

MEETING OF THE VOORBURG GROUP ON SERVICE STATISTICS

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OUTLINE OF THE 1989 BASIC SURVEY ON
SERVICE INDUSTRIES IN JAPAN

BY STATISTICS BUREAU OF JAPAN

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1 Background of the 1989 Basic Survey on Service Statistics

(1) Changes in Socio-Economic Conditions

The Japanese economy experienced a high level of growth since mid-1950's till early 1970's, and during that period, industrialization greatly progressed, which promoted social division of the labor and established a base for the development of the tertiary industries as well as enhanced the level of income of the people.

Later, with the first oil crisis at the end of 1973, the Japanese economy underwent a drastic structural change: in the industrial structure, the growth of the secondary industries slowed down and the growth of the tertiary industries, especially service industries was outstanding. For example, during the fifteen years from 1970 to 1985 the share of manufacturing industries in Net Domestic Product decreased from 33.3% to 26.8% while that of service industries increased from 13.4% to 20.3%.

Major reasons for this outstanding growth of service industries are as follows:

- ① As the production structure has become highly sophisticated, the share of services and information in intermediate input has increased.
- ② Enterprises have promoted to contract with outside companies to process some kind of services which used to be done within the company, or have created an independant enterprise undertaking such services.
- ③ The demand for various services in households have increased remarkably as people have become oriented toward higher quality of life due to the increase of the income level.

These various factors are expected to continue in the medium-to-long term, and the importance of the service industries in the Japanese economy is expected to increase farther in future.

2) Current Condition of Statistical Surveys Taken on Service Industries

In spite of the increase of the share of service industries in Japanese economy, the activities in those industries have not fully been grasped as statistics. That is, there had not been an overall statistical survey which would grasp the activities in the whole service industries although some detailed surveys have been conducted on medical institutions, schools and a part of business services. In other major industries, on the other hand, the Census of Agriculture and Forestry, the Census of Manufactures and the Census of Commerce have been taken with certain intervals to grasp the corresponding activities.

Under such circumstances, since late 1970's when the inclination of economy towards services became notable, it has been strongly pointed out from statistical users in various fields to improve statistical surveys on service industry. Nevertheless as service industries include diversified kind of businesses and their activities are of a wide variety, it was necessary to discuss carefully the topics to be investigated and the design of the questionnaire.

The study of the survey on service industries was started in 1984 at the Statistics Bureau of the Management and Coordination Agency. Not only the statisticians of the Bureau, but also outside experts and officials of prefectural governments participated in this study. In addition, two pilot surveys were taken in order to examine in detail the topics, the form of questionnaire, the method of survey, etc.

On the basis of these studies, the topics to be investigated, the form of the questionnaire, the method of survey, etc. were determined and the survey was carried out as of July 1, 1989 by the Statistics Bureau.

2 Outline of the Basic Survey on Service Industries

(1) Purpose

The survey aims at obtaining data on the distribution of the establishments engaged in service industries by kind of business, the number of persons employed, etc. in order to provide basic data for planning national and local policies. This Survey covers the legal organization, the number of persons employed, gross value of all sales and payments, etc.

This survey is the Designated Statistics No. 117 under the Statistics Law.

(2) Date of Survey

The survey was taken as of July 1, 1989. Information collected from the establishment refers to the same date, except for the figures referring to a period, such as gross value of all sales and payments, etc., which referred to the one-year period preceding July 1, 1989.

(3) Coverage

The Survey covered all establishments in private sector classified among the major category "L Service" in the Standard Industrial Classification of Japan as shown in Table 1.

However, some categories shown in Table 2 were not covered. This is because a statistical survey has been yearly taken to clarify the activities for the Intermediate Groups "No. 87 Medical Services" and "No. 91 Educational Services" respectively, and as to the category "No. 74 Household Services", it was difficult to grasp the establishments classified among this category.

(4) Establishments Enumerated in the Survey

The sample size of the survey was about 500,000 establishments chosen from those under coverage of the survey in the following manner.

