

# 1. NATIONAL AND PREFECTURAL REVENUE NATIONAL AND PREFECTURAL EXPENDITURE 2. GROSS PREFECTURAL PRODUCT DISTRIBUTION OF PREFECTURAL INCOME 3. FINANCIAL STRENGTH INDEX OF SI, MATI AND MURA AMOUNT OF ADMINISTRATIVE INVESTMENT

## 1. National and Prefectural Revenue

For the one-year period from April 1, 1985 to March 31, 1986, the total revenue of the general account of Japan amounted to ¥53,992,600 million. This amount exceeded the initial fiscal budget by ¥723,200 million.

The proportions of tax revenue contributing to the national revenue were 52.8% (¥28,517,000 million) from direct tax revenue and 15.3% (¥8,269,200 million) from indirect tax revenue, together accounting for 68.1% of the total national revenue.

For the same fiscal year, the total prefectural revenue amounted to ¥30,780,200 million. These figures are itemized into 9 items, including local taxes (i.e., taxes which local governments collect, ¥11,353,600 million) and the local tax allocated to local governments (i.e., tax which the central government allocates to local governments in accordance with the latter's financial status, ¥5,289,600 million).

The prefecture with the highest revenue was Tōkyō with ¥4,030,000 million and the lowest was Tottori with ¥270,000 million.

The highest revenue from local taxes was taken by Tōkyō Prefecture with ¥2,968,800 million and the lowest by Tottori Prefecture with ¥34,800 million. On the other hand, the highest revenue from the local tax allocated to local governments was received by Niigata Prefecture with ¥208,700 million, whereas Tōkyō Prefecture, Kanagawa Prefecture and Aiti Prefecture were not allocated such a tax.

The term "revenue" signifies the total income of the nation or local governments for one fiscal year.

### [Salient Points of the Legend and Map Compilation]

The amounts of national and prefectural revenue are not the initial budget, but the final settled accounts.

The account system of local governments is divided into a general and special account, as is the case with the nation; however, the items in the special account vary depending on each prefecture. Therefore, a consolidated standard for prefectures has been set by stipulating a combination of items in the general account and another in the special account, excluding 6 account items such as public enterprises (e.g., water service), profit-making businesses (e.g., horse racing), and national health insurance (medical service).

## 1. National and Prefectural Expenditure

For the one-year period from April 1, 1985 to March 31, 1986, the total expenditure of the general account in Japan amounted to ¥53,004,500 million. This amount exceeded the initial fiscal budget by ¥504,900 million.

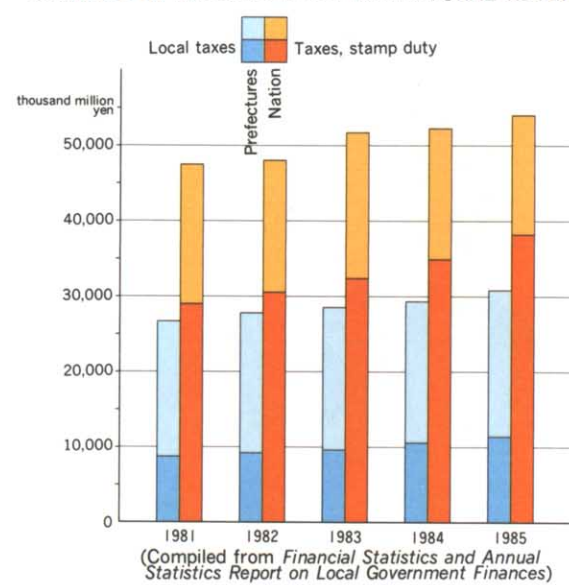
The largest item of expenditure was social security-related with ¥11,118,200 million, accounting for 20.8% of the total national expenditure.

For the same fiscal year, the total expenditure of the general account of prefectures amounted to ¥30,430,900 million; 20 items were included in this, such as expenditure for education (¥8,735,000 million) and expenditure for civil engineering works (¥5,750,900 million).

