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Developing Tools, Carrying out Experiment and Making Plans  
for Acts and Budget toward Network Strategies as Social Infrastructure

# Survey on politicians' awareness of public pension and public sector accounting

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This survey is targeted at members of the House of Representatives and House of Councilors. Please enter your answers directly on this form.

\*Please write N/A for questions you cannot answer.

Name	
Diet Members' Building	First Members' Office Building of the House of Representatives Second Members' Office Building of the House of Representatives House of Councilors
Room Number	
Would you like to be posted a report of the results of this survey?	Yes ( ) No ( )

\*A report of this survey will be sent to the address given above. Please ensure all relevant information has been entered above.

Q1 The following questions refer to the attitude of citizens towards the national pension system in Japan.

Q1-1 To what extent do you think citizens have confidence in the public pension system in Japan? Please select one answer.

1. Not at all
2. Not much
3. Difficult to say
4. Somewhat
5. Completely

Q1-2 Please select all of the following that you feel are reasons why citizens are dissatisfied with the public pension system.

1. Problems with recording of/tampering with pensions
2. Problems with the Social Insurance Agency (Japan Pension Service) and organizational issues within the Ministry of Health, Labour and Welfare
3. Wasteful use of the pension reserve fund
4. Citizens feel it is unfair they should have to pay national pension premiums given the high percentage of non-payers
5. Each new generation derives less benefit from the pension system
6. The fact that national pension premiums must be paid for 25 years or more in order to receive benefits
7. Benefits are too low
8. Premiums are too high
9. Other ( )
10. Citizens are not dissatisfied with public pensions

Q1-3 In what way do you think citizens' degree of confidence in public pensions has changed due to the 'Pension Coverage Special Notice'? Please select one answer.

1. Increased significantly
2. Increased somewhat
3. Increased significantly
4. Decreased somewhat
5. Decreased significantly

Q1-4 In what way do you think citizens' degree of confidence in public pensions has changed due to the change from the Liberal Democratic Party/New Komeito to the Democratic Party/Social Democratic Party/People's New Party?

Please select one answer.

1. Increased significantly
2. Increased somewhat
3. Increased significantly
4. Decreased somewhat
5. Decreased significantly

Q1-5 In what way do you think citizens' degree of confidence in public pensions has changed due to Akira Nagatsuma's assumption of the position of Minister of Health, Labour and Welfare? Please select one answer.

1. Increased significantly
2. Increased somewhat
3. Increased significantly
4. Decreased somewhat
5. Decreased significantly

Q1-6 In what way do you think citizens' degree of confidence in public pensions has changed due to the Japan Pension Service taking over responsibility for pensions from the Social Insurance Agency? Please select one answer.

1. Increased significantly
2. Increased somewhat
3. Increased significantly
4. Decreased somewhat
5. Decreased significantly

Q1-7 How do you think citizens feel about paying national pension premiums in the future? Please select one answer.

1. They want to pay the premiums as best they can
2. They do not want to pay the premiums
3. Citizens don't know if they will pay the premiums

Q1-8 Which of the welfare areas in the table below do you consider important or intend to focus on? Please enter numbers corresponding to the appropriate welfare areas.

	The first priority	The second priority	The third priority
Important			
Intend to focus on			

Q1-9 Which of the welfare areas in the table below do you think citizens consider important or would like the country to focus on? Please enter numbers corresponding to the appropriate welfare areas.

	The first priority	The second priority	The third priority
Area citizens consider important			
Area citizens want the country to focus on			

(Welfare Area Table)

1 Medical care and health	Health promotion, disease prevention, upgrading of medical facilities and services
2 Education and culture	Improvement of cultural /educational facilities (kindergartens, schools, libraries, etc.), consolidation of education system, provision of equal opportunities in education, protection of cultural heritage, etc.
3 Working life	Workplace safety, employment stability, secure employment opportunities, work skills development/promotion
4 Holidays and leisure	Improvement of life/leave system, development of leisure facilities and services (parks, sports facilities, transportation/accommodation agencies, etc.)
5 Income and consumers' affairs	Securing a steady increase in income, price stability, ensuring safety of products, optimization of commodity prices, etc.
6 Living conditions	Securing housing/improving housing quality, improving living environment (treatment of garbage/human waste/sewage, etc.) reduction of pollution/disaster damage, etc.
7 Safety and personal protection	Reduction of crime, protection of human rights, fair law enforcement, etc.
8 Family	Building trust between parents/children/ siblings, improvement of family welfare services, prevention of family disintegration
9 Community Life	Improvement of community facilities (civic centers, assembly halls, etc.), support for local events/social education, vitalization of community activities
10 Justice and life security	Fair income distribution, inequality correction, improvement of welfare for the disabled and the elderly

Q2 The following questions refer to disclosure of "Ministry-specific Financial Statements' and 'Highlights of the Budget' pertaining to public pensions.

