Japan Report
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Sustainable Governance Indicators 2020
Executive Summary

Despite a rapidly aging population and alarmingly high levels of public debt, Japan remains one of the world’s leading economies. Its per capita economic growth rate is in line with that of the United States or the European Union. 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 some 40% of the labor force in non-regular employment.

Since gaining power in late 2012, the Abe government has pursued two major policy goals, seeking to achieve a robust economic upturn and effect the first-ever change to Japan’s postwar constitution. The initial economic-stimulus program of 2013 (“Abenomics”) included an aggressive course of monetary easing and additional deficit spending. The short-term effects of the unprecedented policy gamble were positive, but consumption and investment levels have remained anemic, leading to a weak but prolonged recovery. Deflation has given way to mild inflation without producing a definitive upswing. Monetary easing seems to have reached its limits. Key factors behind the stimulus measures’ no more than moderate impact include the lack of serious structural reforms and the population’s limited purchasing power.

Since 2015, the policy focus on strengthening the economy, expanding childcare and improving the social security program has further deflected attention from structural reforms. Meanwhile, old-age poverty and the instability of jobs, especially among young people, remain pressing issues. In late 2019, Abe became Japan’s longest-serving prime minister, and is now in his third (and officially last) term as LDP president. There is thus little time left to secure a lasting legacy. The cabinet reshuffle of September 2019 telegraphed a certain coming emphasis on social-policy reform, including overdue changes to the pension system.

Constitutional reform, the government’s second major priority, remains unpopular. In the 2019 upper house election, the LDP-led coalition lost its two-thirds majority (although it retains this supermajority in the lower house). To effect constitutional change, Abe needs two-thirds support in both chambers, as well as a positive outcome in a subsequent referendum. This will be difficult to achieve; indeed, the best Abe can hope for is a modest revision
of the constitution that at least formalizes the legal status of Japan’s military, the Self-Defense Forces.

The LDP-led government has steered from the center. However, some observers have expressed concerns that tightening the political reins has negatively affected the neutrality and professionalism of the state bureaucracy. The courts and the media as yet remain unable to provide effective checks on the government. While high-level courts have become somewhat more restless, social-media criticism of the government has grown in intensity. Civil society organizations have also become somewhat more active. However, these developments have to date had quite limited impact on public policy. Concerns about press freedom and civil liberties have been mounting. The governing coalition’s parliamentary strength severely impedes the opposition’s capacity to exercise effective oversight. Decreasing voter turnout rates signal indicate that alternative party options lack appeal. A traditional bulwark of liberal democracy in East Asia, Japan has become overshadowed in this regard by Taiwan and perhaps even South Korea.

Faced with an assertive China and a United States turning its attentions inward, Japan has again become more active internationally. For instance, after the withdrawal of the United States, Japan was instrumental to the achievement of a trans-Pacific free-trade agreement. At least on a superficial level, relations with China have become somewhat less strained, while Japan has also signed a free-trade agreement with the European Union, paving the way for closer strategic relations. Seeing itself as a defender of a free and rules-based multilateral order, Japan has also actively supported multilateral mechanisms and initiatives at the global and regional levels in recent years.

Citation:

Key Challenges

Serious structural reforms are needed in order to restore vigor and momentum to Japan’s economy. Vital policy objectives in this regard include a reduction in protections and restrictions within the agricultural sector, liberalization of the labor-market regime, the provision of effective and results-oriented support for well-educated women, liberalization of the immigration regime (paired with corresponding integration policies), energy-policy enhancements, and better-targeted social policies. Some progress has already been made in these areas, for instance with regard to a program inviting more foreign workers to Japan. However, other developments have moved in the wrong direction. Given that Prime Minister Abe famously vowed to “let women shine,” it is embarrassing that the cabinet appointed in late 2019 included only two women.

Overall, the Abe government, which has held power since 2012, has not whole-heartedly pursued structural reforms. It is thus not surprising that the population is overall among the most pessimistic in the OECD world. The prime minister himself has been ensnared in two major scandals in recent times. Notably, the electoral success of the LDP-led government derives less from its own popularity and performance levels than from the calamitous state of the opposition, a condition that is bound to change at some point.

As the review period closed, a global recession already appeared to be underway, with the U.S.-China trade conflict as a major driver. This may not seem the best time for a decisive reform agenda. However, if country is exposed to the pressure of a global economic cooling, possibly including financial turmoil, this could in fact provide a rare opportunity to push through a far-ranging reform agenda. Providing the groundwork for such a sea-changing policy reorientation could become Abe’s most valuable legacy.

Should Japan’s domestic economy be seriously impacted by a global economic downturn, appropriate macroeconomic policies will have to be implemented. Given the country’s already ultra-low interest rates, monetary policy can play only a supportive role in this regard. A fiscal response will instead have to be the instrument of choice, despite the country’s record-high levels of public debt. It will thus be important to create a convincing narrative legitimizing further fiscal expansion. For example, this could be led by a forceful effort to rebuild the energy system in line with the Paris goals, or a major infrastructure initiative intended to exploit the full potential of digital and artificial
intelligence (AI) solutions within and across borders.

