Japan Report
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Sustainable Governance Indicators 2019
Executive Summary

Despite major problems such as a rapidly aging population and an alarmingly high level of public debt, Japan remains one of the world’s leading economies. Its rate of per capita economic growth is in line with that in the United States or the European Union. Japan provides a high standard of living and safe living conditions for more than 120 million people. Notably, however, disposable incomes have risen little in recent years and real per capita consumption has been flat. In a country once hailed as the epitome of equitable growth, a new precariat has emerged, with 40% of the labor force in non-regular employment.

In late 2018, the coalition led by the Liberal Democratic Party had been in power for six years, making it the most stable government in recent Japanese history. It continued to hold a two-thirds majority in both houses of parliament, creating a window of opportunity for decisive political action in Japan such as has rarely been seen in recent decades. It is thus sobering that the Abe government has not made more progress with respect to its two major policy goals – that is, enabling a robust economic upturn, and seeing through the first-ever change to Japan’s postwar constitution.

The initial major economic-stimulus program of 2013 (“Abenomics”) included an aggressive course of monetary easing and additional deficit spending. The short-term effects of this unprecedented policy gamble were positive, but consumption and investment levels have remained anemic, leading to a weak but prolonged recovery. Mild deflation has given way to slight inflation without producing a definitive upswing. The stimulus power of monetary easing now seems to have reached its limits. Key factors behind the stimulus measures’ limited economic impact include the lack of serious structural reforms and the population’s limited purchasing power due to fairly flat growth in real incomes.

Since 2015, the focus on three new “arrows” – referring to a strong economy, better child care and improved social security – has further deflected attention from institutional reforms. The first arrow has been marked by rhetorical emphasis on productivity, small enterprises, regional economies and selected industries, but has in practice often relied on conventional concepts of industrial policy, which are of dubious value in today’s global economic
environment. However, some progress has been made, for example with respect to better conditions for working women. At the same time, it is noteworthy that Abe’s 2018 cabinet included only one woman, down from five in 2014. In addition, problems relating to precarious employment conditions and unequal income distribution remain to be tackled. Old-age poverty and unstable jobs, especially among the young generation, continue to present pressing issues. To tackle these effectively, strong economic growth will be necessary; however, this in turn can be achieved only through serious reform in areas such as labor, agriculture and other heavily regulated fields.

Constitutional reform, the government’s second major priority, has met with considerable resistance. While the government did manage to pass new security legislation in 2015, providing the basis for a more proactive national-security strategy, there has been little additional momentum since that time. Given the widespread unpopularity of constitutional change, even with junior coalition partner Komeito, the prime minister has been moving cautiously. Still, Abe remains determined to push ahead with constitutional change. Arguably, the political capital invested in this struggle could be better used elsewhere, especially in terms of advancing structural economic reforms and/or seriously addressing immigration needs.

With regard to international policy, Abe’s amiable relationship with Donald Trump has not yet paid off. In terms of the North Korean conundrum, Japan has not been able to exert effective influence on recent diplomatic moves. However, Japan has played a major role in keeping the idea of trans-Pacific free trade alive, helping to enact the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which no longer includes the United States. Relations with China have become somewhat less strained, and Japan has successfully entered a free-trade agreement with the European Union, while also drawing closer with regard to strategic relations.

With respect to the quality of democracy, courts and the media remain limited in their effectiveness to provide sufficient checks on the government. High-level courts have become somewhat more restless, while social-media criticism of the government has grown. Civil society organizations have also become somewhat more active. However, these developments have to date had a quite limited impact on public policy. Concerns about press freedom and civil liberties have been mounting. Japan is now at the bottom of G-7 in terms of press-freedom ratings. Opposition parties effectively lack the ability to launch initiatives vis-à-vis the government. The governing coalition’s supermajorities in parliament severely impede the opposition’s capacity to exercise effective oversight.
The LDP-led government has quite successfully sought to steer from the center, for example by strengthening the Cabinet Office and its secretariat, and centralizing discussion fora for cross-cutting strategic issues. However, tensions between the core executive and line ministries (and their constituencies) remain. There are also concerns that tightening the political reins has negatively affected the neutrality and professionalism of the state bureaucracy.

Key Challenges

If Japan’s tepid economic upturn is to be transformed into a strong and sustained upswing, the Abenomics program’s short-term expansionary measures must be followed by serious structural reforms in the near future. Policy objectives deemed vital in this regard include the significant reduction of protections and restrictions in the agricultural sector, the creation of a more liberal labor-market regime, the provision of effective and result-oriented support for well-educated women, the establishment of a more liberal immigration regime with corresponding integration policies, the development of a more convincing energy policy, and the introduction of better-targeted social-policy reforms.

The time in which it may still be possible to restore strong economic growth in Japan is running out fast. First, the world economy seems to be slowing, led by factors such as high levels of public and private debt, declining volumes of global trade due to the U.S.-China trade conflict, and a weakening of emerging economies due to increases in U.S. interest rates. Second, financial markets’ patience with the de facto monetization of Japanese public debt may come to an end soon, with potentially devastating effects for the stability of financial markets. Some 40% of Japanese public debt is already held by the central bank. Third, levels of trust in institutions remain very low, and the population is among the most pessimistic in the OECD world. Prime Minister Abe himself has been ensnared in two major scandals in the recent past. The electoral success of the LDP-led government thus derives not from its popularity and performance, but primarily from the disastrous state of the opposition parties, a condition that at some point may change.
Continuing opposition to restarting nuclear reactors on the part of the public, regional governments and even courts should lead the government to rethink its strategy, and instead seek a more acceptable and enforceable energy policy conforming with the 2015 Paris Agreement goals. The 2030 goals for renewable-energy use appear too timid by international standards.

It will be risky for the government to pursue its two major priorities, economic and constitutional reform, at the same time, since the coalition’s remaining political capital may not suffice to accomplish both. Without a return to a strong economy, constitutional change will not create a more self-assured Japanese state. Thus, socioeconomic reform should take precedence. To achieve this goal, the government will need to strengthen alliances with interest groups that support the reform movement. This may include Japan’s globally oriented business sector, which has little interest in seeing its home market further weakened.

In terms of foreign and security policy, it will be very tricky for the LDP to balance its assertive reformulation of security laws and possible further moves toward constitutional change with potential negative effects on foreign relations, particularly within the region. The limited degree of popular support for this policy direction only exacerbates the situation. The government also needs to strike a balance between better relations with an increasingly powerful China and the need to safeguard sound relations with the United States, which has become a difficult but still indispensable security and economic partner. Hedging rather than trying to contain China will be necessary. One promising approach may be joint cooperation on and funding of major infrastructure projects, in concert with China, the European Union, the United States, India, the Republic of Korea (ROK), Australia and other interested partners.

Japan’s interest in a liberal rules-based multilateral system also requires it to maintain reliable alliances. In this respect, the European Union, Australia, Canada, India, New Zealand, South Korea and some Latin American countries appear to be suitable partners with similar values and interests.

The ruling coalition’s supermajorities in both chambers of parliament provide the government with both opportunity and challenges. These conditions provide the government with sufficient leverage to push through reforms, but also strengthen the position of parliamentary vested interests that oppose any disruption of the comfortable status quo.

Courts, the media (including social media) and civil society movements should seek to improve their capacities to monitor and provide checks on the
government. The government should not view media criticism as an obstacle to the fulfillment of its ambitions, but as a corrective in an open and democratic society that works to improve the fit between government plans and popular aspirations and concerns.

As of this date, the parliament does not provide effective governmental checks and balances. Parliamentarians need to make better use of their resources to develop alternative legislative initiatives.

The search for country-level solutions should be combined with policy experiments at other levels. The post-2014 special economic zones or the 2018 so-called Regulatory Sandbox scheme are welcome steps in this regard despite setbacks, but the strategy could be both bolder and broader.

Party Polarization

Following the demise of the Japan’s Social Democrat Party (JSP) in the 1990s, and given the continued marginal parliamentary presence of the Japanese Communist Party, party polarization has not been an important issue in Japan for many years. Both the center-right Liberal Democratic Party (LDP) and its more recently created rival, the Democratic Party of Japan, have been “big-tent parties,” with personal allegiances to individual leaders (and related intra-party factions) playing a bigger role than policy-related differences in terms of structuring intra-party competition. And even at the height of LDP-JSP confrontation in earlier decades, behind-the-scenes across-the-aisle collaboration limited the impact of polarization on policymaking.

While the LDP has moved toward the right in recent years (as reflected in the composition of its leadership and the views held by its parliamentarians), the main parties still show substantial agreement on many policy issues. The one especially divisive issue that has come to the fore since the advent of the Abe government in 2012 has been constitutional reform. At its core, this turns on whether Article 9 of the country’s constitution, the so-called peace clause, should be changed or not. Given the LDP-led coalition’s supermajorities in both houses of parliament, there is today a rare window of opportunity for constitutional change. Yet it remains unclear whether the current LDP leadership can achieve its stated goal of constitutional change by 2020 given
the ambivalent position of Komeito, its coalition partner, as well as the additional hurdle created by the referendum required following a parliamentary approval.

As there is currently only one, admittedly important, salient issue for which party polarization plays a significant role, it cannot be said that party polarization generally presents a major obstacle for policymaking in today’s Japan. (Score: 8)

Citation:


Policy Performance

I. Economic Policies

Economy

Recent macroeconomic developments have been mixed. Japan has experienced an extremely long business-cycle upswing, dating since late 2012. But growth rates have remained relatively modest, while structural constraints such as demographic conditions and labor-market rigidities continue to cast a shadow on future growth prospects. The real growth rate in the year 2017 was 1.7%, with the IMF in October 2018 forecasting lower rates of 1.1% and 0.9% respectively for 2018 and 2019. The goals of a 2% annual inflation rate and concomitant increases in inflation expectations have still not been achieved, and the target for reaching these goals has been moved to fiscal year 2019/20.

Despite this consistent government and central-bank activity, and despite the presence of significant cash holdings within companies deriving from retained profits, consumption and domestic investment levels remain low. The New Economic Policy Package for 2018 contains supply-side measures aimed at strengthening childcare and promoting innovation. These are welcome expenditures insofar as they may boost much-needed productivity growth, but their actual effectiveness remains to be seen. Moreover, it is proving to be extremely challenging to compensate for the negative effects of an aging and shrinking workforce.