- ① All the establishments with 10 employees or more registered on the Establishment Directory based on the 1986 Establishment Census were enumerated in the Survey.
- ② For the establishments with less than 10 employees at the time of 1986 Establishment Census and the newly-formed establishments since 1986 Establishment Census, an area sample was drawn, that is, out of about 210,000 enumeration districts, about 35,000 sample enumeration districts were selected. Within each enumeration district all establishments were enumerated.
- ③ The establishments which is scheduled to be investigated in the Survey of Selected Service Industries in 1989 (taken yearly in November by the Ministry of International Trade and Industry) were excluded from the sample. In the tabulation of the 1989 Basic Survey on Service Industries, however, the results of the 1989 Survey of the Selected Service Industries will be merged.

Note 1

The Establishment Census aims at collecting the fundamental data on establishments, such as their geographical distribution, industrial characteristics, the number of persons employed, etc. The Establishment Census is one of the most important data sources for economic policy planning and regional analyses. It also provides the directory of the establishments which is used as the sample frame of various sample surveys on establishments.

The Census, listed second in the collection of Designated Statistics under Statistics Law, was conducted for the first time in 1947. Since the second Census in 1948, it was conducted every three years until 1981. Then, the next Census was conducted in 1986, five years after the preceding one.

Note 2

The Fundamental Establishment Enumeration Districts for the 1986 Establishment Census were unit districts set up mainly to grasp the establishments concerned without any omission or duplication for smooth execution of various statistical surveys such as the Census of Manufactures, the Census of Commerce, etc.

These districts were demarcated to include about 20 to 40 establishments in each of them; there were about 210,000 enumeration districts at the time of the 1986 Establishment Census.

(5) Enumeration Units

In general, an establishment having one location under a single management was defined as an enumeration unit.

In cases where business was carried out at several locations under the same management, each location was counted; where several proprietors did business in the same compound, each proprietor was counted. When it was not clear whether one or more establishments were on the same compound or under the same management, the establishment sharing the same management document such as pay-rolls, sales records, purchase book, etc. was counted as one unit.

(6) Organization of the Survey

The survey was taken through the following channel.

Management and Coordination Agency--Prefectural Governments--
Municipalities--Enumerators--Establishments

The responsibilities on each part are as follows:

Management and Coordination Agency

Planning of the topics to be investigated and the method of the survey;

designing of the questionnaire; sampling of enumeration districts; overall guidance and supervision on the survey; tabulation, analysis and dissemination of the results of the survey, etc.

Prefectures(47)

Appointment of enumerators; guidance and supervision over the work of survey in municipalities; examination of the filled-out questionnaires, etc.

Municipalities(3,268)

Recommendation of enumerators; guidance and supervision of enumerators on their work; examination of the filled-out questionnaires, etc.

Enumerators(about 57,000)

Identification of each enumeration unit; distribution of the questionnaire to each establishment; requesting and giving instructions to fill out the questionnaires; and collection and examination of the questionnaires filled out and returned.

(7) Field Work

The survey was taken at the same time as the 1989 Establishment Directory Maintenance Survey from June 24 to July 20, 1989. The enumerators engaged in the following field work:

① Ascertainment of the establishments to be surveyed

Each enumerator visited every establishment in his/her enumeration district(s) assigned (one or several Fundamental Establishment Enumeration Districts with about 120 establishments), and confirm whether establishments in the directory had been continuing the business or already ceased their business, or whether there are new establishments after the 1986 Establishment

Census. Further, in those enumeration districts which were selected for the 1989 Basic Survey on Service Industries, enumerators judged whether new establishments run activities of service industries in order to determine whether to inquire them in the Basic Survey on Service Industries.

② Distribution of the questionnaires

The enumerator distributed the questionnaires to those establishments to be investigated, requesting the cooperation to the survey.

③ Filling-out of the questionnaires

Establishments to be investigated filled out the questionnaires.

④ Collection of the questionnaires

The enumerator revisited the establishments to collect the questionnaires and examine them.

⑤ Handing-in of the questionnaires

The enumerator handed in those examined questionnaires to the municipality in charge.