Continuing opposition to restarting nuclear reactors on the part of the public, regional governments and even courts should lead the government to strive for a more acceptable and effective energy policy in line with the 2015 Paris Agreement. Some rethinking in this regard seems underway in government circles, which is to be welcomed.

If the economy does not recover, 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 and its more unconventional tech and startup companies.

Moves toward constitutional change will have a negative impact on Japan’s foreign relations, particularly within the region. The limited degree of popular support for this policy direction also indicates that little can be gained in substantive terms by the quest for constitutional reform. The government will also need 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. Relations with South Korea are worse than they have been for many years, or possibly even decades, though the two democracies are natural partners that share many challenges. Common strategic interests should guide their forward-looking relations.

In its pursuit of a liberal rules-based multilateral system, Japan needs reliable allies. In this respect, the EU, Australia, Canada, India, New Zealand, some Latin American countries and, indeed, South Korea appear to be suitable partners with similar values and interests. The country’s policymakers should thus seek to build on the progress achieved over the past few years, including the 2019 Strategic Partnership Agreement with the EU. Japan should be consistent when cooperating with its multilateral partners, seeking to act as a model of international collaboration. This should include credible action in pursuit of its Paris climate commitments, and an end to any circumvention of generally accepted rules such as the ban on whaling.

Japan’s parliament does not currently provide effective governmental checks and balances. Parliamentarians need to make better use of their resources to develop alternative legislative initiatives. Courts, the media (including social media) and civil society movements should also seek to improve their capacities to monitor and provide checks on the government. The government
itself should not view media criticism as an obstacle to the fulfillment of its ambitions, but rather as a necessary corrective. Such a perspective would also help Japan’s image as a multilateral leader pursuing liberal, rule-based and democratic values.

The search for country-level solutions should be combined with policy experiments on a more fine-grained level. The special economic zones or so-called regulatory sandbox schemes introduced in recent years are welcome steps in this regard, but the strategy could be both bolder and broader.

Party Polarization

Given the demise of the Japan Socialist Party in the 1990s and 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 recent rival, the Democratic Party of Japan, have been “big-tent parties,” with personal allegiances to individual leaders and intra-party factions playing a bigger role than policy-related differences in terms of structuring intra-party competition.

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 coalition’s loss of its prior two-thirds majority in the 2019 upper house elections, the ambivalent position of its coalition partner Komeito, and the additional hurdle of a referendum following 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, lasting 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 2018 was only 0.8% according to the IMF, down from 1.9% in 2017.

The policy goals of a 2% annual inflation rate and concomitant increases in inflation expectations remain elusive. The core annual inflation rate, excluding fresh food, stood at only 0.3% in September 2019. In mid-2019, the Bank of Japan trimmed its 2020 inflation target and hinted that it would not hesitate to take additional easing measures if the economic situation worsened. This signaled that existing measures were not considered sufficient, particularly if a global recession were to emerge.

Despite consistent government and central-bank activity, and despite the presence of significant corporate cash holdings deriving from retained profits, consumption and domestic investment rates remain sluggish. Compensating for the negative effects of an aging and shrinking workforce has proven to be extremely challenging. The initiation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the free-trade agreement with the EU in 2019, as well as the preparations for the 2020 Tokyo Olympic Games, may be interpreted as positive signals. However, the China-U.S. trade conflict and the increasing likelihood of a global recession are casting a shadow over future growth prospects.

Citation:
longest-growth-run-16-years-may-not-guarantee-future-prosperity/

IMF: World Economic Outlook, October 2019


Labor Markets

Japan’s unemployment rate reached a 26-year-low of 2.2% in July 2019 (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 to higher-quality jobs. Most economists argue that the conditions for paying and dismissing regular employees have to be liberalized to diminish the gap between the two types of employment.

Unemployment insurance payments are available only for short periods. In combination with the associated social stigma, this has kept 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 changed in 2018. Among its provisions, the allowed quantity of overtime work, a serious problem in Japan, was limited to 100 hours per month. At the same time, work-hour limitations and overtime payments for highly paid professionals have been removed. The law also addresses the wage gap between regular and non-regular work (“equal pay for equal work”). However, a number of structural issues have not yet been fully addressed. In December 2018, the OECD published a report in which it
recommended further improvements in job quality and reforms to the mandatory retirement age.

The government has sought to increase the role played by women in the economy while additionally boosting the national birth rate. These two goals have proven difficult to achieve in parallel.

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
OECD: Working Better with Age: Japan, 20 December 2018

Taxes

Generally speaking, Japan has a reasonably fair tax system that has helped the government to finance expenditures and allowed the corporate sector to thrive. Following the international trend of declining corporate-tax rates, Japan’s government cut its corporate-tax rate (calculated as the statutory national rate plus the local rate) over several years from 35% to 29.7% in April 2018. The fact that authorities followed up on their initial promise to lower corporate-tax rates despite the country’s tight fiscal situation provides a positive signal. However, only around 30% of Japanese firms actually pay corporate tax, with the remainder exempted due to poor performance.