In terms of trade policy, the Japanese government was able to achieve significant progress in 2017 by leading efforts to conclude a revised trans-Pacific free-trade agreement (dubbed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, CPTPP) without the United States, and including exemptions in some controversial areas. Moreover, after four years of negotiation, it signed a bilateral free-trade agreement (FTA) with the European Union in mid-2018. However, the China-U.S. trade conflict is casting a shadow over future growth prospects, and it remains unclear whether
the Trump administration’s intention of negotiating an FTA with Japan will create further problems for Japan’s exports.

Citation:


Cabinet (Japan): New Economic Policy Package, Provisional Translation, 8 December 2017, Mimeo.


IMF: World Economic Outlook, October 2018

**Labor Markets**

Japan’s unemployment rate reached a quarter-century low of 2.4% in August 2018 (although this figure would likely be somewhat higher if measured in the same manner as in other advanced economies).

However, as in many other countries, the Japanese labor market has witnessed a significant deterioration in the quality of jobs. Retiring well-paid baby boomers have more often than not been replaced by part-timers, contractors and other lower-wage workers. The incidence of non-regular employment has risen substantially to about 40%. A major concern is that young people have difficulty finding permanent employment positions, and are not covered by employment insurance. Moreover, because of the non-permanent nature of such jobs, they lack appropriate training to advance into higher-quality jobs. Most economists argue that the conditions for paying and dismissing regular employees have to be liberalized to diminish the gap between both types of employment.

Unemployment insurance payments are available only for short periods. In combination with the social stigma of unemployment, this has kept registered unemployment rates low. There is a mandatory minimum-wage regulation in Japan, with rates depending on region and industry. The minimum wage is low enough that it has not seriously affected employment opportunities, although some evidence shows it may be beginning to affect employment rates among low-paid groups such as middle-aged low-skilled female workers.
The Labor Standards Law was finally changed in mid-2018. Among its provisions, the allowed quantity of overtime work, a serious problem in Japan, was limited to 100 hours per month. While this may be considered timid, it can be regarded as a step toward healthier and possibly even more productive labor conditions. At the same time, work-hour limitations and overtime payments for highly paid professionals have been removed. While this is understandable, the definition of professionals employed may lead to misuse. The law also addresses the wage gap between regular and non-regular work in a section dubbed the “equal pay for equal work” provision. However, some details have been left unaddressed, a fact that may lead to further controversies. Based on 2013 legislation, beginning in April 2018, fixed-term employees with at least five years of service can demand to become indefinite-term employees, although employers are still free to avoid using fixed-term contracts of this length.

The government has sought to increase the role played by women in the economy and to boost national birth rate. In fact, these two goals have proven difficult to achieve in parallel. However, one noteworthy element of the 2018 New Economic Policy Package is the elimination of child-care placement waiting lists.

Citation:
The Mainichi: As work-style reform bills pass, workers’ health, lives must be protected (Editorial), 30 June 2018, https://mainichi.jp/english/articles/20180630/p2a/00m/0na/016000c

Taxes

Generally speaking, Japan has a reasonably fair tax system that in the past allowed its corporate sector to thrive.

In terms of competitiveness, the previous 35% corporate-tax rate has clearly been too high in international comparison. In 2016, the combined national and local corporate effective income-tax rate declined from 32.11% to 29.97%, and was further reduced to 29.74% in April 2018.

The fact that authorities are following up on their initial promise to lower corporate-tax rates despite the fiscal tension is a positive signal. However, only around 30% of Japanese firms actually pay corporate tax, with the remainder exempted due to poor performance.

Raising the comparatively low consumption tax is important for easing budgetary stress, particularly given the huge public debt and the challenges of
an aging population. The government raised the consumption-tax rate from 5% to 8% in April 2014, while plans to increase it to 10% have been shelved several times ahead of elections. In June 2016, Abe postponed the tax hike to October 2019. However, the prime minister also announced that the proceeds from the tax hike would not be fully deployed to reduce the public debt; instead, half would be used for education and child care, he said. This served to deepen worries about fiscal reliability and prudence.

According to the OECD, energy-related taxes in the country should be increased, both for environmental and fiscal reasons.

The country’s tax system achieves a reasonable amount of redistribution. However, salaried employees benefit from far fewer tax deductions than do self-employed professionals, farmers and small businessmen.

Citation:
Nikkei, Japan to cut effective corporate-tax rate below 30% in FY17, Nikkei Asian Review, 11 October 2015, http://asia.nikkei.com/Politics-Economy/Policy-Politics/Japan-to-cut-effective-corporate-tax-rate-below-30-in-FY17

OECD, Japan: Promoting Inclusive Growth for an Ageing Society, Better Policies Series, Paris, April 2018

Budgets

Gross public indebtedness in Japan amounted to about 240% of GDP in 2017, the highest level among advanced economies. The primary balance also continued to show a strong deficit of about 4% in 2017, with around 3.3% expected in 2018. Though these numbers are not expected to rise much further in the near future, their persistence is alarming. Because the goal of achieving a primary budget balance by 2020 has become unfeasible, the government moved that date forward to 2025 in its long-term economic policy plan released in June 2018.

Nominal interest rates remain low. A major contributor to these rates is the fact that more than 90% of public debt is held by Japanese, mainly institutional, investors. The government and institutional investors obviously have no interest in lower bond prices, and this oligopoly of players can thus sustain the current price level of Japanese government bonds for the time being. However, should national savings fall short of domestic needs – a foreseeable development given the aging Japanese population – future government deficits may be difficult to absorb domestically. In this case, government bond prices could fall and interest rates could rise quickly, which would create extremely serious problems for the Japanese government budget and the country’s financial sector. As the central bank already holds some 40%
of government debt, it seems that decision makers are at least implicitly swinging toward a policy of debt monetization, an uncharted and highly perilous strategy.

In addition to such structural longer-term concerns, the unprecedented and continuing presence of the central bank in the financial market can lead to short-term liquidity shortages with regard to the availability of Japanese government bonds (JGBs). This can lead to considerable short-term swings in JGB prices and may ultimately trigger significant concerns regarding the stability of the financial system.

Given the record levels of indebtedness in global comparison, along with the recent rise in U.S.-dollar interest rates, Japan’s fiscal sustainability looks extremely fragile.

Citation:
International Monetary Fund, Japan 2017 Article IV Consultation – Press Release; Staff Report; and Statement by the Executive Director for Japan, IMF Country Report No. 17/242, July 2017
Scope Ratings AG, Japan Rating Report, March 2018

**Research, Innovation and Infrastructure**

Science, technology and innovation (STI) receive considerable government attention and funding. Current policies are based on the Fifth Science and Technology Basic Plan (2016-2020). The government has determined to spend 1% of GDP on science and technology. A major focus is on creating a “super-smart” society, also dubbed Society 5.0. Concrete measures include a reform of the career system for young researchers, an increase in (international) mobility, measures supporting the development of a cyber society, and – as before – the promotion of critical technologies, including defense-related projects considered indispensable for Japan’s security.

The government and outside observers realize that Japan’s strong position among the world’s top technology nations is declining, based on various indicators. A recent government survey even exposed a sense of crisis among the researchers interviewed. Relevant indicators include the often-used Nature Index, which showed a decline in high-quality scientific output of 3.7% in 2017. The ratio of high-quality research output to R&D input is particularly
weak. One problem is that researchers find it difficult to pursue long-term projects, as they are pressured to produce short-term results. Another major issue is young researchers’ difficulty in finding stable professional positions. This is one of the problems that the current Basic Plan takes seriously and tries to address.

Citation:


Global Financial System

Developing initiatives for the reform of the global financial architecture has not been a high-priority issue for Japan. For example, the prime minister used the agenda-setting powers provided by the 2016 G-7 meeting in Japan primarily to push his domestic political agenda.

On the regional and plurilateral level, Japan’s influence has been somewhat eclipsed by China, as China is heavily involved in creating a number of new international financial institutions such as the (BRICS) New Development Bank, the BRICS Reserve Contingency Arrangement, and the Asian Infrastructure Investment Bank (AIIB). Japan initially elected not to join the latter. In early 2017, government sources indicated that this position could be reconsidered, but no substantial policy changes have since emerged.

For the time being, Japan has become a follower rather than a leader with regard to global and regional (financial) initiatives, despite the pressing urgency of the issues.

Citation:
II. Social Policies

Education

Education has always been considered one of Japan’s particular strengths. Nonetheless, the Japanese education system faces a number of challenges. One of these is to deliver adequate quality. Under the LDP-led coalition, renewed emphasis has been placed on reaching the top international tier as well as improving the use of English. While the number of students going abroad for study has been declining for a number of years, this trend seems to have halted recently.

The government is actively promoting reforms. The government has developed the Third Basic Plan for the Promotion of Education (2018-2022), which stresses developing creativity through curriculum reform, improved school organization and lifelong learning.

A separate issue is the problem of growing income inequality at a time of economic stagnation. The Economic policy Package for 2018 includes human-resources development as one of its two major policy fields. It includes measures for free early-childhood education, free higher education, and in particular, measures related to the country’s expensive private high schools.

In terms of efficiency, the ubiquity of private cram schools is evidence that the ordinary education system is failing to deliver desired results given the funds used. The public’s general willingness to spend money for educational purposes reduces the pressure to economize and seek efficiencies.

There is growing concern that reform measures have not achieved their intended goals. Despite major university reforms and the government’s well-publicized intention to place 10 universities among the world’s top 100, the rankings accorded to leading Japanese universities has proven disappointing in recent years. In the Times Higher Education World University Rankings 2019, the University of Tokyo, Japan’s top school, only ranks at 42nd place.

Citation:
OECD (Directorate for Education and Skills): Education Policy in Japan: Building Bridges Towards 2030, Paris 2018
Social Inclusion

Once a model of social inclusion, Japan has developed considerable problems with respect to income inequality and poverty over the past decade. Gender inequality also remains a serious issue. In terms of the poverty rate, income distribution measured by the Gini coefficient, and life satisfaction, Japan now ranks in the bottom half of the OECD. In a 2017 OECD report on the state of disadvantaged young people, the organization stressed the need to reduce the number of young people (age 15 – 29) not in education, employment or training (so-called NEETs), which stood at 1.7 million in 2015. This group includes thousands of socially withdrawn persons (hikikomori), who rarely leave their homes. Overall, the number of such people could be nearly 1 million, although the government provided an estimate of only 541,000 individuals in 2015. It was slated to hold a survey in 2018 to obtain an updated figure.

The LDP-led government, in power since late 2012, initially focused on its growth agenda. Since 2016, however, it has given more emphasis to social-inclusion issues, addressing wide-ranging target groups such as people with disabilities and the elderly. While 2% of jobs within private businesses are required to be provided to people with disabilities, the actual share sometimes seems to be over-reported, even within state agencies.

