our intended activities for the coming few years.

The most important task is the drafting of the first Basic Plan. For that, we have to designate “Fundamental Statistics” and “Fundamental Statistical Surveys” from all official statistics and statistical surveys. The two concepts are distinguished unlike the previous concept of “Designated Statistics (Surveys)”. It is necessary to evaluate the relative importance and relevance of various statistics and surveys. And, we must also propose various recommendations on how such statistics be produced efficiently, and be made reliable and useful.

Also, we have to consider measures to help the producers of statistics be more efficient, and their products have wider availability. Standards or guidelines for the utilization of administrative records and registers for provision of statistical information sources, and for secondary uses of anonymous data, etc. must be formulated.

Recently, privatization of statistical activities has been discussed, and it has been decided to contract some parts of statistical surveys to private companies. It is necessary to determined rules of such procedures in order to guarantee the quality of the job and output.

In order for official statistics to be valuable, they must satisfy two separate and sometimes contradictory criteria: continuity or stability, and adaptability or flexibility. Definitions of statistical concepts and methodologies for data collection must be defined

as clearly as possible, and must remain fixed for as long as possible, so that long term time-series data be obtained and inter-period comparisons be possible. On the other hand, in order to have relevance and usefulness, statistics must change in accord with changes in the economy and society, in social tasks, and in policy objectives. It is necessary to attain proper balance between these two criteria, under the constraints of available resources, i.e. the budget and personnel. It is not easy and requires much ingenuity. And it is also important to have deeper understanding and discussions between statistical agencies and policy planning and implementing government sections, and other organs which need actual statistical information, and it is one of the Statistics Commission's jobs to provide the platform for such discourses.

For such problems, it is necessary to promote research on the problems of official statistics, and to apply the results widely in practice. It is also important for the Commission to stimulate cooperation between official statistical organs and academics.