Increasing the comparatively low consumption-tax rate is an important factor in easing budgetary stress, particularly given the huge public debt and the challenges presented by an aging population. The government raised the consumption-tax rate from 5% to 8% in April 2014, and after several deferrals, increased it further to 10% in October 2019. While this displayed the government’s willingness to tackle difficult issues, the rate change has not significantly improved the country’s fiscal situation.

The OECD has recommended that the country’s energy-related taxes be increased both for environmental and fiscal reasons. Apart from a fairly low “global warming tax,” imposed since late 2012 on the consumption of fossil fuels such as petroleum, natural gas and coal, fostering environmental sustainability does not figure as a prominent consideration in Japan’s tax system.

Japan’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.
Budgets

Gross public indebtedness in Japan amounted to about 240% of GDP in 2018, the highest such level among advanced economies. The primary balance continued to show a significant deficit of about 3.8% in 2018, although with a declining tendency. If a serious global recession were to emerge, these numbers could rise again. In 2018, the government shifted back its goal of achieving a balanced primary budget to 2025, but it was unclear how this was to be achieved.

Nominal interest rates remain low, partly due to 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 – 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 could lead to short-term liquidity shortages with regard to the availability of Japanese
government bonds (JGBs). This could 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 public indebtedness in global comparison, along with the imminent risk of a global recession, Japan’s fiscal sustainability looks extremely fragile.

- 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 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 to Japan’s security. A new high-priority project launched in 2019 (“Moonshot”) is meant to help solve some of the major applied-sciences-related problems such as carbon emissions. A total of JPY 100 billion (about €840 million, based on September 2019 exchange rates) have been earmarked for the initiative.

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, an issue that the current Basic Plan takes seriously and tries to address.
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. The 2019 G-20 summit in Osaka was not used by Japan to promote major new policies relating to global financial markets.

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 has for now elected not to join the last of these three. Still, Japan developed its own “Partnership for Quality Infrastructure” in the 2015 – 2016 period, has worked on a so-called Quad alliance with the United States, Australia and India that also covers infrastructure investment, and helped drive the passage of the G-20 Principles for Quality Infrastructure Investment in Osaka.

In sum, Japan is primarily a follower rather than a leader with regard to global and regional (financial) initiatives, despite the pressing urgency of the issues.

Citation:

Werner Pascha, The new dynamics of multilateral cooperation mechanisms in East Asia – China’s Belt and Road Initiative, the Asian Infrastructure Investment Bank, and Japan’s Partnership for Quality Infrastructure, in: Yuan Li and Markus Taube (Eds.) How China’s Silk Road Initiative is Changing the Global Economic Landscape, London and New York: Routledge 2020
II. Social Policies

Education

Japan’s education system, long considered one of the country’s particular strengths, 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 on improving students’ English-language skills. While the number of students studying abroad has declined for a number of years, this trend seems to have halted recently.

The government is actively promoting reforms. In the context of the Third Basic Plan for the Promotion of Education (2018 – 2022), which stresses the development of creativity, policymakers announced in May 2019 that the general curriculum taught at schools would be revamped. A government panel in June 2019 proposed the inclusion of more digital, tech-based elements in the education system.

Another issue is rising income inequality at a time of economic stagnation. Measures providing free early-childhood education and free higher education, as well as additional policies related to the country’s expensive private high schools, have to be implemented.

In terms of efficiency, the ubiquity of private cram schools indicates that the ordinary education system is failing to deliver the desired results. However, 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 have been disappointing in recent years. In the Times Higher Education 2020 World University Rankings, only two Japanese universities of (Tokyo and Kyoto; down from five in the year before) made it into the global top 200. However, this ranking seems to underrate the country’s university system.

Citation:
OECD, Education Policy in Japan: Building Bridges Towards 2030, Paris 2018


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. The country now ranks in the bottom half of the OECD with respect to its poverty rate, income distribution measured by the Gini coefficient, and levels of life satisfaction. Moreover, the World Economic Forum’s Global Gender Gap Report 2018 ranks Japan at a dismal 110th place out of 149 countries in terms of the social inclusion of women.

The LDP-led government has placed a relatively strong focus on social-inclusion issues since 2016, addressing wide-ranging target groups such as people with disabilities and the elderly. While 2% of private sector jobs are to be provided to people with disabilities, the actual share sometimes seems to be overreported. The large population of socially withdrawn people (hikikomori), which may exceed 1 million people according to 2019 estimates, constitutes a major problem. Many of these individuals are adolescents who are not well integrated in the education and employment systems, but the problem has also spread to middle-aged people.

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


Measures needed to address social recluse problem (Opinion), The Japan Times, 5 April 2019, https://www.japantimes.co.jp/opinion/2019/04/05/editorials/measures-needed-address-social-recluse-problem/

Health

Japan has a universal healthcare system. Life expectancies are among the top three in the world for women (87 years at birth) and for men (81 years). In the Bloomberg Healthiest Country Index, Japan was ranked at fourth place in
2019. 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 healthcare system, in combination with traditionally healthy eating and behavioral habits, delivers good quality.