Citation:
Cabinet (Japan), The Japan’s Plan for Dynamic Engagement of All Citizens, 2 June 2016

Health

Japan has a universal health care system. Life expectancies are currently the second-highest in the world for women (87 years at birth) and third-highest for men (81 years). Infant-mortality rates are among the world’s lowest (2.0 deaths per 1,000 live births). A persistent shortage of doctors represents one serious remaining medical-system bottleneck. The number of doctors per capita is some 40% lower than in Germany or France. However, judging on the basis of fundamental indicators, Japan’s health care system, in combination with traditionally healthy eating and behavioral habits, delivers good quality.
Challenges for the health care system include the needs to contain costs, enhance quality and address imbalances. The national health insurance program has a structural deficit, which remains despite additional fiscal support provided by the state in the 2018 reform package; this was in turn based on 2015 legislation, which also improved some management issues.

Although spending levels are relatively low in international comparison, Japan’s population has reasonably good health care access due to the comprehensive National Health Care Insurance program. The 2016 revision of the Act Securing Hometown Medical and Long-Term Care facilitates the integrated delivery of medical and long-term care services for the elderly.

Citation:

Families

According to OECD statistics, Japan has one of the group’s highest gender gaps in terms of median incomes earned by full-time employees. While the labor-participation rate among women aged 15 to 64 increased to 69% in 2017, a level higher than in the United States, the majority of employed women work in part-time, non-regular jobs. Although several policy measures aimed at addressing these issues have been implemented since the 1990s, many challenges remain.

The LDP-led government has sought to provide support for women in the labor force, referring to its policy efforts in this area as “womenomics.” For example, it has made efforts to improve child care provision in order to improve the conditions of working mothers. Kindergartens began accepting two-year-olds in April 2018. Based on new legislation, parents can now enroll their children at nursery schools outside their municipality. Abolishing kindergarten waiting lists was one goal of the government’s 2018 policy package. And indeed, during the 2017/18 fiscal year, the waiting list fell below 20,000 for the first time in 10 years.

The birth rate has stabilized at a low level of around 1.4 births per woman. The government’s target rate of 1.8 remains as yet out of reach.
Questions remain as to whether the government willing to overcome the tension between having more women at work and in managerial positions on the one hand, and its intention to raise the country’s birth rate on the other.

Citation:


**Pensions**

Given the rapid aging of the population, Japan’s pension system faces critical challenges. The last major overhaul took effect in 2006. Under its provisions, future pension disbursements would rise less than inflation, payments (after an interim period) would commence at age 65 instead of 60, contributions would top out at 18.3% of income, and a payout ratio of 50% was promised. However, the program’s assumed relationship between future payment levels, contributions and the starting age for receiving benefits was based on optimistic macroeconomic forecasts. A “burden sharing” provision was introduced in 2016 and took effect in 2018. Among other aspects, it stipulated that pension adjustments would only reflect wage-level changes, not price-level changes.

The Government Pension Investment Fund has shifted its asset portfolio somewhat away from bonds (and away from Japanese government bonds (JGBs) in particular), and toward other assets such as domestic and international stocks. Many observers are concerned about the higher levels of risk associated with stocks. However, JGBs are also risky due to the Japanese state’s extraordinary level of indebtedness.

In another challenge, Japan has an old-age poverty rate of 19% as compared to an OECD-area average of 12.5%. In May 2018, the government estimated that expenditures on social-security benefits in 2040 would rise to 1.6 times their current levels. Given the prospect of further fiscal shortages in an aging Japan, further reforms are critical and urgent.

Citation:

Japan’s pension payments system set for overhaul, Japan Times, 3 February 2017
Integration

In spite of its aging and shrinking population (which is forecast to fall by more than half to 52 million by 2100 if the current low birth rate persists and immigration remains heavily restricted), Japan still maintains a restrictive immigration policy, although the number of legal foreign residents hit a record high of 2.38 million at the end of 2016. A total of 1.28 million foreign workers were living in the country in October 2017.

Bilateral economic-partnership pacts have at least allowed Filipino and Indonesian nurses and caregivers to enter Japan on a temporary basis since 2008.

The LDP-led government has relaxed some immigration restrictions with the aim of attracting highly skilled foreign professionals. Under a new program dubbed the “green card for highly skilled professionals,” it is possible to apply for permanent residence after residing in Japan for five years.

In mid-2018, Prime Minister Abe announced plans to allow about 70,000 workers into Japan annually through 2025, for a total of about 500,000. In the low-skilled sector, a new five-year residential status will be granted under certain conditions.

The Japanese government still appears reluctant to embrace the idea of a full-fledged immigration policy. The nationalistic viewpoints held by many LDP lawmakers pose particular challenges. Against this background, there is little integration policy as such, with the government working to facilitate short-term foreign-work stays rather than long-term immigration. Local governments and NGOs offer language courses and other assistance to foreign residents, but such support often remains rudimentary, especially outside the metropolitan centers.

Citation:

The Economist, Japan is finally starting to admit foreign workers, 5 July 2018, https://www.economist.com/asia/2018/07/05/japan-is-finally-starting-to-admit-more-foreign-workers

Safe Living

Japan enjoys a very low crime rate, although it is unclear just how much the effectiveness of internal security policies contributes to this. Other social and economic factors are also at work. For major crimes such as homicide or hard-drug abuse in particular, Japan’s good reputation is well deserved. The number of recorded crimes reached a postwar low in the first half of 2018.

Terrorism also poses no major discernible threat today. Nevertheless, ahead of the Tokyo 2020 Olympics, parliament passed an “anti-conspiracy bill” in 2017, considerably expanding police power. This has been strongly criticized for curbing civil liberties, as discussed elsewhere in this report. In this context, an inter-ministry anti-terrorism center was founded under the bureaucratic umbrella of the Cabinet Secretariat in mid-2018.

Another issue is the existence of organized gangs, the so-called yakuza. These groups have recently moved into fraud and white-collar crimes. However, according to National Police data, yakuza membership (including associates) declined to a postwar low in 2017, from around 90,000 in the early 1990s to 34,500 at the end of 2017.

Citation:


Global Inequalities

The level of official development assistance (ODA) provided by Japan in 2017 increased by 14% to close to $12 billion USD (net), the 4th highest such level among OECD countries. In relative terms, Japan has typically underperformed the OECD average, although it increased ODA to 0.23% of GDP in 2017 from its previous level of 0.2%. The quality of the aid provided has improved in recent years, but assistance has been increasingly aligned with Japan’s broader external-security concerns, a trend which may be viewed critically from the perspective of potential recipients or indeed the development community at large. The country’s 2015 Development Cooperation Charter stresses the principle of cooperation for nonmilitary purpose; the important role of partnerships with the private sector, local governments, NGOs and other local
organizations and stakeholders; an emphasis on self-help and inclusiveness; and a focus on gender issues. These ODA guidelines also enable Japan to support aid recipients in security matters, for instance by providing coast-guard equipment.

Another priority of Japan’s ODA is infrastructure development. In 2018, the concept of a “Free and Open Indo-Pacific” (FOIP) has gained traction, with the Trump administration in the United States also showing interest, although with a less pronounced economic focus than Japan. One concrete initiative in this regard, pursued with India since 2017, is the Asia-Africa Growth Corridor.

Tariffs for agricultural products remain high, as are those for light-industry products such as footwear or headgear in which developing economies might otherwise enjoy competitive advantages. On the non-tariff side, questions about the appropriateness of many food-safety and animal- and plant-health measures (sanitary and phytosanitary measures) remain.

Citation:

David Brewster, Japan’s plans to build a “Free and Open” Indian Ocean, The Lowy Institute, Sydney, 29 May 2018, https://www.lowyinstitute.org/the-interpreter/japan-plans-build-free-and-open-indian-ocean

SEEK Development, Japan Donor Profile, Donor Tracker, Berlin, March 2018

III. Environmental Policies

Environment

Japan was a global leader in terms of antipollution policy and energy conservation in the 1970s and 1980s. More recently, Japan has been faced with the major concern of how to improve its domestic energy mix.

The triple 3/11 disaster led to some policy rethinking with respect to nuclear energy. However, the LDP-led government has reiterated that nuclear power will remain an important part of the country’s energy mix well into the future. The country’s 48 reactors were all shut down between 2011 and 2012. As of July 2018, there were (again) nine reactors operating that met the new, stricter standards.
According to the new 5th Strategic Energy Plan, released in July 2018, the basic proportions envisioned for the country’s 2030 energy mix remain unchanged, including the goal of a 22% to 24% share for renewables and 20% to 22% for nuclear energy. However, renewables are for the first time designated as a “major source.” This goal may still be ambitious, as public concerns are rising that wind parks and mega-size solar fields may seriously threaten the environment.

Japan has made great progress in terms of waste-water management in recent decades. Today the country has one of the world’s highest-quality tap-water systems, for example. The use of water for energy production is limited for geographical reasons.

The country has a proactive forestry policy, and in 2011 passed both the Fundamental Plan of Forest and Forestry and a National Forest Plan. A Forest Management Law introduced in mid-2018 promotes the commercialization of forestry. This may ultimately produce some tension with wider societal and environmental objectives.

Japan’s biodiversity is not particularly rich compared with other Asian countries. While the country has in recent years taken a proactive stance under its National Biodiversity Strategy, it has experienced a long-term decline in biodiversity due to its developmental path.

Citation:


Global Environmental Protection

For many years, international climate policy profited considerably from Japanese commitment to the process, with the Kyoto Protocol of 1997 as the most visible evidence. After Kyoto, however, Japan assumed a much more passive role. The Fukushima disaster in 2011, after which Japan had to find substitutes for its greenhouse-gas-free nuclear-power generation, rendered
implausible a 2009 pledge to decrease greenhouse-gas (GHG) emissions by a quarter by 2020 (as compared to 1990). In the 2015 energy outlook for 2030, Japan announced that it would slash its emissions by 26% in 2030 (compared to 2013 levels).

Japan supports the 2015 Paris Agreement on Climate Change and has adopted relevant measures, including the May 2016 Plan for Global Warming Countermeasures. The plan reconfirms the 26% reduction goal for 2030, which is at the lower end for OECD countries. In 2017, the Environment Ministry published a long-term low-carbon vision, setting a goal of reducing greenhouse-gas emissions by 80% by 2050. However, the document also notes divergent opinions on specific policy directions.