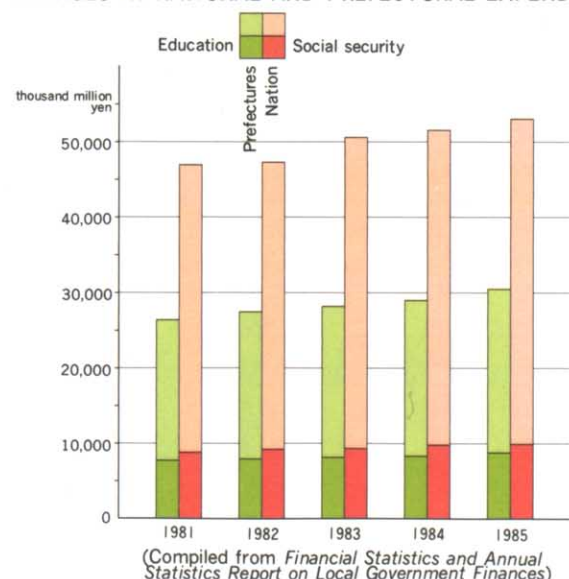
The prefecture with the greatest expenditure in the general account was Tōkyō with ¥3,966,000 million and the lowest was Tottori with ¥267,300 million.

The fact common to the items of expenditure is that education is the largest (the highest was ¥799,000 million for Tōkyō Prefecture), followed by expenditure for civil engineering works (the highest was ¥689,700 million for Tōkyō Prefecture).

CHANGES IN NATIONAL AND PREFECTURAL REVENUE



CHANGES IN NATIONAL AND PREFECTURAL EXPENDITURE



The average prefectural expenditure per capita was ¥286,000. Classified by amount, 3 prefectures had expenditure per capita of more than ¥400,000, the highest being ¥482,958 for Tottori Prefecture. On the other hand, 8 prefectures reported amounts less than ¥200,000, the lowest being ¥148,412 for Kanagawa Prefecture.

The term "expenditure" signifies the total expenses borne by the central and local governments within one fiscal year, making a pair with items in revenue, clarifying the incomings and outgoings of the budget.

### [Salient Points of the Legend and Map Compilation]

The amounts of national and prefectural expenditure are for final settled accounts, rather than those initially budgeted.

## 2. Gross Prefectural Product

The total gross prefectural product in Japan for the one-year period from April 1, 1984 to March 31, 1985 amounted to ¥303,056,900 million.

The prefecture with the highest gross prefectural product was Tōkyō with ¥51,060,000 million, whereas the smallest was Tottori with ¥1,280,000 million. In regard to the gross prefectural product per prefectural citizen, the highest was ¥4,330 thousand in Tōkyō, while the lowest was ¥1,670 thousand in Okinawa.

In regard to the industrial distribution of the above gross prefectural product, the percentage earned by primary industry (such as agriculture) stood at 3.1%; secondary industry (such as construction) at 36.9%; and tertiary industry (such as services) at 63.5%. Because of unsettled imputed interest, the total of these percentages is over 100%.

There are considerable differences among prefectures with regard to industrial composition. In the case of primary industry, Aomori Prefecture had the highest percentage (11.2%) and Ōsaka Prefecture the lowest (0.2%). In the case of secondary industry, the ratio was highest in Totigi Prefecture (50.2%) and lowest in Aomori Prefecture (20.3%). Finally, for tertiary industry, the prefecture which had the highest ratio was Tōkyō (72.4%), while the lowest was that of Siga (44.6%).

The term "gross prefectural product" stands for the amount of gross product earned by each industrial activity (11 kinds of industries including agriculture) within prefectures.

## 2. Distribution of Prefectural Income

The total prefectural citizen's income in Japan for the one-year period from April 1, 1984 to March 31, 1985 amounted to ¥248,099,000 million.