Challenges for the healthcare system include the needs to contain costs, enhance quality and address imbalances. The national health insurance program continues to show a structural deficit despite additional fiscal support provided in a 2018 reform package.

Although spending levels are relatively low by international standards, Japan’s population has reasonably good healthcare access due to the comprehensive National Healthcare Insurance program. A 2019 OECD review on public health in Japan reaches a positive verdict on Japan’s primary strategy, Health Japan 21, but points to further room for improved focus and coordination.

Citation:

OECD, OECD Reviews of Public Health: Japan, Paris 2019


Families

According to OECD statistics, Japan has one of the group’s highest gender gaps with respect to median incomes earned by full-time employees. While the labor-force participation rate among women aged 15 to 64 increased to 71% in February 2019, 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 (so-called womenomics). For example, it has made efforts to expand the provision of childcare in order to improve conditions for working mothers. Efforts to abolish kindergarten waiting lists have made some progress, as the day care capacity has expanded from 2.2 million in 2012 to 2.8 million in 2018. The ratio of fathers taking paternity leave has also
Increased significantly, from around 2% (2012) to 5% (2017), but this number is still low, and many fathers take only a few days leave.

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 out of reach, as, for example, the total number of marriages shrank from 621,000 to 586,000 between 2016 and 2018.

Questions remain as to whether the government is 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:
Kathy Matsui et al., Womenomics 5.0, Goldman Sachs, Portfolio Strategy Research, 18 April 2019

Pensions

Given the rapid aging of the population, Japan’s pension system faces critical challenges. Already, more than 28% of the population is older than 65. The last major overhaul of the pension system occurred in 2006. Under its provisions, the value of future pension disbursements would rise less than inflation, payments would eventually commence at age 65 instead of 60, contributions would top out at 18.3% of income, and a payout ratio of 50% was promised. The program’s assumed relationship between future payment levels, contributions and the starting age for receiving benefits was based on optimistic macroeconomic forecasts, but so far only minor revisions have taken place.

In mid-2019, a report by the Financial Services Agency highlighted a potential average income savings gap of JPY 20 million (about €170,000 at September 2019 exchange rates) for a couple with each member living to the age of 95. Finance Minister Aso refused to endorse the report, claiming “misunderstandings.” Later that year, the government announced the creation of a new council on social security issues that will consider major reforms. One possible measure may entail shifting the age at which public pensions begin to be disbursed further, from 60 to 70, as proposed by an advisory panel to the finance minister in April 2019. Another pressing issue is Japan’s high old-age poverty rate of 19% (OECD average: 12.5%).
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. Japanese corporate pension funds are following this trend, with their exposure to domestic government bonds dropping to 18.3% by March 2019. 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.

Citation:


Govt to launch new social security council, The Japan News, 7 September 2019


Integration

In spite of its aging and shrinking population – 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 maintains a fairly restrictive immigration policy. Despite a record number of legal foreign residents, reaching a total of 2.73 million at the end of 2018, only 2% of the workforce is foreign-born.

Bilateral economic-partnership pacts have allowed Filipino and Indonesian nurses and caregivers to enter Japan on a temporary basis since 2008. Efforts to attract more foreign workers have been piecemeal. For example, the LDP-led government has relaxed some immigration restrictions with the aim of attracting highly skilled foreign professionals. And in mid-2018, Prime Minister Abe announced plans to allow about 70,000 workers into Japan annually through 2025, for an overall total of about 500,000. In April 2019, two new temporary visa categories were added, covering low-skilled and semi-skilled workers in certain industries facing labor shortages. Finally, in mid-2019, a law was passed to systematically promote Japanese-language education for foreigners.
The Japanese government still appears reluctant to embrace a full-fledged immigration policy, and is cautious of rhetoric pointing in this direction. The nationalistic viewpoints held by many LDP lawmakers pose a particular challenge in this regard. Nevertheless, while the new measures cannot be regarded as a comprehensive package, there has been very substantial progress in facilitating an increased inflow of valuable foreign workers.

Citation:


Arnab Dasgupta, Japan’s Immigration Policy: Turned Corner or Cul-de-Sac?, The Diplomat, 21 February 2019, https://thediplomat.com/2019/02/japans-immigration-policy-turned-corner-or-cul-de-sac/


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 2019. In 2019 Tokyo was again ranked by the Economist Intelligence Unit as the world’s safest (major) city, with Osaka ranking at third place.

Terrorism also poses no major discernible threat today. Nevertheless, ahead of the Tokyo 2020 Olympics, parliament passed an “anti-conspiracy bill” in 2017 that considerably expanded police power. This has been strongly criticized for curbing civil liberties.