The government has announced that climate change will be high on its agenda for the G-20 summit it will host in 2019. It also plans to address the issue of ocean pollution. This emphasis is in line with the Third Basic Plan on Ocean Policy passed in May 2018.

With respect to multilaterally organized conservation issues, Japan is particularly known for its resistance to giving up whaling, which remains a high-profile and emotional issue. The country supports numerous international environmental-protection programs by contributing funds and making advanced technologies available, including support for the UN Sustainable Development Goals.

Citation:
Ministry of Foreign Affairs (Japan), Analysis and Proposal of Foreign Policies Regarding the Impact of Climate Change on Fragility in the Asia-Pacific Region – With focus on natural disasters in the Region, September 2017

Ministry of the Environment (Japan), Outline of Long-term Low-carbon Vision, Tentative translation, 2017

Quality of Democracy

Electoral Processes

Japan has a fair and open election system with transparent conditions for the registration of candidates. Candidates running in local electoral districts for the Lower House or the Upper House have to pay a deposit of JPY 3 million (around €23,300, plus an additional deposit of JPY 6 million if also running on the party list). This deposit is returned if the candidate receives at least one-tenth of the valid votes cast in the electoral district. The deposit is meant to deter candidatures that are not serious, but in effect presents a hurdle for independent candidates. The minimum age for candidates is 25 for the Lower House and 30 for the Upper House.

Citation:

Access to the media for electioneering purposes is regulated by the Public Offices Election Law, and basically ensures a well-defined rule set for all candidates. In 2013, the Public Offices Election Law was revised; the new version allows the use of online networking sites such as Twitter in electoral campaigning, as well as more liberal use of banner advertisements. Regulations are in place to prevent abuses such as the use of a false online identity. In view of the alleged misuse of social media to spread disinformation during the 2016 U.S. presidential election and elsewhere, this proved a prescient reform.

The expanded campaign-media options were actively used in the October 2017 Lower House elections, though actual patterns of behavior varied strongly between parties.

Citation:
Nikkei.com: Diet OKs Bill To Allow Online Election Campaign, 19 April 2013
Voting and Registration Rights
Score: 8

The Japanese constitution grants universal adult suffrage to all Japanese citizens. One exception applies to individuals currently in prison, who are not allowed to vote. Since 2006, Japanese citizens living abroad have also been able to participate in elections. In 2015, the general voting age was lowered from 20 to 18.

One long-standing and controversial issue concerns the relative size of electoral districts. Rural districts contain far fewer voters than the more heavily populated urban areas. In June 2017, the Lower House electoral system was changed to reduce the maximum vote-weight disparity to 1.99 to 1, just under the 2:1 threshold set by the Supreme Court. The number of Lower House seats consequently dropped by 10 to a postwar low of 465 (289 constituency seats, 176 proportional-representation seats).

Vote-weight disparities are even more pronounced for the Upper House. In 2018, the LDP-led coalition passed a law adding two seats in the densely populated Saitama prefecture, as well as four seats deriving from proportional-representation results. This latter move was criticized as partisan, as it may benefit incumbent LDP lawmakers.

Citation:

Party Financing
Score: 6

Infringements of the law governing political-party financing are common in Japan. To some extent, the problems underlying political funding in Japan are structural. Under the multi-member constituency system that existed until 1993, most candidates tried to elicit support by building individual and organizational links with local voters and constituent groups, which was often a costly undertaking. Over time, these candidate-centered vote-mobilizing machines (koenkai) became a deeply entrenched fixture of party politics in Japan. Even under the present electoral system, many politicians still find such machines useful. The personal networking involved in building local support offers considerable opportunity for illicit financial and other transactions. While the Political Funds Control Law requires parties and individual politicians to disclose revenues and expenditures, financial statements are not very detailed.
No major campaign-finance scandal surfaced during the period under review. Still, it is disappointing that no action has been taken to revise the existing laws despite the past recurrence of such issues.

Citation:

Politically binding popular decision-making does not exist in Japan, at least in a strict sense. At the local and prefectural levels, referendums are regulated by the Local Autonomy Law. They can be called if 2% of the voting population demands them. However, referendum results are non-binding for local and prefectural assemblies.

A National Referendum Law took effect in 2010. It was revised in 2014 to lower the minimum age for voting on constitutional amendments from 20 to 18, taking effect in 2018. According to the law, any constitutional change has to be initiated by a significant number of parliamentarians (100 Lower House members or 50 Upper House members) and has to be approved by two-thirds of the Diet members in both chambers. If this happens, voters are given the opportunity to vote on the proposal.

The Abe government has indicated plans to call such a referendum for the first time in postwar history, supported by its retention of a two-thirds majority in the 2017 Lower House election. This means that practical questions are coming to the fore as the process is in fact somewhat under-regulated, for instance with respect to the allowable range of political commercials.

Despite the legal strictures, nonbinding referendums have played an increasingly important role in Japan’s regional politics in recent years, particularly with respect to the debate over nuclear energy.

Citation:


Access to Information

Japanese media are largely free to report the news without significant official interference. While the courts have ruled on a few cases dealing with perceived censorship, there is no formal government mechanism that infringes on the independence of the media. The NHK, the major public broadcasting service, has long enjoyed substantial freedom. However, the Abe-led government has pursued a more heavy-handed approach since 2013, highlighted by a number of controversial appointments of conservatives to senior management and supervisory positions.

In practice, many media actors are hesitant to take a strong stance against the government or expose political scandals. Membership in government-associated journalist clubs has long offered exclusive contacts. Fearful of losing this advantage, representatives of the established media have frequently avoided adversarial positions.

As a result of the passage of the State Secrets Act, which came into effect in 2014, journalists and others charged with leaking relevant information now face jail sentences of up to five years. What exactly constitutes “state secrets” is left very much up to the discretion of the government agencies in question.

In recent years, Japan’s ranking in the World Press Freedom Index has plummeted, from 22nd place in 2013 to 67th in 2018. This is the lowest rank among the G-7. During the reporting period, however, no major new scandal in this area emerged.

Citation:


Media Pluralism
Score: 6

Japan has an oligopolistic media structure, with five conglomerates controlling the leading national newspapers and the major TV networks. These include Asahi, Fuji Sankei, Mainichi, Yomiuri and the Nihon Keizai Group. Another major force is NHK, the public broadcasting service, which rarely criticizes the status quo. The NHK director-general installed by the LDP-led government in 2013 has made it clear that he intends to follow the government’s viewpoint. The main media groups also tend to avoid anything beyond a mildly critical coverage of issues, although a variety of stances from left-center (Asahi) to conservative-nationalistic (Sankei) can be observed.
Generally speaking, the small group of conglomerates and major organizations dominating the media does not capture the pluralism of opinions in Japan. Regional newspapers and TV stations are not serious competitors.

However, new competition has emerged from international media, and particularly from interactive digital-media sources such as blogs, bulletin boards, e-magazines and social networks. Their use is spreading rapidly, while the circulation of traditional newspapers is in decline. Currently, the biggest online news source is Yahoo! Japan, which is increasing the amount of original content it produces. The loss of public trust in the government and major media organizations may have intensified the move toward greater use of independent media channels, also opening some new potential for independent investigative journalism. A number of news sites have run into serious financial trouble, however. Such channels tend to cater to their specific audiences, however. So while there is more pluralism, there is also a tendency toward increasingly one-sided interpretations of events. Among Japanese youths, right-wing internet channels have gained a considerable following.

Citation:


Japan’s Act on Access to Information held by Administrative Organs came into effect in 2001, followed in 2002 by the Act on Access to Information held by Independent Administrative Agencies. The 2011 Public Records Act provides the basis for information access in Japan. In legal terms, Japan is among the leaders with respect to open-government information policies, according to the OECD’s 2017 OURdata index.

However, a number of issues remain. Various exemptions apply, for instance with respect to information regarding specific individuals, national security issues or confidential business matters. Claims can be denied and the head of the agency involved has considerable discretion. Appeals are possible but only in court, which involves a very burdensome process.

In a case highly publicized in 2017, the process through which a right-wing private school in Osaka, Moritomo Gakuen, had received public land came under scrutiny. The Ministry of Finance had designated almost all relevant files as requiring preservation for less than one year, and had accordingly destroyed them.
During the reporting period, controversial cases emerged in a number of fields, underlining the inadequacy of existing rules. In the course of a panel discussion, representatives of the Ministry of Internal Affairs and Communications denied the existence of certain records requested by a newspaper, although they did in fact exist. The Defense Ministry had to concede the existence of a number of records relating to the engagement of the Self Defense Forces in Iraq, which had previously been deemed to be missing. Moreover, it became known that ministries had given some documents obscure names to make it more difficult for the public to obtain information.

The controversial 2014 State Secrets Law gives ministries and major agencies the power to designate government information as secret for up to 60 years. There are no independent oversight bodies controlling such designations. Whistleblowing can be punished by up to 10 years in prison, and even trying to obtain secrets can result in jail terms of up to five years. Critics argue that governments may be tempted to misuse this new law. Moreover, the rights and powers of two Diet committees tasked with overseeing the law’s implementation have been criticized as being too weak. A total of 444,000 public documents were destroyed in 2016 under a loophole in the Secrets Law applying to short-term measures lasting less than one year. While new, somewhat stricter rules were introduced in April 2018, their value is doubtful, as the process remains under government control.

Citation:
Lawrence Repeta, Backstory of Abe’s Snap Election – the Secrets of Moritomo, Kake and the “Missing” Japan SDF Activity Logs, The Asia-Pacific Journal/Japan Focus, Vol. 15, Issue 20, No. 6, 15 October 2017


N.N., Ministry excluded panel discussion records from freedom of information request, The Mainichi 21 July 2018, https://mainichi.jp/english/articles/20180721/p2a00m/0na/018000c

Daisuke Kikuchi, Defense Minister Itsunori Onodera announces a fresh set of SDF logs from Iraq have been found in growing scandal, The Japan Times, 6 April 2018, https://www.japantimes.co.jp/news/2018/04/06/national/politics-diplomacy/defense-minister-itsunori-onodera-announces-fresh-set-sdf-logs-iraq-found-growing-scandal/

N.N., Deliberately obscure gov’t file names leave Japan’s National Archives at a loss, The Mainichi, 6 August 2018, https://mainichi.jp/english/articles/20180806/p2a00m/0na/030000c

Civil Rights and Political Liberties

Civil and human rights are guaranteed under the Japanese constitution. However, courts are often considered overly tolerant of alleged maltreatment by police, prosecutors or prison officials. Moreover, existing laws give prosecutors and the police substantial leeway in this area. Arrested suspects can be kept in prison for 23 days without a formal charge being lodged, with a further 10 days of detention possible upon request. LDP-led governments have made little effort to address such issues. Critics have demanded – to date unsuccessfully – the creation of independent agencies empowered to investigate claims of human rights abuses. There is no national or Diet-level ombudsperson or committee tasked with reviewing complaints. Citizens have no legal ability to take their complaints to a supra- or international level. Unlike 35 other UN member states, Japan has not signed the so-called Optional Protocols to the International Covenant on Civil and Political Rights.