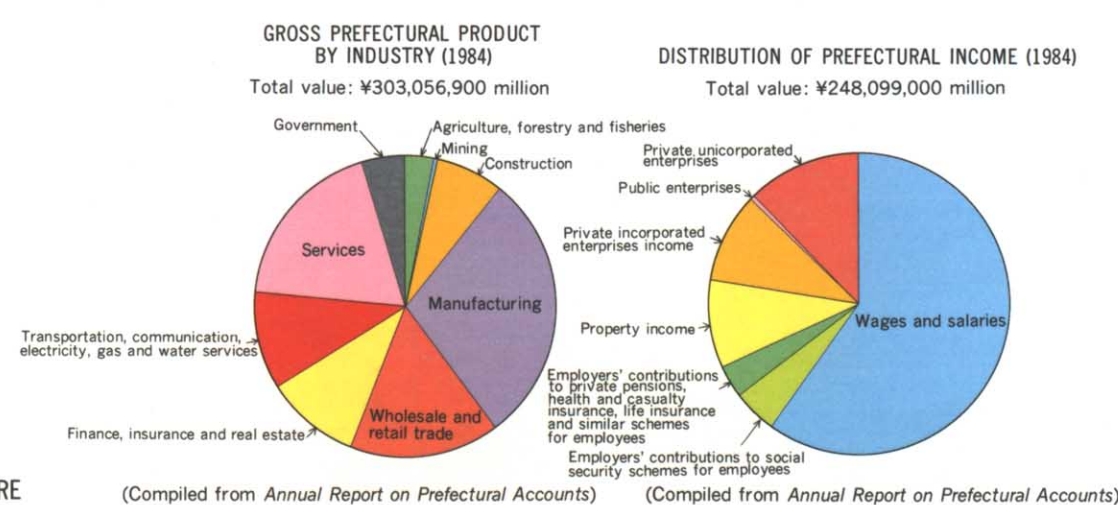
With respect to the items in the prefectural citizen's income, the highest amount was due to salaries and wages with ¥147,907,900 million (59.6%), while the lowest was public enterprises with ¥1,380,800 million (0.6%).

Focusing on these two items by prefecture, the amount for salaries and wages was highest in Tōkyō Prefecture ¥20,242,900 million, whereas the lowest was in Tottori Prefecture with ¥612,800 million. On the other hand, the amount earned by public enterprises was highest in Tōkyō Prefecture with ¥1,018,700 million, while the lowest was Kōti Prefecture with ¥247 million.

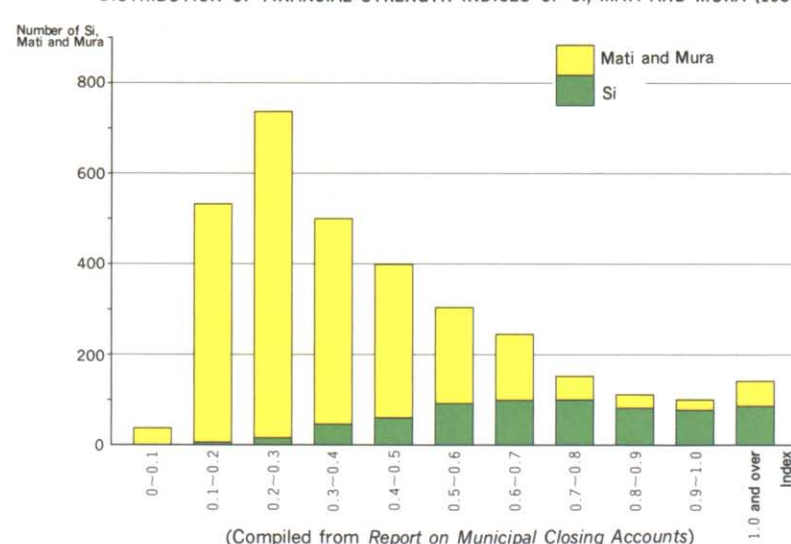
The average distribution of prefectural citizen's income per capita was ¥2,060 thousand; the highest being in Tōkyō Prefecture with ¥3,020 thousand and the lowest in Okinawa Prefecture with ¥1,480 thousand.

### [Salient Points of the Legend and Map Compilation]

The distribution of prefectural citizen's income per capita is expressed by dividing the total amount of prefectural citizen's income by the estimated population of each prefecture.