Another issue is the existence of organized gangs, the so-called yakuza. These groups have moved into fraud and white-collar crimes. However, their numbers have sharply declined, from around 90,000 in the early 1990s to 30,500 at the end of 2018. Aside from police efforts, low unemployment levels have played a major role in reducing the incentive, or felt need, to join a gang.
Global Inequalities

The total amount of official development assistance (ODA) provided by Japan in fiscal year 2018 – 2019 increased to JPY 1.49 trillion (about €12.6 billion, based on September 2019 exchange rates), a smaller growth rate than had been seen in previous years. The country was the fourth-largest such donor (in U.S. dollar terms) among OECD countries in 2017. The quality of ODA has improved in recent years, but assistance has been increasingly aligned with Japan’s broader external-security concerns, a trend which can be criticized 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 purposes; 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 Japanese ODA priority, with strong geostrategic roots, is infrastructure development. The concept of a “Free and Open Indo-Pacific” has gained further traction, with the Trump administration also showing interest, although with a less pronounced economic focus than is the case in Japan. Japan has shown active interest in development cooperation with Africa, underlined by the 2019 meeting of the Tokyo International Conference on African Development (TICAD).

The government used the 2019 G-20 Summit in Japan to support major initiatives aimed at achieving the UN Sustainable Development Goals.

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.
III. Environmental Policies

Environment

Japan used to be a global leader in terms of effective anti-pollution policy and energy conservation. More recently, however, the government has faced the top-priority challenge of adjusting its domestic energy mix in the wake of the triple 3/11 disaster. While the official vision of the government is to create a “circular and ecological economy,” a goal that necessarily touches on various public-policy domains, environmental concerns have taken a back seat in terms of energy policy. The government has reiterated that nuclear power will remain an important part of the country’s energy mix well into the future. All 48 nuclear-power reactors were shut down between 2011 and 2012. In mid-2019, nine reactors meeting new, stricter standards had resumed operations. Opposition has made it difficult to restart more. The environment minister appointed in September 2019, Shinjiro Koizumi, has even hinted that he wants to explore a means of scrapping all nuclear reactors.

According to the 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. This is ambitious, and will be hard to achieve if many nuclear reactors remain shut down. Given the uncertainty, ideas for phasing out coal-based power plants have thus far not been approved.

Japan has a severe plastics problem. According to a 2018 UN report, Japan is the world’s second-largest consumer of single-use plastic packaging per person, trailing only the United States. It is also the world’s second-largest exporter of plastic waste. While the government supports the development of more plastics recycling facilities, as well as research into biodegradable plastic and its applications, its 2030 target for a 25% reduction in single-use plastics is relatively unambitious compared to EU plans, for example.
Japan has made great progress in recent decades with regard to waste-water management. The country today has one of the world’s highest-quality tap-water systems, for example. Japan also has a proactive forestry policy. The 2018 Forest Management Law promotes the commercialization of forestry, which may create some tension with wider societal and environmental objectives. Japan’s biodiversity is not particularly rich compared with other Asian countries, but the government has in recent years taken a more proactive stance under its National Biodiversity Strategy.

Citation:


Helmut Weidner, Ups and Downs in Environmental Policy: Japan and Germany in Comparison, in: L. Mez et al. (eds.), The Ecological Modernization Capacity of Japan and Germany, Springer 2020, pp. 25–40

Global Environmental Protection

For many years, international climate policy profited considerably from Japanese commitment to the process, with the Kyoto Protocol of 1997 serving as the most visible evidence. Ever since, however, Japan has assumed a more passive role, though major Japanese cities such as Tokyo, Kyoto and Yokohama have shown substantial commitment to the elimination of carbon emissions. 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 reaffirms the goal of a 26% reduction in carbon emissions by 2030, which is at the lower end for OECD countries. In its 2019 Economic Survey of Japan, the OECD criticized Japan’s climate policy as not forceful enough to reach the Paris goals. In June 2019, cabinet approved a plan
to reduce greenhouse emissions to zero during the second half of the 21st century.

Japan put climate change high on the agenda of the 2019 G-20 summit in Japan. However, due to U.S. opposition, little was actually accomplished. However, one notable success was the approval of the Osaka Blue Ocean Vision, aimed in particular at tackling plastic waste.

With respect to multilaterally organized conservation issues, Japan is known for its resistance to giving up whaling. Commercial whaling was resumed in mid-2019.

Japan supports numerous international environmental-protection programs by contributing funds and making advanced technologies available, with significant emphasis on the UN Sustainable Development Goals. Through the Asian Development Bank, the Japanese government helped raised nearly $30 billion between 2011 and 2018 for projects supporting green growth. Over the past decade, Japanese overseas development assistance has also put a strong focus on projects addressing energy efficiency and greenhouse-gas emissions.