Note 3

The 1989 Establishment Directory Maintenance Survey was carried out to maintain the Establishment Directory compiled based on the 1986 Establishment Census, which contains the name, location, and other fundamental attributes of each establishment and provides sample frame for various sample surveys on establishments.

(8) Topics to be Investigated

The topics to be investigated were as follows:

- ① Name and telephone number
- ② Location
- ③ Legal organization and amount of capital
- ④ Whether head or branch office
- ⑤ Year of opening business at the location
- ⑥ Forms of the opening
- ⑦ Number of persons engaged
- ⑧ Gross value of all sales and payments
 - a. Gross value of all sales
 - b. Kind of business activities and share of sales value by kind of business activities
 - c. Share of services by type of clients
 - d. Total salaries paid
 - e. Amount of capital investment
- ⑨ Business hours
- ⑩ Regular days-off
- ⑪ Busiest day of a week and busiest month in a year

Supplementary Explanation

1. The Establishment Directory was used to select the survey establishment, although the Directory is based on the 1986 Establishment Census and the contents are rather old and insufficient. To compensate this insufficiency, the Basic Survey on Service Industries was conducted with the Establishment Directory Maintenance Survey which aimed to find newly formed and closed establishments and detect major changes in establishments since the previous Establishment census, such as changes in activities, changes in the number of employees. As newly formed establishments since 1986 which were judged to be in service industry were added to the survey coverage, the insufficiency of the Establishment Directory was compensated partially. But establishments which already existed at the 1986 census and changed from non-service industry to the service industry were not covered sufficiently.
2. As the survey was conducted on establishment-base, service activities in the establishments whose main activities were not services were not covered.
3. In the case of so-called ancillary unit establishments such as head-offices, warehouses which provide services mainly to other establishments in the same enterprise, they are included in the same category as that of the activity of the establishment to which they provide service. For example, the head office is included in the same category as the predominant kind of enterprise, and the data processing center which is located in the separate site and is engaged mainly in the business of the head-office of a manufacturing company is classified as manufacture in the industrial classification. The establishments of this type were not inquired in the Basic Survey on Service Industries unless the activities of the enterprise fall in service category.
4. All establishments were inquired by the same questionnaire. This questionnaire was also used for establishments of non-profit institutions in order to avoid using more than one type of questionnaire.
5. Survey items : share of sales by type of clients, business hours, regular

days-off, busiest day of a week and busiest month of a year, are peculiar to the survey.

"Share of sales by type of clients" will be used to estimate SNA figures and calculate the I/O table more exactly than now. "Business hours, regular days-off, busiest day of a week and busiest month of a year" will be especially useful in analysing personal service activities because the time when service is provided is an important factor in this kind of activity.

Table 1

Intermediate Groups

- No. 72 Goods rental and leasing
- No. 73 Hotels, boarding houses and other lodging places
- No. 75 Laundry, beauty and bath services
- No. 76 Miscellaneous personal services
- No. 77 Motion pictures
- No. 78 Amusement and recreational services, except motion pictures
- No. 79 Radio and television broadcasting
- No. 80 Automobile parking
- No. 81 Automobile repair services
- No. 82 Miscellaneous repair services
- No. 83 Cooperative associations, not elsewhere classified
- No. 84 Information services, research and advertising
- No. 85 Miscellaneous business services
- No. 86 Professional services, elsewhere classified
- No. 87 Medical and Other Health Services

Minor Groups

- No. 874 Midwifery homes
- No. 875 Office and other health practitioners
- No. 876 Nursing services
- No. 877 Dental laboratories
- No. 879 Miscellaneous medical and related services
- No. 88 Public health services
- No. 89 Waste treatment services
- No. 90 Religion
- No. 91 Educational services

Minor Groups

- No. 918 Social educational services
- No. 919 Educational services, not elsewhere classified
- No. 92 Social insurance and social welfare
- No. 93 Research institutes of science
- No. 94 Political, business and cultural organizations
- No. 95 Miscellaneous services