DISTRIBUTION OF FINANCIAL STRENGTH INDICES OF SI, MATI AND MURA (1985)



## 3. Financial Strength Index of Si, Mati and Mura

The average financial strength index for Si, Mati and Mura in Japan (651 Si, 2602 Mati and Mura) for the one-year period from April 1, 1985 to March 31, 1986 was 0.43. This index corresponds to city size as follows: the highest was 0.91 for medium cities (with a population of more than 100,000, excluding major cities), followed by 0.08 for major cities (9 cities, including Sapporo), 0.65 for small cities (with a population of less than 100,000), and finally 0.36 for Mati and Mura. The largest percentage of municipalities were concentrated in the 0.2-0.4 range, containing 1,237 Si, Mati and Mura (38.0%). There were 140 Si, Mati and Mura with an index exceeding 1.0 (4.3%) while 571 Si, Mati and Mura (17.6%) received an index of less than 0.2.

The financial strength index for Si, Mati and Mura is used as a standard to estimate the financial strength of each Si, Mati and Mura. This index is used as the standard for the distribution of ordinary transfer tax and also for determining its amount.

The financial strength index is calculated by dividing the standard financial revenue used for calculation of ordinary transfer tax by standard financial needs and then taking the simple average of three consecutive years. This figure is set as the index for the year concerned; in principle, the ordinary transfer tax is not distributed to those municipalities for which the index exceeded 1.

## 3. Amount of Administrative Investment

The total amount of administrative investment by the nation and local public bodies in Japan for the one-year period from April 1, 1985 to March 31, 1986 amounted to ¥26,505,500 million, a decrease of ¥1,100,400 million (-5.2%) from the previous year. This is attributed to the fact that the amount invested by Nippon Telegraph and Telephone Public Corporation and the Japan Tobacco and Salt Public Corporation were excluded from the statistics, as they were placed under private management.

National defrayment amounted to ¥10,876,600 million (41.0%), prefectural defrayment to ¥6,581,900 million (24.8%) and municipal defrayment to ¥9,046,900 million (34.1%). By prefecture, the highest was Tōkyō with ¥2,375,800 million, while the lowest was Tottori with ¥187,000 million.

In regard to the purposes of administrative investment, the heading under which administrative investment was most commonly placed was livelihood investment (such as public welfare), accounting for ¥11,966,000 million, 45.1% of the total investment.

The national average administrative investment per capita was ¥218,969. By prefecture, the highest in ranking was Kagawa with ¥400,022, while the lowest was Saitama with ¥144,964.

The amount of administrative investment is the expense of investment in activities carried out by the nation and local public bodies. These activities can be divided into general activities (17 kinds including road construction) and public enterprises (18 kinds including water service).

### [Salient Points of the Legend and Map Compilation]

Investment is classified according to purpose as follows: 1) livelihood investment, such as streets and roads in cities, towns and villages, urban planning, housing, environmental sanitation public welfare, educational facilities, waterwork and sewage; 2) industrial investment, such as national and prefectural roads, harbors, airports and water for industrial use; 3) agricultural, forestry, and fishery investment, such as agricultural, forestry and fishing industries; 4) investment in conservation of national land, such as forestry conservancy, river improvement and waterfront conservation; 5) investment for other purposes, such as countermeasures against unemployment, disaster relief, building and repairs of government offices, railroads, subways, electricity and gas.

### [Sources]

1. Ministry of Finance, *Financial Statistics*, Fiscal 1986
2. Ministry of Home Affairs, *Annual Statistical Report on Local Government Finances*, Fiscal 1985
3. Ministry of Home Affairs, *Report on Prefectural Closing Accounts*, Fiscal 1985
4. Economic Planning Agency, *Annual Report on Prefectural Accounts*, Fiscal 1984
5. Ministry of Home Affairs, *Positive Achievements of Administrative Investment: Report on Positive Achievements of Administrative Investment by Prefecture*, Fiscal 1985

CHANGES IN THE AMOUNT AND PROPORTION OF ADMINISTRATIVE INVESTMENT BY PURPOSE