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

OECD Economic Survey Japan, May 2019, Paris

Eric Johnston, G20 world leaders agree on some issues, but significant gaps remain following Osaka summit, The Japan Times, 30 June 2019, https://www.japantimes.co.jp/news/2019/06/30/national/g20-world-leaders-agree-issues-significant-gaps-remain-following-osaka-summit/

Robin Harding, Japan restarts commercial whaling after 31 years, Financial Times, 2 July 2019, https://www.ft.com/content/1c128f4e-9bd3-11e9-9c06-a4640c9feebb

Leslie Hook, Japan dilutes G20 climate pledge in push to win US trade favours, Financial Times, 19 September 2019, https://www.ft.com/content/65c7501c-9692-11e9-8cfb-30c211dcd229

Elliot Silverberg and Elizabeth Smith, Does Japan have a global environmental strategy?, Japan Times, 12 November 2019, https://www.japantimes.co.jp/opinion/2019/11/12/commentary/japan-commentary/japan-global-environmental-strategy/#.Xe9tpvlKiUk
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 or upper house of parliament have to pay a deposit of JPY 3 million (around €25,000, plus a deposit of JPY 6 million if also running on the party list). This deposit is returned if certain conditions are met in terms of vote shares received (individual candidates) or the number of seats won (party list). 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. Since 2013 the law has allowed the use of social media such as Twitter in electoral campaigning as well as more liberal use of banner advertisements. The use of such campaign-communications tools has varied among parties and candidates. Regulations are in place to prevent abuses such as the use of false online identities.

Citation:
Diet OKs Bill To Allow Online Election Campaign, Nikkei.com, 19 April 2013
Doug Tsuruoka, Asia ahead of US in passing laws against social media abuse, Asia Times, Bangkok, 1
The Japanese constitution grants universal adult suffrage to all Japanese citizens. The voting age is 18. 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.

One long-standing issue concerns the relative size of electoral districts as rural districts contain far fewer voters than urban areas. In June 2017 the lower house electoral system was amended to reduce the maximum vote-weight disparity to 1.99 to 1, just under the 2:1 threshold set by the Supreme Court and confirmed in a December 2018 ruling.

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 party-list seats. The maximum vote-weight disparity in the July 2019 upper house elections was 3:1. In October 2019, the Takamatsu High Court ruled that this level of disparity was unconstitutional, but did not nullify the election results. Other rulings are still pending.

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 electoral 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.
It is very disappointing that no action has been taken to revise existing laws despite the recurrence of problems. In late 2018, several cases of allegedly incorrect funding reports came to light, involving two cabinet ministers among others. In September 2019, Education Minister Koichi Hagiuda was accused of receiving illicit donations, and in August 2019, Vice Health Minister Hiroshi Ueno resigned due to a scandal relating to illicit payments.

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. A referendum can be called if demanded by 2% of the voting population, but any such results are non-binding for local and prefectural assemblies. Despite the legal strictures, referendums have played an increasingly important role in Japan’s regional politics in recent years. In February 2019, citizens in Okinawa prefecture voted against the construction of a new U.S. base to replace an older one. However, the national government intends to proceed with its plans.

A National Referendum Law took effect in 2010. Since 2018, the minimum age for voting on constitutional amendments has been 18. 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. Practical issues have thus come to the fore. A revised referendum law was planned for 2019, but was delayed due to resistance by the opposition.

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 primary 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.

Apparently bowing to government pressure, Japan’s largest English-language newspaper, The Japan Times, announced in November 2018 that it would no longer refer to “forced laborers,” but would instead use the term “wartime laborers.” It also said it would revise its definition of “comfort women,” no longer defining these as women “forced” to provide sex to the Japanese army during the war effort, but rather as “women who worked in brothels, including women who did so against their will.” Some major Japanese-language newspapers including the Asahi shimbun, the Mainichi shimbun and the Tokyo shimbun have to date withstood pressure to engage in this form of “language revisionism.” Japan’s ranking in the World Press Freedom Index has plummeted in recent years, from 22nd place in 2013 to 67th in 2019, the lowest rank among G-7 members.

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.

The Ministry of Internal Affairs and Communications (MIC) formed a Platform Services Study Group in 2018 to discuss measures combating misinformation (“fake news”) on social and possibly other forms of media.
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 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, 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, and the traditional media have begun using digital channels more actively as well. 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 in major media organizations may have intensified the move toward greater use of independent media channels, also opening some new potential for independent investigative journalism. However, such channels tend to cater to their specific audiences. 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 significant following.
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 worldwide with respect to open-government information policies, according to the OECD’s 2017 OURdata index.

However, there are a number of issues. For example, various exemptions apply with respect to information concerning specific individuals, national security issues and 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 2019, it came to light that no records had been kept of the prime minister’s meetings with senior bureaucrats in the year ending that January, despite earlier record-keeping scandals. It also became known that documentation regarding who had been invited to a huge publicly funded cherry-blossom viewing reception had been shredded shortly after opposition members of parliament demanded to see the list of invitees, leading to a major political scandal engulfing the prime minister. It was also revealed that about half of the prefectural governments had deleted campaign bulletins, including pledges, after the last round of local elections.

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:
Ministry excluded panel discussion records from freedom of information request, The Mainichi 21 July 2018, https://mainichi.jp/english/articles/20180721/p2a/00m/0na/018000c

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. Arrested suspects can be kept in prison for 23 days without a formal charge being lodged, with a further 10 days of detention possible with a routine court request. Assistance by lawyers during interrogation can be denied. Interrogations can last for up to eight hours per day. Supporters of Japan’s justice system point to its high confession rate, which has produced a record number of convictions. However, there is clearly a dark side to this. In a recent extreme case, Japanese financier Nobumasa Yokoo spent 966 days in pre-trial detention, while former Nissan chairman Carlos Ghosn spent 108 days in pre-trial detention. Neither confessed to the crimes that they were alleged to have committed.