Using methods taken from corporate accounting practice, the government creates two types of financial statements, namely, **ministry-specific financial statements**, and Highlights of the Budget, which consolidate ministry-specific statements into statements describing the nation as a whole. (Relevant body: Public Accounts Bureau, MOF)

Ministry-specific financial statements, which are based on regular financial statements, are used to disclose the national accounts (general accounts, special accounts, accounts of government-affiliated organizations, independent organizations, etc.) on a ministry-by-ministry basis. Furthermore, consolidated financial statements exist that describe not only accounts of individual ministries and special accounts, but also already consolidated financial statements comprising general accounts and special accounts and accounts of government-affiliated organizations and independent organizations.

Highlights of the Budget are created in the interest of disclosing, in an easy-to-understand format, financial statements pertaining to the whole nation. Since 1999, Highlights of the Budget have consolidated general and special accounts, and since 2003 have also included accounts for government-affiliated organizations and independent organizations.

Q 2-1 Are you familiar with Highlights of the Budget (ministry-specific financial statements)? Please select one answer.

1. Yes
2. I have heard of them
3. No

Q 2-2 Do you use Highlights of the Budget (ministry-specific financial statements)? Please select one answer.

1. Yes
2. I have used them in the past
3. Not at all

Q2-3 Are you interested in the disclosure of Highlights of the Budget (ministry-specific financial statements) pertaining to public pensions? Please select one answer.

1. Yes
2. Difficult to say
3. No

Q3 Public pensions are operated under the '**pay-as-you-go financing plan**'. Under this plan, pension payments in a given year are financed by pension premiums paid in the same year. Therefore, the benefits promised to citizens in the future by the government are covered by pension premiums paid when the benefits themselves are paid. Thus, when the government promises its citizens benefits in the future, it is guaranteeing those benefits on the basis of premiums that ought to be, but may not necessarily be, paid at that time in the future. Another way to put this would be that the government does not at this time possess the pension funds that will be paid to citizens as benefits in the future. In contrast, corporate pensions are operated under a funded system." Under the funded system, the funds that will be paid as benefits in the future are amassed at the present time.

Due to equalization of national pension premiums, at the close of FY2007 possessed a pension reserve fund (consolidated base) amounting to 144 trillion yen, operated mainly in the form of negotiable securities.

Q3-1 Did you know that public pensions are operated under a pay-as-you-go financing plan? Please select one answer.

1. Yes
2. I have heard that this is the case
3. No

Q3-2 Do you think public pensions should be operated under a pay-as-you-go financing plan? Please select one answer.

1. Yes
2. Difficult to say
3. No, a pension reserve fund is better
4. Other (Please specify)

Q3-3 What do you think should be done with the public pension reserve fund? Please select one answer.

1. Pensions should be operated as they are at present with negotiable securities
2. The pension reserve fund should be returned to the national treasury using national securities or something similar
3. Pension premiums should be returned to the payers
4. Other (please specify)

Q3-4 Do you think citizens know that public pensions are operated under a pay-as-you-go financing plan? Please select one answer.

1. Yes, I think most citizens know
2. Yes, I think some citizens know
3. Don't know
4. No, I think most citizens do not know

Q4 The following question asks you to predict the economic situation in ten years' time.

Do you think that economic growth/price levels will increase on average over the next ten years? For the following items, please select the plus if you think they will increase, or the minus if you think they will decrease. After answering, please indicate to the second decimal place the average increase/decrease that you think will take place over the next ten years.

Note that the average economic growth rate for the period 1998 to 2008 was (-)0.28%. In addition, the average rate of price increase during this period was (-)0.27%.