Table 2

Intermediate Groups

- No. 74 Household services
- No. 87 Medical and other health services

Minor Groups

- No. 871 Hospitals
- No. 872 General practitioners
- No. 873 Dental clinics
- No. 91 Educational services

Minor Groups

- No. 911 Elementary schools
- No. 912 Lower secondary schools
- No. 913 Upper secondary schools
- No. 914 Institutions for higher education
- No. 915 Special schools
- No. 916 Kindergartens
- No. 917 Special training schools and miscellaneous schools
- No. 96 Foreign governments and international agencies in Japan

Major Groups in the Standard Industrial Classification of Japan

- A Agriculture
- B Forestry
- C Fisheries
- D Mining
- E Construction
- F Manufacturing
- G Electricity, Gas, Heat and Water Supply
- H Transport and Communication
- I Wholesale and Retail Trade, Eating and Drinking Places
- J Financing and Insurance
- K Real Estate
- L Services
- M Government (not elsewhere classified)
- N Establishments not adequately described

Correspondence between JSIC and ISIC

JSIC	ISIC
72 Good rental and leasing	711 Renting of transport equipment 712 Renting of other machinery and equipment 713 Renting of personal and household goods n.e.c
73 Hotels, boarding houses and other lodging places	551 Hotels; camping sites and other provision of short-stay accommodation
74 Household Services	95 Private household with employed person
75 Laundry, beauty and bath services	9301 Washing, cleaning and dyeing of textile and fur products 9302 Hairdressing and other beauty treatment 9309 Other service activities n.e.c.
76 Miscellaneous personal service	5260 Repair of personal and household goods 7494 Photographic activities 9303 Funeral and related activities 9309 Other service activities n.e.c
77 Motion pictures	9211 Motion picture and video production and distribution 9212 Motion picture projection 9249 Other recreational activities
78 Amusement and recreational services, except motion pictures	9214 Dramatic arts, music and other arts activities 9219 Other entertainment activities n.e.c. 924 Sporting and other recreational activities
79 Radio and television broadcasting	9213 Radio and television activities

80 Automobile parking	6303 Other supporting transport activities
81 Automobile repair services	5020 Maintenance and repair of motor vehicles
	5040 Sale, maintenance and repair of motorcycles and related parts and accessories
82 Miscellaneous repair services	1920 Manufacture of footwear (repair)
	725 Maintenance and repair of office, accounting and computing machinery
	2924 Manufacture of machinery for mining, quarrying and construction (repair)
	3330 Manufacture of watches and clocks (repair)
	5260 Repair of personal and household goods
83 Cooperative associations, not elsewhere classified	9111 Activities of business and employers organizational
84 Information services, research and advertising	722 Software consulting and supply
	723 Data processing
	724 Data base activities
	7413 Market research and public opinion polling
	743 Advertising
	7492 Investigation and security activities
	7499 Other business activities n.e.c.
	9220 News agency activities
85 Miscellaneous business services	6023 Freight transport by road (service)
	7422 Technical testing and analysis
	7491 Labour recruitment and provision of personal
	7492 Investigation and security activities
	7493 Building-cleaning activities
	7499 Other business activities n.e.c.

86 Professional services, not elsewhere classified	7411 Legal activities
	7412 Accounting, book-keeping and auditing activities
	7414 Business and management consultancy activities
	7421 Architectural, engineering and other technical activities
	7499 Other business activities n.e.c.
	8519 Other human health activities
87 Medical and other health services	851 Human health activities
88 Public health services	8519 Other human health activities
89 Waste treatment services	90 Sewage and refuse disposal, sanitation and similar activities
90 Religion	9191 Activities of religious organizations
91 Educational services	80 Education
	8532 Social work without accommodations
	923 Libraries, archives, museums and other cultural activities
92 Social insurance and social welfare	753 Compulsory social security activities
	8632 Social work without accommodations
93 Research institutes of science	73 Research and development

94 Political, business and
cultural organizations

9111 Activities of business and employers
organizations

9120 Activities of trade unions

9192 Activities of political organizations

9199 Activities of other membership organizations
n.e.c.

95 Miscellaneous services

96 Foreign governments and
international agencies
in Japan