As the ILO noted when introducing international harassment guidelines in 2018, Japan has no adequate rules in place relating to issues of sexual or job-related harassment.

Japan has been widely criticized for its harsh prison conditions, and for being one of the few advanced countries still to apply the death penalty. Prisoners are given only a few hours’ notice before executions, and families are usually informed afterward. In 2018, 13 members of the Aum Shinrikyo movement, which was responsible for the 1995 Sarin attack in Tokyo’s subway, were executed by hanging. For 10 of them, appeals for retrial were still pending.

The controversial anti-conspiracy/anti-terror legislation of 2017, passed in preparation for the Tokyo Olympics in 2020, threatens to undermine civil liberties. Police powers have been expanded under the law, and courts are traditionally reluctant to interfere.

Citation:
The freedoms of speech, the press, assembly and association are guaranteed under Article 21 of the constitution. Reported infringements have been quite rare, though it has often been claimed that the police and prosecutors are more lenient toward vocal right-wing groups than toward left-wing activists.

That are concerns that the new 2017 anti-conspiracy laws, passed in preparation for the 2020 Tokyo Olympics, could undermine political liberties. Under these rules, “words” rather than simply “deeds” can be grounds for prosecution.

There is also concern that right-wing activism, including so-called hate speech, is on the rise, and that this might actually be supported by ruling politicians. Some senior LDP politicians have been linked to ultra-right-wing groups.

An anti-hate-speech law has been in place since 2016, but has run into problems in terms of implementation. In particular, conflicts exist between efforts to guarantee free speech and to allow the operation of open public services such as websites that enable public comments. The Tokyo High Court ruled in 2018 that Saitama Prefecture had to financially compensate a woman whose nationalistic haiku, a type of poem, was refused by a community-center newsletter.

Citation:


Women’s average salaries remain 27% below those of their male colleagues (based on 2016 data). The country’s share of female parliamentarians – 9% according to World Bank data for 2017 – is low by the standards of other advanced countries. Prime Minister Abe has called women “Japan’s most underused resource,” and the government has designated “womenomics” as a key pillar of its reform program. Programs being implemented under this rubric include child care support and similar measures. Still, given the persistent undercurrent of sexism in Japanese society, de facto workplace discrimination will be hard to overcome. In 2018, a scandal emerged in which
Tokyo Medical University was shown to have given female applicants artificially low scores in order to ensure the enrollment of more male students, a practice the government called “extremely disturbing.”

The 3 million descendants of the so-called burakumin, an outcast group during the feudal period, still face social discrimination, though it is difficult for the government to counter this. Korean and Chinese minorities with permanent resident status also face some social discrimination. Naturalization rules have been eased somewhat in recent years. Workers from the Philippines, the Middle East and elsewhere frequently complain of mistreatment and abuses. According to a 2016 – 2017 Ministry of Justice survey, one in three foreigners have experienced discrimination in the form of derogatory remarks, housing discrimination or similar such behavior.

Japan continues to have a rather serious human-trafficking problem with respect to menial labor and the sex trade, in some cases affecting underage individuals.

The treatment of refugees and asylum-seekers is frequently the subject of criticism. Asylum status is still rarely granted – only 20 asylum-seekers saw their applications approved in 2017, down from 28 a year before – despite the rising number of applications (19,629 in 2017).

Citation:


Rule of Law

In their daily lives, citizens enjoy considerable predictability with respect to the rule of law. Bureaucratic formalities can sometimes be burdensome but also offer relative certainty. Nevertheless, regulations are often formulated in a way that gives considerable latitude to bureaucrats. For instance, needy citizens have often found it difficult to obtain welfare aid from local-
government authorities. Such discretionary scope is deeply entrenched in the Japanese administrative system, and offers both advantages and disadvantages associated with pragmatism. The judiciary has usually upheld discretionary decisions by the executive. However, the events of 3/11 exposed the judicial system’s inability to protect the public from irresponsible regulation related to nuclear-power generation. Some observers fear that similar problems may emerge in other areas as well.

In a more abstract sense, the idea of the rule of law per se does not command much of a following in Japan. Following strict principles without accounting for changing circumstances and conditions would be seen as naïve and nonsensical. Rather, a balancing of societal interests is seen as demanding a pragmatic interpretation of the law and regulations. Laws, in this generally held view, are supposed to serve the common good, and are not meant as immutable norms to which one blindly adheres.

Citation:

Courts are formally independent of governmental, administrative or legislative interference in their day-to-day business. The organization of the judicial system and the appointment of judges are responsibilities of the Supreme Court. Thus, the behavior of Supreme Court justices is of significant importance. Some critics have lamented a lack of transparency in Supreme Court actions. Moreover, the court has an incentive to avoid conflicts with the government, as these might endanger its independence in the long term. This implies that it tends to lean somewhat toward government positions so as to avoid unwanted political attention. Perhaps supporting this reasoning, the Supreme Court engages only in judicial review of specific cases, and does not perform a general review of laws or regulations. Some scholars say that a general judicial-review process could be justified by the constitution.

The conventional view is that courts tend to treat government decisions quite leniently, although recent evidence is more mixed. In early 2018, for example, the Supreme Court ruled that some information from documents related to the government’s secret funds had to be disclosed.

Citation:

According to the constitution, Supreme Court justices are appointed by the cabinet, or in the case of the chief justice, named by the cabinet and appointed
by the emperor. However, the actual process lacks transparency. Supreme Court justices are subject to a public vote in the Lower House elections following their appointment, and to a second review after 10 years if they have not retired in the meantime. These votes are of questionable value, as voters have little information enabling them to decide whether or not to approve a given justice’s performance. In all of postwar history, no justice has ever been removed through public vote. In response to the call for more transparency, the Supreme Court has put more information on justices and their track record of decisions on its website.

Citation:
Supreme court justice national review looms on same day as Oct. 22 general election, The Mainichi, 16 October 2017, https://mainichi.jp/english/articles/20171016/p2a/00m/0na/002000c

Corruption and bribery scandals have emerged frequently in Japanese politics. These problems are deeply entrenched and are related to prevailing practices of representation and voter mobilization. Japanese politicians rely on local support networks to raise campaign funds and are expected to “deliver” to their constituencies and supporters in return. Scandals have involved politicians from most parties except for the few parties with genuine membership-based organizations (i.e., the Japanese Communist Party and the Komeito).

However, financial and office-abuse scandals involving bureaucrats have been quite rare in recent years. This may be a consequence of stricter accountability rules devised after a string of ethics-related scandals came to light in the late 1990s and early 2000s. A new criminal-justice plea-bargaining system implemented in June 2018 is expected to create additional pressure on companies to comply with anti-corruption laws.

In the past, the country has had a reputation for weak enforcement with respect to anti-bribery enforcement abroad – an issue relevant for Japan’s multinational companies. In response, Japan decided in 2017 to join the UN Convention against Transnational Crime and the UN Convention against Corruption, which have respectively existed since 2000 and 2005.

Citation:

N.N., Build public trust in the plea bargaining system (Opinion), The Japan Times, 1 June 2018, https://www.japantimes.co.jp/opinion/2018/06/01/editorials/build-public-trust-plea-bargain-system/
Governance

I. Executive Capacity

Strategic Capacity

Under the central-government reform implemented by the Koizumi government in 2001, the role of lead institutions was considerably strengthened. The unit officially in charge of “policy planning and comprehensive policy coordination on crucial and specific issues in the cabinet” is the Cabinet Office (Naikaku-fu), which assists the prime minister and his cabinet. It is supported by a well-staffed Cabinet Secretariat (Naikaku-kanbō). The Cabinet Office also coordinates a number of policy councils including the Council on Economic and Fiscal Policy. While there is a certain amount of overlap between councils concerning strategic issues, and thus the danger of fuzzy demarcations of responsibility, the councils have at least contributed to informing the governmental and public discourses in a constructive manner. While individual line ministries have strategic-planning units staffed with mid-ranking officials, their actual influence on long-term planning seems to be limited compared to the clout of bureau chiefs and more senior officials such as administrative vice-ministers. Policy-planning units tend to have very few staff members.

Citation:


The Japanese government is assisted by a large number of advisory councils. These are traditionally associated with particular ministries and agencies, with some cross-cutting councils chaired by the prime minister. Such councils are usually composed of private sector representatives, academics, journalists, former civil servants and trade unionists. The question is whether advisory
boards truly impact policymaking or whether the executive simply uses them to legitimate preconceived policy plans. The answer may well vary from case to case. In 2018, the government set up an advisory panel tasked with reexamining Japan’s defense guidelines, a move intended to expedite the process. In some instances, LDP-led governments have used outside expertise to overcome opposition to policy changes and reform. Think tanks, most of which operate on a for-profit basis, play only a limited role in terms of influencing national policymaking.

Citation:


**Interministerial Coordination**

The Cabinet Secretariat has more than 800 employees with expertise in all major policy fields. These employees are usually temporarily seconded by their ministries. While these staffers possess considerable expertise in their respective fields, it is doubtful whether they can function in an unbiased manner on issues where the institutional interests of their home organizations are concerned. Moreover, the system lacks adequate infrastructure for broader coordination (including public relations or contemporary methods of policy evaluation).

Citation:


In Japan, the role of line ministries vis-à-vis the government office is complicated by the influence of a third set of actors: entities within the governing parties. During the decades of the LDP’s postwar rule, the party’s own policymaking organ, the Policy Affairs Research Council (PARC) developed considerable influence, ultimately gaining the power to vet and approve policy proposals in all areas of government policy.

Under the current LDP-led government, Prime Minister Abe has tried successfully to make certain that he and his close confidants determine the direction of major policy proposals. The reform program does indeed show the influence of the Cabinet Office, with the ministries either following this course
or trying to drag their feet. Abe’s main instrument is the Cabinet Bureau of Personnel Affairs, which grants control over more than 600 appointments, or as many as half a dozen political appointees per ministry.

Still, ministries can try to regain former clout over their areas. For example, the METI industry ministry has become somewhat more assertive again in trying to influence industry, though it remains guided by the priorities of Abenomics.