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.

In response to the ILO international harassment guidelines of 2018, Japan revised its legislation on the issue of workplace harassment in 2019.

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

Citation:

Kana Inagaki and Robert Harding, Fate of Olympus financier shines light on Japanese legal system, Financial Times, 9 June 2019, https://www.ft.com/content/382998a4-81f4-11e9-b592-5fe435b57a3b


Political Liberties
Score: 9

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.

In 2019, the organizers of the Aichi (Art) Triennale in Nagoya were strongly criticized by the authorities for some of the artwork presented, including the statue of a “comfort woman.” Public funds for the exhibition were recalled.

There are concerns that the anti-conspiracy laws, passed in 2017 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 be supported by politicians associated with the government. Indeed, 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.

Citation:


Women still face considerable discrimination, particularly in the labor market. Women’s average salaries remain 27% below those of their male colleagues (2016 data). Only slightly more than 10% of the lower house’s lawmakers were women as of early 2019, placing Japan among the 30 worst-performing countries worldwide in this regard. Prime Minister Abe has called women “Japan’s most underused resource,” but there were only two women in his cabinet formed in September 2019.

The government has designated “womenomics” as a key pillar of its reform program. Programs being implemented under this rubric include childcare support and similar measures. Still, given the persistent undercurrent of sexism in Japanese society, de facto workplace discrimination will be hard to overcome.

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 abuse.

Japan ranks below the OECD average with regard to discrimination against LBGT individuals.

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

The treatment of refugees and asylum-seekers is frequently criticized. Asylum is still rarely granted – only 42 asylum-seekers saw their applications approved in 2018, out of 10,493 total applications. In 2019, a hunger strike protesting harsh conditions occurred in one of the country’s immigrant detainee centers.
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.

In a more abstract sense, the idea of the rule of law per se does not command much of a following in Japan. 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 meant to serve the common good, and are not regarded as immutable norms to which one blindly adheres.

Courts are formally independent of governmental and administrative 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 its 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.

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). However, in all of postwar history, no justice has ever been removed based on this procedure. In response to calls for more transparency, the Supreme Court has put more information on justices and their track record of decisions on its website. The Tokyo District Court ruled in 2019 that voters living overseas cannot be denied the right to review Supreme Court justices, strengthening the role of the constitution.

Citation:

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 those with genuine membership-based organizations (i.e., the Japanese Communist Party and the Komeito).

Financial and office-abuse scandals involving bureaucrats have been rare in recent years. This may be a consequence of stricter accountability rules devised after a string of ethics-related scandals 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 so-called Moritomo Gakuen scandal of 2017, a private school close to the prime minister and his wife was able to buy a plot of land at a reduced price. The Finance Ministry was later found to have manipulated documentation about the proceedings. No officials were charged by prosecutors despite an independent judicial panel’s request to review the case. This high-profile case sends a worrying message.

In 2017, Japan joined the UN Convention against Transnational Crime and the UN Convention against Corruption, which have respectively existed since 2000 and 2005. Still, a 2019 OECD report found the enforcement of Japan’s foreign bribery law to be lacking.
Citation:

OECD, Japan must urgently address long-standing concerns over foreign bribery enforcement, 3 July 2019, https://www.oecd.org/newsroom/japan-must-urgently-address-long-standing-concerns-over-foreign-bribery-enforcement.htm

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

The central-government reform of the Koizumi government in 2001 strengthened the role of lead institutions considerably. 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, the councils have at least contributed to informing the governmental and public discourses in a constructive manner. Whereas 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.

Prime Minister Abe’s reliance on the same chief cabinet secretary since 2012 has greatly contributed to strengthening the role of the Cabinet Office as a strategic-planning unit, as it has come to dominate fields even such as foreign policy. However, the power rests with the leading politicians rather than the bureaucrats involved.

Citation:

Expert Advice
Score: 6

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 legitimize 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.

In 2019, powerful Financial Services Minister Taro Aso publicly rejected findings of a Financial Services Agency panel report on the pension system, raising concerns that expert recommendations would in the future be less able to guide policymaking.

Citation:
Naoko Furuyashiki, Finance minister Aso blasted for rejecting report on inadequate pension system, The Mainichi, 21 June 2019, https://mainichi.jp/english/articles/20190621/p2a00m/00p/015000c

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, 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.

While ministries have sometimes sought to regain their former clout over their portfolios, seven years under one prime minister (Abe since late 2012) have centralized policymaking practices to a quite substantial degree. The cabinet reshuffle of September 2019 seems to have strengthened this trend further, with Abe setting up “axes” of close political allies in core ministries to promote his agenda.

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 formal role of the CEFP and set up the Headquarters for Japan’s Economic Revitalization as a “quasi-sub-committee” of the CEFP encompassing all state ministers. The CEFP or the Headquarters are expected to hold initial discussions on the assignment of
policies to committees, while the cabinet has to approve decisions. However, given Abe’s strong grip on the policy process, council discussions have lost some of their relevance.