<b>Economic growth rate</b>	(+) / (-)	%
<b>Price levels</b>	(+) / (-)	%

Q5 The following question refers to disclosure of financial statements pertaining to public pensions.

There are two main ways in which public pension-related information is disclosed in financial statements.

Method 1 Public pension liabilities are not recorded (instead, the pension reserve fund that will be used to pay benefits is recorded as a deposit received from citizens)

Method 2 Public pension liabilities are recorded as debts

At present, the **Highlights of the Budget (ministry-specific financial statements)** use Method 1. As they employ the 'funded system', corporations use Method 2.

Table 1 on the following page shows a balance sheet corresponding to the current National Financial statements (consolidated base). Regarding public pensions, the pension reserve fund at the end of FY2007 is recorded as a deposit (public pension deposit), in the debt category in the right-hand column. Table 2 on the following page shows a balance sheet (a national financial document partially revised using the ministry-specific financial statements of the Ministries of Health, Labour and Welfare) in which the funds promised to citizens are recorded as a debt, with the debt amount being calculated on the basis of a 2.1% discount rate (equivalent to the rate of wage increase calculated under the public pension system) applied to the present value of the debt. With the funded system, the reserve funds that should have been accumulated are recorded as debts, hence the disparity between the debt and the pension reserve fund value appears as a shortage.

Table 1. Public pension liability not shown (current format)

**Consolidated Balance Sheet** (unit: yen in millions)

<i>For the year ended March 31, 2008</i>	<i>For the year ended March 31, 2008</i>
<b>&lt;Assets&gt;</b>	<b>&lt;Liabilities&gt;</b>
Cash and Deposits	Accounts payable
Marketable securities	Accrued expenses payable
Inventories	Money in custody, etc.
Account due	Accrued bonuses
Accrued income	Short-term government securities (FB)



	Financial bill
Loan	Bond account (Independent organization, etc.)
Bankruptcy, correction, and receivables	Public bond
Installment receivable	Postal deposit
Other receivables	Debt loan
Reserve for bad debts	Money on deposit
Tangible fixed assets	Actuarial liability
<i>National asset (except for public property)</i>	Public pension deposit
<i>Land</i>	Accrued pension cost
<i>Standing trees and bamboo</i>	Other allowance (reserve)
<i>Building</i>	Acceptances and guarantees
<i>Workpiece (Tooling)</i>	Other liability for a debt
<i>Machinery and equipments</i>	
<i>Ship and vessel</i>	
<i>Aircraft</i>	
<i>Construction in progress</i>	
Public property	
<i>Common Land</i>	
<i>Communal facilities</i>	
<i>Construction in progress</i>	<b>Total liabilities</b>
Commodity (goods)	<Difference in costs between assets and liabilities>
Intangible fixed assets	Amount of difference
Investments	(Investments from other countries than Japan)
Customer's liabilities for acceptance and guarantee	

Other investments	
<b>Total assets</b>	<b>Total amount of difference</b>

Table 2. Public pension liability shown

**Consolidated Balance Sheet**(unit: yen in millions)

<i>For the year ended March 31, 2008</i>	<i>For the year ended March 31, 2008</i>
<b>&lt;Assets&gt;</b>	<b>&lt;Liabilities&gt;</b>
Cash and Deposits	Accounts payable
Marketable securities	Accrued expenses payable
Inventories	Money in custody, etc.
Account due	Accrued bonuses
Accrued income	Short-term government securities (FB)
	Financial bill
Loan	Bond account (Independent organization, etc.)
Bankruptcy, correction, and receivables	Public bond
Installment receivable	Postal deposit
Other receivables	Debt loan
Reserve for bad debts	Money on deposit
Tangible fixed assets	Actuarial liability
<i>National asset (except for public property)</i>	Public pension deposit
<i>Land</i>	Accrued pension cost
<i>Standing trees and bamboo</i>	Other allowance (reserve)
<i>Building</i>	Acceptances and guarantees

<i>Workpiece (Tooling)</i>	Other liability for a debt
<i>Machinery and equipments</i>	
<i>Ship and vessel</i>	
<i>Aircraft</i>	
<i>Construction in progress</i>	
Public property	
<i>Common Land</i>	
<i>Communal facilities</i>	
<i>Construction in progress</i>	<b>Total liabilities</b>
Commodity (goods)	<Difference in costs between assets and liabilities>
Intangible fixed assets	Amount of difference
Investments	(Investments from other countries than Japan)
Customer's liabilities for acceptance and guarantee	
Other investments	
<b>Total assets</b>	<b>Total amount of difference</b>

Q5-1 Do you think public pension liabilities should be recorded in the government's financial statements?  
Please select one answer.