Citation:

Government committees exist in a number of important fields in which coordination among ministries with de facto overlapping jurisdictions plays an important role. The most important is the Council for Economic and Fiscal Policy (CEFP), headed by the prime minister. However, this has never been a “ministerial committee” in a strict sense. First, it has only an advisory function. Second, individuals from the private sector – two academics and two business representatives in the current configuration – are included. This can increase the impact of such councils, but it also means they are somewhat detached from political processes.

Prime Minister Abe again strengthened the role of the CEFP and set up the Headquarters for Japan’s Economic Revitalization as a “quasi-sub-committee” of the CEFP that encompasses all state ministers. While the cabinet has to approve considerations developed in the CEFP or in the Headquarters, there is indeed a shift toward first discussing policy redirections in the committees, including discussions of basic budget guidelines.

There are currently four councils operating directly under the Cabinet Office, including CEFP and the Council for Science, Technology and Innovation.

The creation of the National Security Council in 2013 was a similar case in which interministerial coordination was intensified in the interest of asserting the prime minister’s policy priorities.

The government structure thus has become more complex, a fact that could lead to some confusion.

Citation:
The LDP-led government has worked more effectively with the bureaucracy than did the previous short-lived DPJ-led governments. In 2014, the government introduced a Cabinet Bureau of Personnel Affairs tasked with helping the prime minister make appointment decisions regarding the 600 elite bureaucrats in ministries and other major agencies. This significantly expanded the Cabinet Office’s involvement in the process and its influence over the ministerial bureaucracy, including the influence of Chief Cabinet Secretary Yoshihide Suga, who has been in office since 2012. There are more political appointees in the ministries than before, and since Abe has been premier since 2012, the average stay of such appointees has become longer, giving them greater expertise and clout in their ministries. After the Lower House election of 2017, Abe again reappointed key allies. There are growing concerns that basing the promotion of senior ministry civil servants on political considerations and personal allegiance may diminish their utility in terms of offering neutral expertise.

Citation:
Walter Sim, Japan’s new Cabinet: Key Abe allies stay on as 12 newcomers named, only one woman appointed, The Straits Times, 2 October 2018, https://www.straitstimes.com/asia/east-asia/japans-new-cabinet-key-abe-allies-stay-on-as-12-newcomers-named-only-one-woman

Informal relations and related agreements, which are very common in Japan, can facilitate coordination but may also lead to collusion. In terms of institutionalized informal coordination mechanisms in the realm of policymaking, informal meetings and debates between the ministries and the ruling party’s policy-research departments have traditionally been very important.

Informal, closed-door agreements on policy are again of considerable importance. The leadership has to navigate skillfully between the coalition partners, line ministries and their bureaucrats, and a more inquisitive public. The Chief Cabinet Secretary is a key actor in this regard. Cabinet meetings are essentially formalities, with sensitive issues informally discussed and decided beforehand. Ministries collect and make public few, if any, records of meetings between politicians and bureaucrats as they are supposed to do under the 2008 Basic Act of Reform of the National Civil Servant System.

The general trend toward greater transparency may have even strengthened the role of informality in order to avoid awkward situations. In mid-2018, an internal document produced by METI industry ministry surfaced that asked ministry officials to avoid noting who said what in minutes prepared after meetings.
Digital technologies designed for inter-ministerial coordination and broader government-to-government (G2G) services are not at the core of Japan’s e-government initiative. Rather, the focus of e-government policies is on the creation and use of e-platforms that enable citizens to interact with the various levels of government more effectively and efficiently (G2C). This approach was confirmed in the Digital Government Action Plan released in January 2018, in which G2G models do not play a prominent role.

Recent public discussion has focused on how to properly use official email services and other features such as shared folders. Quite a few civil servants, including senior ones, consider such technologies to be cumbersome. More importantly, these critics seem concerned that emails will be stored as public documents, a fact that might result the emergence of unwelcome evidence in the case of scandal, based on the requirements and disclosure rules of the Public Records and Archives Management Act and the Information Disclosure Law. Given this perspective, it is doubtful that G2G technologies will gain much momentum among senior ministry officials.

Citation:

N. N., Bureaucrats reveal that most official emails are not kept properly, The Mainichi, 15 January 2018, https://mainichi.jp/english/articles/20180115/p2a/00m/0na/017000c

Evidence-based Instruments


The process is administered by the Ministry of Internal Affairs and Communications (MIC, Administrative Evaluation Bureau), while the ministries are charged with doing their own analyses, which has led some to question the impartiality of the procedure. However, a number of evaluations
in strategically important fields have been undertaken by the MIC itself. In 2010, the ministry took over responsibility for policy evaluations of special measures concerning taxation as well as impact analyses of regulations dealing with competition issues.

The Ministry of Finance also performs a Budget Execution Review of selected issues, and the Board of Audit engages in financial audits of government accounts.

The fragmented nature of such assessments seems to indicate potentially low levels of reliability and effectiveness. Indeed, it is difficult to point to a major policy arena in which these endeavors have led to major improvements.

According to the Basic Guidelines for Implementing Policy Evaluation, revised in March 2007, the necessity, efficiency and effectiveness of measures are to be the central considerations in evaluations. However, issues of equity and priority are also to be included. The structure and content of assessments are further clarified in the Policy Evaluation Implementation Guidelines of 2005 and the Implementation Guidelines for Ex Ante Evaluation of Regulations of 2007. All of these specifications contain quite demanding tasks that must be performed as a part of the evaluations.

Critics have argued that many officials regard RIA as bothersome and lack strong incentives to take it seriously. Having RIA run by a line ministry, the MIC, instead of a powerful independent agency, does not seem to be very effective.

According to recent data, Japan scores considerably below the OECD average with regard to RIA implementation, particularly in the areas of oversight and quality control.
According to the 2001 Government Policy Evaluation Act, policy effects have to be evaluated in terms of the three criteria of necessity, efficiency and effectiveness. These terms are somewhat flexible and do not necessarily encompass sustainability concerns. Indeed, actual evaluations apply the three guiding principles only in a somewhat loose way, with few rigorous quantitative assessments. Reviews cover both pre-project as well as post-project evaluations.

Citation:
MIC (Ministry of Internal Affairs and Communication, Japan), Website on evaluation results, http://www.soumu.go.jp/menu_seisakuhyouka/kekka.html (accessed in October 2018)

Government ministries make considerable effort to evaluate their policies on an ex post basis. The Administrative Evaluation Bureau (AEB) conducts inspections, and each ministry carries out independent evaluations of the effects of its own policies. The AEB supports such activities, for instance by encouraging ministries to share methodologies and experiences. It also works to standardize and prioritize policy evaluations, and reviews ministry and agency evaluations.

In 2017, a new rule was introduced requiring regulatory enforcement ministries and agencies, which previously had primarily evaluated regulations themselves, to engage in ex post evaluation.

At this stage, it is difficult to judge the quality of the ministerial evaluation efforts, or whether such activities have indeed become a major source of information in the reformulation of policies and projects. Such evaluations do not play a significant role in public policy discussions.

Citation:
Council for Promotion of Regulatory Reform, Third Report by the Council for Promotion of Regulatory Reform - For New Era to Come, Provisional Translation, 4 June 2018

Ministry of Internal Affairs and Communications (Administrative Counseling Division), Japanese Ombudsman System, Tokyo, March 2018

Societal Consultation

LDP-led governments have traditionally engaged in societal consultation through the so-called iron triangle, that is, the dense links between parliamentarians, the ministerial bureaucracy and large companies. However, these mechanisms tended to exclude other societal actors such as trade unions. With the onset of economic problems in the 1990s, tensions within this
triangle increased, and relations over time became strained enough to indicate the effective demise of the iron triangle system at the national level.

With respect to the current LDP-Komeito coalition, the Buddhist lay association Soka Gakkai provides the bulk of support for Komeito, and has consequently gained some influence over policy matters of interest to the organization. This has been particularly evident during the ongoing debate over constitutional reform. The LDP is in favor of this reform, while Soka Gakkai and Komeito have a pacifist background, and have sought to slow down any major initiative. Abe enjoys the support of the arch-conservative Nippon Kaigi lobby group, but its influence is difficult to substantiate and possibly overrated in sensationalist media reports.

It is frequently argued that business has considerable influence on government decision-making. Substantiating such claims is difficult as there is a lack of transparent rules governing lobbying. There seems to be little scope for business-state alignment, as major firms have become global players that are decreasingly interested in or bound to the home market. One traditional mechanism of bureaucracy-business alignment, the “amakudari” system of providing bureaucrats with lucrative post-retirement jobs, has been suppressed since the 2008 reform to the National Civil Service Law.

Citation:


Policy Communication

Policy communication has always been a priority for Japanese governments. Ministries and other governmental agencies publish regular reports on their work, including white papers and other materials.

Recent discussion of Japanese government communication has been dominated by the triple disaster of March 2011, in particular by the lack of transparency and failure to deliver timely public information about the radiation risks of the nuclear accident. This experience has seriously undermined citizen trust in the government. According to the Edelman Trust Barometer, the degree to which Japan’s public trusts the government has recovered somewhat since, but according to Edelman’s 2018 survey, the share
of informed people reporting that they trusted the government has recently declined again, to 47 percent in 2017. For the public at large, this figure is only 37 percent, significantly lower than in many other countries.

LDP leaders occasionally make policy statements that are not fully in line with party positions, generally prompted by personal dissatisfaction with specific government policies. One recent example involved dissenting stances on plans to change the so-called peace clause of the constitution.

The LDP-led coalition has pushed through its policy priorities more assertively than earlier governments, while giving less consideration to dissenting opinions. However, the confirmation of its two-thirds majority in the Lower House snap elections of October 2017 reflected the electorate’s dissatisfaction with the opposition rather than approval of the LDP’s policies, particularly on the issue of constitutional change.

Citation:


Abe’s remarks on constitutional revisions inconsistent with LDP’s intraparty talks, The Mainichi, 9 May 2017, https://mainichi.jp/english/articles/20170509/p2a/00m/0na/021000c

Implementation

With respect to the government’s economic-policy goals, the period of mild deflation seems to have been overcome. However, major aspects of the economic program remain unrealized. Most critically, the announced structural reforms have not been carried out as described. Both within the labor market and beyond, the reforms implemented have been too indecisive. As a consequence, economic growth remains weak, and the 2% inflation goal remains unrealized. The volume of outstanding government debt is still the highest in the world, and plans to achieve a balanced primary budget had to be postponed until 2025.

In the area of social policy, many longer-term issues continue to linger. This includes efforts to realize the full potential of womenomics, improve income distribution, and adjust pension and other welfare policies to the ageing society.
As of the time of writing, Abe had also failed as yet to achieve his primary goal of constitutional revision. The governing coalition retained a two-thirds majority in both legislative houses in the October 2017 snap election, offering a rare window of opportunity for constitutional change. Following Abe’s election to a third and final term as LDP president in autumn 2018, he indicated plans to present concrete proposals for reform in 2019. However, the population is very divided on the issue, and the LDP’s coalition partner, Komeito, is not in full agreement on the issue. The revision of the constitution thus still remains an open issue six years into Abe’s premiership.

In terms of international relations, regional tensions have relaxed somewhat since 2016. For example, Abe and Chinese president Xi Jinping conducted a successful meeting in September 2018. Abe has skillfully established a personal rapport with U.S. President Trump, although it remains unclear whether this will translate into tangible policy results.

Citation:

Japan’s political framework formally provides the prime minister with powerful tools to control ministers. Prime ministers can appoint and fire ministers at will. Moreover, prime ministers can effectively veto specific sectoral policies. In practice, however, prime ministerial options have been more limited, as most have lacked full control over their own parties or over the powerful and entrenched bureaucracy.

Recent governments, including the current one, have sought to centralize policymaking within the core executive. Some measures have been institutional, such as giving new weight to the Cabinet Secretariat attached to the Cabinet Office and to the Council for Economic and Fiscal Policy, a cabinet committee in which the prime minister has a stronger voice. Other measures include a stronger role in top-level personnel decisions, aided by the creation of the Cabinet Bureau of Personnel Affairs in 2014. Such institutional measures have proved quite successful.

Generally speaking, the Cabinet Secretariat, upgraded over a decade ago, offers a means of monitoring ministry activities. In recent years, its personnel has expanded, improving its monitoring capacity. However, effective use of the secretariat has been hindered in the past by the fact that the ministries send specialists from their own staff to serve as secretariat employees. It de facto lacks the ability to survey all activities at all times, but the current, long-serving chief cabinet secretary is considered a decisive power in the enforcement of government-office positions.
At the same time, some critics argue that the need to handle the simmering scandals engulfing the prime minister have distracted him and his central staff from following up on major policy issues.

Citation:

Japanese ministries are traditionally run by civil servants who work in a single ministry throughout their career. Government agencies that belong to a specific ministry’s sectoral area are thus also directed by civil servants delegated from that ministry, who may return to it after a number of years. From that perspective, control of executive agencies below the ministerial level can be quite effective. This mechanism is supported by budget allocations and peer networks.

In 2001, so-called independent administrative agencies were established, following new-public-management recommendations for improving the execution of well-defined policy goals by making them the responsibility of professionally managed quasi-governmental organizations. These agencies are subject to evaluation mechanisms similar to those discussed in the section on regulatory impact assessment (RIA), based on modified legislation. In recent years, voices skeptical of this arrangement have gained ground because the effectiveness of this independent-agency mechanism has been hindered to some extent by the network effects created by close agency-ministry staffing links. In addition, the administrators in charge have typically originated from the civil service, and thus have not always possessed a managerial mindset.

Local governments – prefectures and municipalities – strongly depend on the central government. Local taxes account for less than half of local revenues and the system of vertical fiscal transfers is fairly complicated. Pressures to reduce expenditures have increased, as local budgets are increasingly tight given the aging of the population and social-policy expenses related to growing income disparities and poverty rates.

Japanese authorities are well aware of these issues. Past countermeasures have included a merger of municipalities designed to create economies of scale, and a redefinition of burdensome local-agency functions. Since 2014/15, regional vitalization special zones and special economic zones (tokku) where national regulations have been eased have served as field experiments for improved policymaking. Many observers have criticized this approach as being insufficiently bold.
The Japanese constitution guarantees local-government autonomy. However, articles 92 to 95 discussing local self-government are very short and lack specifics. The central state makes its power felt through three mechanisms in particular: control over vertical fiscal transfers, the delegation of functions that local entities are required to execute, and personnel relations between local entities and the central ministry in charge of local autonomy. Moreover, co-financing schemes for public works provide incentives to follow central-government policies.

Over the last decade, there have been a growing number of initiatives aimed at strengthening local autonomy. However, the success of the government’s regional revitalization drive remains questionable given the continuing allure of Tokyo and its surroundings. This issue is gaining in urgency as remote regions age and lose population with increasing speed.

Experiences with increasing agency autonomy in Japan have been rather underwhelming to date. A recent survey suggested that quasi-public so-called independent agencies still essentially remain dependent on the government.

Japanese government authorities put great emphasis on the existence of reasonable unitary standards for the provision of public services. The move toward decentralization makes it particularly important to raise standards for the local provision of public services. Within the central government, the Ministry of Internal Affairs and Communications is in charge of this task, which involves direct supervision, personnel transfers between central and local entities, and training activities. While a 2000 reform abolished local entities’ agency functions in a strict sense (with direct administrative supervision losing some importance as compared to legal and judicial supervision), other channels have remained important. At the local and particularly the prefectural level, there is an elaborate training system that is
linked in various ways to national-level standards. The government seeks to promote evidence-based policymaking through new data platforms, which are also meant to support local governments in the implementation of plan-do-check-adjust (PDCA) cycles.

A unified digital “My Number Card” system (based on the new social-security and tax number system) was introduced for citizens in 2015 to help authorities with providing and enforcing uniform services. It is facing sustained opposition and foot-dragging by citizens, however. In 2018, the authorities postponed plans to obtain information on personal deposit and security accounts through the system, which would have enabled them to exclude wealthy elderly people from some financial support.

Citation:
Cabinet Office, Basic Policy on Economic and Fiscal Management and Reform 2017 – Increasing productivity through investment in human resources, Overview, 9 June 2017

During the early postwar period, the operations of the so-called iron triangle between LDP politicians, the ministerial bureaucracy and big business served to promote overall economic growth, with a bias in favor of large enterprise groups. At the same time, this system ensured that policymaking was not captured by selective industry interests. Following the collapse of the bubble economy around 1990, the iron triangle declined, but a bias in favor of larger enterprises can still be noted.

In some specific policy fields, however, the role of vested interests is much more conspicuous today. A notable example is energy policy, where the relationship between bureaucrats in the industry ministry, politicians with competence in this area, and the nuclear-power industry – basically the major regional energy providers – is considered to be rather close (creating the so-called nuclear village). Another prime example is agriculture, which has received particularly favorable treatment and protection for decades as governments have sought to secure rural votes. In some fields, the government has made efforts to secure its supremacy through institutional reforms. In agriculture, for example, the Abe government curtailed the role of the once-powerful agricultural cooperatives (JA). However, the results are still mixed, for instance in light of the significant protection afforded to agricultural production still contained in recent trade agreements such as the Japan-EU FTA.
Adaptability

Japan’s reform processes are usually driven by domestic developments and interests, but international models or perceived best practices do play a role at times. Actors interested in reform have frequently appealed to international standards and trends to support their position. However, it is often doubtful whether substantial reform is truly enacted or whether Japan follows international standards in only a formal sense, with underlying informal institutional mechanisms changing much more slowly.

Japan is actively involved in G-7 and G-20 mechanisms. However, the country has a lower profile in international and global settings than might be expected in view of its global economic standing. Since Abe’s election in 2012, there has been greater continuity and international visibility, though not in terms of spearheading multilateral initiatives.

The Japanese constitution makes it difficult for Japan to engage in international missions that include the use of force, although it can contribute funds. As a result of Japan’s five-year participation in a UN peacekeeping mission in South Sudan (which ended in 2017), the government has flexibly expanded various procedures stopping just short of active military engagement, such as providing ammunition to endangered military units from partner countries. In 2015, despite considerable public opposition, new security laws were passed that allow military intervention overseas in defense of (somewhat vaguely defined) allies.

Japan has actively supported and contributed to regional initiatives. In recent years, China has emerged as an increasingly influential actor shaping regional initiatives such as the Asian Infrastructure Investment Bank (AIIB) and the Belt and Road Initiative. Partly in response, Japan has started to promote its own (smaller-scale) initiatives, the Partnership for Quality Infrastructure in 2015/16 and the Free and Open Indo-Pacific Strategy of 2016. These involve or envision cooperation with countries such as Australia, India, the United States and even China.
Japan has not played a leading role in global environmental-policy efforts, particularly in the post-Kyoto Protocol negotiations, although it should be noted that Prime Minister Abe has declared climate change to be his key agenda item for the 2019 G-20 meeting chaired by Japan.

Citation:

Tridivesh Singh Maini, Japan’s Effort to Counter China’s Silk Road, The Globalist, 6 April 2016, http://www.theglobalist.com/japan-effort-to-counter-china-silk-road-india/


Organizational Reform

Reform of the executive has been a major topic in Japan for over a decade. Under Prime Minister Abe, the LDP-led government has sought to readjust institutional arrangements by establishing and/or reinvigorating a number of councils and committees. To some extent, the Abe government has sought to bring back the strong leadership framework that characterized the government under Prime Minister Koizumi (2001-2006), for instance through a strong Cabinet Office.

The failure of the reform initiatives led by the pre-Abe DPJ governments demonstrated the difficulties of trying to transplant elements from a different political system (in this case, Westminster-style cabinet-centered policymaking) into a political environment with a tradition of parallel party-centered policy deliberation. In comparison, the post-2012 Abe-led government has been quite successful in pushing at least portions of its policy agenda through parliament. It is open to debate whether the centralization of power at the cabinet level has been the most important factor or whether the strong majority in both houses of parliament, paired with opposing political parties’ weakness, has been at least as important. The passage of the security laws in 2015 – a major success from the government’s perspective – may seem to provide evidence of more robust institutional arrangements than in earlier years. However, problems in moving the government’s economic-reform agenda decisively forward, particularly in fields such as labor-market reform, suggest that the Abe-led government too has struggled to overcome resistance to change in a number of policy areas.
II. Executive Accountability

Citizens’ Participatory Competence

A substantial amount of information about policies is available in Japan. For instance, ministries regularly use so-called white papers to explain the current parameters and content of policies in many areas, often in great detail.

However, this does not necessarily mean that citizens feel satisfied with the information available or consider it trustworthy. According to the Edelman Trust Barometer, trust in government reached a low point after the 3/11 disasters. While it has recovered somewhat since, only 37% of the overall population in 2018 said they trusted the government.