1. No. The method shown in Table 1 is preferable.
2. Difficult to say
3. Yes. The method shown in Table 2 is preferable
4. Other (please specify)

Q5-2 What information about public pensions do you think should be disclosed in the National Financial statements (Ministry-specific financial statements)? Please select all of the following that apply.

1. The effects of the problems with recording of/tampering with pensions
2. The effects of the organizational issues affecting the Ministry of Health, Labour and Welfare and Social Insurance Agency
3. Wasteful use of the pension reserve fund
4. The fact that there is a large percentage of non-payers of the pension, and that it feels unfair one should have to pay inter-generational equity
5. The fact that each new generation derives less benefit from the pension system (inter-generational equity)
6. The fact that national pension premiums must be paid for 25 years or more in order to receive benefits
7. The fact that benefits are too low (benefit levels)
8. The fact that premiums are too high (degree of burden)
9. The results of operation of the pension reserve fund and their effects
10. Sustainability of the pension system
11. Current and future status of the burden on citizens
12. Other (please write freely)

Q6 The following question refers to your knowledge of accounting.

Various kinds of accounting exist. In the interests of disclosure in line with the system of commercial law or the Securities and Exchange Act, or for the purpose of filing tax reports, private corporations conduct 'corporate accounting'. For calculation of the national budget or that for local self-governing bodies, there is government accounting (public accounting). Finally, there is the method of accounting used by incorporated educational institutions, auxiliary organizations (national or local self-governing body-related), and public enterprises, which is a type of accounting half way between corporate accounting and government accounting. In addition, records in household account books and the like are a recognized form of account.

Q6-1 Do you have knowledge of corporate accounting? Please select one answer.

1. Yes
2. Yes, a certain amount
3. No (**Please proceed to Q6-4**)

Q6-2 Did you obtain your knowledge of corporate accounting at school? Please select all appropriate answers.

1. Yes (at high school/technical college/university/graduate school)
2. No, I studied it elsewhere

Q6-3 Where did you study corporate accounting outside of school? Please specify.

Q6-4 Do you have knowledge of government accounting (public accounting)? Please select one answer.

1. Yes
2. Yes, a certain amount
3. No (**Please proceed to Question 6-7**)

Q6-5 Did you obtain your knowledge of government accounting (public accounting) at school? Please select all appropriate answers.

1. Yes (at high school/technical college/university/graduate school)
2. No, I studied it elsewhere

Q6-6 Where did you study government accounting (public accounting) outside of school? Please specify.

Q6-7 With which are you more familiar, corporate accounting or government accounting (public accounting)? Please select one answer.

1. Corporate accounting
2. Equally familiar with both
3. Government accounting (public accounting)
4. No knowledge of either

Q6-8 Do you think corporate accounting or government accounting (public accounting) is a clearer method of disclosing the activities of the government in financial document form? Please select one answer.

1. Corporate accounting
2. Both methods are clear
3. Government accounting (public accounting)
4. Neither is clear

Q7 The following question refers to the relationship between budgets and manifestos.

Q7-1 When creating a manifesto, do you consider the cost of individual policies? Please select one answer.

1. Very much so
2. To some extent
3. No

Q7-2 When creating a manifesto, do you consider the priority of each policy? Please select one answer.

1. Very much so
2. To some extent
3. No

Q7-2 When creating a manifesto, do you give thought to budgets? Please select one answer.

1. Very much so
2. To some extent
3. No

Q7-3 Do you include unsubstantiated budget policies in your manifestos? Please select one answer.

1. Yes
2. Yes, but not in sections with major policies
3. No

Q7-4 Do you think unsubstantiated budget policies should be included in manifestos? Please select one answer.

1. Yes
2. Yes, but not in sections with major policies
3. No

Q7-5 When creating a manifesto, do you give thought to government accounting (public accounting)? Please select one answer.

1. Very much so
2. To some extent
3. No

Q8 Please write freely regarding any of the topics discussed above.

Thank you for your participation in this survey.