Citation:

E-government issues, particularly services aimed at making public information available to citizens in a secure and timely manner, have been on the government agenda since the 2000s. Current efforts are based on the Basic Plan for the Advancement of Utilizing Public and Private Sector Data and the Policy for Open Data, both released in May 2017. The various branches of government make an overwhelming amount of statistics, data and reports available, with coordinated access through sites like e-Gov, Data.go.jp and e-Stat. However, ensuring transparency, usability and security remains an ongoing challenge.

Citation:


Legislative Actors’ Resources

Parliamentarians have substantial resources at their disposal to independently assess policy proposals. Every member of parliament can employ one policy secretary and two public secretaries paid through an annual fund totaling JPY 20 million (about €155,000). However, in many cases these secretaries are
primarily used for the purposes of representation at home and in Tokyo. Both houses of parliament have access to a 560-staff-member Research Bureau tasked with supporting committee work and helping in drafting bills. A separate Legislative Bureau for both houses, with around 160 staff members, assists in drafting members’ bills and amendments. The National Diet Library is the country’s premier library, with parliamentary support among its primary objectives. It has a Research and Legislative Reference Bureau with over 190 staff members whose tasks include research and reference services based on requests by policymakers and on topics of more general interest such as decentralization. For such research projects, the library research staff collaborates with Japanese and foreign scholars.

Notably, the substantial available resources are not used in an optimal way for purposes of policymaking and monitoring. The Japanese Diet tends toward being an arena parliament, with little legislative work taking place at the committee level. Bills are traditionally prepared inside the parties with support from the national bureaucracy. Ruling parties can rely on bureaucrats to provide input and information, while opposition parties can at least obtain policy-relevant information from the national bureaucracy.

Citation:


Government documents can be obtained at the discretion of legislative committees. There are typically no problems in obtaining such papers in a timely manner.

Committees may request the attendance of the prime minister, ministers and lower-ranking top ministry personnel, such as senior vice-ministers, among others.

Under Article 62 of the constitution, the Diet and its committees can summon witnesses, including experts. Summoned witnesses have the duty to appear before parliament. The opposition can also ask for witnesses to be called, and under normal circumstances such requests are granted by the government. However, the use of expert testimony in parliamentary committees is not widespread; experts, academic and otherwise, are relied upon more frequently within the context of government advisory committees, in particular at the ministry level.
The Diet’s standing committees (17 in both chambers) closely correspond to the sectoral responsibility of the government’s major ministries. The portfolios of the ministers of state cover special task areas and are in some cases mirrored by special committees (e.g., consumer affairs). Special committees can and have been set up to deal with current (or recurring) issues. In the Lower House, there are currently nine such committees, for example on the issue of regional revitalization.

Citation:
The House of Representatives, Japan, Types of Committees, n.d.

Media

The Japanese media system is dominated by five major TV networks, including public broadcaster NHK, plus a handful of major national newspapers. These publications are widely read, though their circulation is declining, and provide information in a sober style. However, because of their close personal links to political figures, which finds its institutionalized expression in the journalist club system, these newspapers rarely expose major scandals. Nonetheless, their editorials can be quite critical of government policy. Investigative journalism is typically undertaken by weekly or monthly publications. While some of these are of high quality, others are more sensationalist in character. Another source for exposing scandals is the international press.

Personnel changes at NHK after the Abe-led government took power produced a leadership that openly declared its intention to steer a pro-government course. The government’s assertive approach has also been evident in other media areas. In terms of public trust in the media, Japan holds a middling rank in international comparison according to the Reuters Institute for the Study of Journalism’s Digital News Report 2018. However, in the 2018 Edelman Trust Barometer it received the third-lowest rank among 28 reviewed countries.

In part as a reflection of these trends, new social media such as YouTube, Line, Twitter and Facebook, along with the news channels based on them, have gained a considerable following. This also holds true for new online publications such as BuzzFeed Japan and Huffington Post. However, while their impact on the overall quality of information is unclear, they do seem to be contributing to the emergence of so-called partisan media in Japan.

Citation:
Tomohiro Osaki, Academics, TV journalists slam minister’s threat against ‘biased’ programming, fear
Parties and Interest Associations

Generally speaking, parties in Japan are fairly insider-oriented, with policy and personnel decisions driven by leading politicians and their networks.

Japan’s strongest party is the LDP (holding 61% of Lower House seats after the 2017 election). No stable second major party currently exists. While the Democratic Party (DP) once seemed a possible contender, it suffered another major blow before the 2017 election, when many of its Lower House members formed the Constitutional Democratic Party (CDP, 12%), an entity primarily devoted to opposing changes to the existing constitution, while others entered the newly formed conservative Party of Hope (11%). This latter party and the DP regrouped as the Democratic Party for the People in May 2018, but not all DP or Party of Hope parliamentarians have joined the new party.

The LDP has traditionally revolved around individual politicians, their personal local-level support organizations and the intraparty factions built by key party leaders. Local party chapters may play decisive roles in choosing a parliamentary candidate if there is no “natural” successor to the former incumbent. Ordinary party-member involvement is usually limited to membership in a local-level support organization for a politician and is mainly (but not solely) based on mutual material interests: While members want tangible support for their communities, politicians want secure “vote banks” for (re-)election.

The LDP has become more centralized in recent years, with the influence of factions declining. Party congresses offer little real opportunity for policy input by delegates. However, delegates from regional party branches have participated in party leader elections since the early 2000s, with some branches basing their eventual choice on the outcome of local primaries. While the LDP
has also paid some lip service to increased intra-party democracy, it has shied away from major internal reforms.

Party politics before and after the 2017 Lower House election showed that major strategic decisions in some of the newer opposition parties are made more or less autonomously by individual party leaders.

Citation:

Aurelia George Mulgan, Where is Japan’s party system headed?, East Asia Forum, 10 October 2017, http://www.eastasiaforum.org/2017/10/10/where-is-japans-party-system-headed/

Tetsuya Kageyama, Democratic Party for the People launched with little sense of excitement, 8 May 2018, https://mainichi.jp/english/articles/20180508/p2a/00m/0na/014000c

Japan’s leading business and labor organizations regularly prepare topical policy proposals aimed at stirring public debate and influencing government policymaking. The three umbrella business federations – Keidanren, the Japan Association of Corporate Executives (Doyukai), and the Japanese Chamber of Industry and Commerce (Nissho) – as well as Rengo, the leading trade-union federation, try to impact policy by publishing policy papers and participating in government advisory committees. As the business sector’s financial support of political parties has declined and major companies have globalized their operations, politicians may have become less willing to accommodate the views of these interest groups.

While there is an obvious scramble for influence between Rengo and the business organizations, there is also a notable degree of competition among the business organizations themselves. For instance, Keidanren is dominated by large enterprise groups, and has been somewhat slow in demanding a further opening of the economy. The Doyukai is more characterized by strong independent companies, and has been outspokent in demanding a more open business environment.

Keidanren’s resumption of its commitment to support donations to the LDP beginning in 2014 has prompted concerns that it may be too close to the government. In 2018, Keidanren proposed scrapping the guidelines governing the recruitment of new university graduates, with several ministers ultimately expressing support.

Citation:
N.N., On 70th anniversary, top business lobby looks at what distance to keep from politics, The Mainichi, 31 May 2017, https://mainichi.jp/english/articles/20170531/p2a/00m/0na/021000c
Civil society organizations with a public-policy focus are rare in Japan. The Non-Profit Organization Law of 1998 made the incorporation of such associations easier but many bureaucratic and financial challenges remain. With few exceptions, such organizations in Japan have limited depth and breadth. Japan has only a few well-resourced public-policy-oriented think tanks. Some non-profit organizations are used by the government bureaucracy as auxiliary mechanisms in areas where it cannot or does not want to become directly involved.

Following the 3/11 disasters, and more recently in the context of the controversy over the government’s security-law extension, civil society groups have taken an increased role in expressing public concerns and organizing mass rallies. High levels of engagement on the part of activists notwithstanding, it is difficult for such actors to create professionally operating, sustainable organizations. As a case in point, the Students Emergency Action for Liberal Democracy (SEALDs) group gained considerable attention during the 2014/15 protests against a reinterpretation of the constitution’s so-called peace clause, but has since disbanded.

Citation:

N. N., After creating new waves in Japan’s civil movement, SEALDs dissolved, The Mainichi, 15 August 2016, http://mainichi.jp/english/articles/20160815/p2a/00m/0na/025000c

Independent Supervisory Bodies

The Board of Audit of Japan is considered to be independent of the executive, legislative and judiciary. Its yearly reports to the cabinet are forwarded to the Diet along with the cabinet’s own financial statements. The board is free to direct its own activities but parliament can request audits on special topics. The Board is also able to present opinions, reports and recommendations in between its annual audit reports. In these reports, the board frequently criticizes improper expenditures or inefficiencies, fulfilling its independent watchdog function.

In the case of the Moritomo Gakuen scandal, a deal involving the transfer of state-owned land in which the prime minister himself and his wife have been
implicated, the board submitted an interim report to the Diet in June 2018. This contained very serious allegations of misconduct in the Ministry of Finance.

Citation:


While there is no national-level (parliamentary) ombuds office as such, both houses of parliament handle petitions received through their committees on audit and administrative oversight. Citizens and organized groups also frequently submit petitions to individual parliamentarians.

An important petition mechanism is located in the Administrative Evaluation Bureau of the Ministry of Internal Affairs and Communications. The bureau runs an administrative counseling service with around 50 local field offices that can handle public complaints, with some 220 civil servants engaged in administrative counseling. In 2017, about 156,000 cases were addressed through this administrative counselling function. About 5,000 volunteer administrative counselors serve as go-betweens. A related mechanism is the Administrative Grievance Resolution Promotion Council, which includes non-governmental experts.

Citation:
Administrative Evaluation Bureau, News from Japan, accessed in November 2018 from Asian Ombudsman Association website http://asianombudsman.com/

Pursuant to the terms of the recently amended and now fully effective Act on the Protection of Personal Information, a Personal Information Protection Commission (PPC) was established in January 2016. The commission is a cross-sectoral, independent government body oversees the implementation of the act. Its chairperson and commissioners are appointed by the prime minister with the consent of both chambers of parliament. It is too early to judge whether this commission will in fact be able to maintain independence from the government, and whether it will be effective. The current public discussion is still dominated by the difficulties of how to implement the act under complex real-world conditions.
Citation:

N.N., A step toward the restoration of privacy (Editorial), The Japan Times, 30 May 2018, https://www.japantimes.co.jp/opinion/2018/05/30/editorials/step-toward-restoration-privacy/
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