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.

Citation:
‘Bold’ economic and fiscal policy in Japan becoming a mere facade, Editorial, The Mainichi, 22 June 2019, https://mainichi.jp/english/articles/20190622/p2a/00m/0na/009000c

The LDP-led government in power since 2012 has worked effectively with the bureaucracy. 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’s accession in 2012, the average stay of such appointees has become longer, giving them greater expertise and clout in their ministries. In the September 2019 cabinet reshuffle, Abe again reappointed key allies. There are growing concerns that basing the promotion of senior ministry civil servants on political considerations and personal allegiances may diminish their utility in terms of offering neutral expertise.

Citation:


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.
Under the government in power since 2012, the political leadership has had 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 even have strengthened the role of informality in order to avoid awkward situations. In a number of instances, it has become apparent that senior agencies have deleted files relating to discussions extremely early. In 2019, the chief cabinet secretary admitted that no records of meetings between the prime minister and senior officials are kept at the prime minister’s office.

Citation:


Tadashi Kobayashi and Taiji Mukohata, Japan trade ministry told employees to obscure meeting records, The Mainichi, 30 August 2018, https://mainichi.jp/english/articles/20180830/p2a/00m/0na/004000c

Hiroyuki Oba, Suga admits Japan PM office kept no records of meetings between Abe, gov’t agency execs, The Mainichi, 4 June 2019, https://mainichi.jp/english/articles/20190604/p2a/00m/0na/011000c

Digital technologies designed for interministerial 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 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:

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 for 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.

Citation:


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

Citation:

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 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 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.

However, Japan is ranked comparatively low in an OECD ex post evaluation index for 2014. 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
OECD, Government at a Glance 2017

**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 is possibly overrated in 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. Some lobbying firms now cater primarily to smaller and foreign companies. 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.

However, the triple disaster of March 2011 seriously undermined the population’s trust in governmental information, due to the lack of transparency and the failure to deliver timely public information. The degree to which Japan’s public trusts the government has since recovered somewhat, but according to the Edelman Trust Barometer 2019 survey, only 39% of citizens trust the government, a significantly lower share 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.

In late 2018, it came to light that the Monthly Labor Survey had used an improper methodology for collecting data since 2004, leading to an
overestimation of wage growth. Following this exposure, weaknesses in some other government statistical measures also became apparent.

Citation:


Implementation

While the economy has improved since Abe became prime minister in 2012, major aspects of the government’s economic-policy program remain unrealized. Most critically, structural reforms have not been carried out as promised. Reforms implemented to date have been too indecisive with regard to the labor market and other issues. As a consequence, economic growth remains weak, and the 2% inflation goal remains unrealized. The consumption-tax hike of October 2019 is too small to achieve fiscal consolidation any time soon.

Many longer-term issues continue to linger in the area of social policy. This is particularly true with regard to the much-needed reform of the social security system. While a new government panel was created in late 2019 to discuss sweeping measures in this area, the future course is still unclear and contested.

Seven years into Abe’s premiership, he has still failed to achieve his primary goal of constitutional revision. In the upper house election of 2019, Abe’s pro-amendment camp lost its two-thirds-majority in that chamber. Concrete measures such as an amendment to the Referendum Law made little progress in 2019. The population remains very divided on the issue, and the LDP’s coalition partner, Komeito, is not in full agreement on the issue.

In terms of international relations, tensions with China have relaxed somewhat in recent years. Relations with neighboring South Korea are at their lowest point in many years, if not decades. A trade pact was successfully concluded in late 2019 with Japan’s core ally, the United States, although at the price of major concessions.

Citation:

Japan seen as unlikely to achieve fiscal consolidation target despite tax hike, The Japan Times, 1 October
Ministerial Compliance Score: 8

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 and 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, and the cabinet reshuffle of September 2019 indicated that the prime minister retains a strong grip on ministerial appointments.

Citation:

Monitoring Ministries Score: 6

Generally speaking, the Cabinet Secretariat, upgraded over a decade ago, offers a means of monitoring ministry activities. In recent years, its staffing 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 an effective enforcer of official 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.
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. In 2019, the Ministry of Finance issued proposals to reduce the local-government workforce accordingly.

Other measures have included a merger of municipalities designed to create economies of scale, and a redefinition of burdensome local-agency functions. Since 2014 – 2015, special regional vitalization 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. In late 2018, the government unveiled a plan to designate 82 regional cities as core urban centers and support them with special assistance.
The Japanese constitution guarantees the autonomy of local governments. 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 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 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 provide and enforce uniform services. However, this system is facing sustained opposition and foot-dragging by citizens. The government has implemented a variety of initiatives seeking to increase usage, including the use of these cards as health insurance cards.

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 policy areas, however, the role of vested interests is conspicuous. A notable example is energy policy, where the relationship between ministerial bureaucrats, specialized politicians and the nuclear-power industry – basically the major regional energy providers – has remained rather close. Another example is agriculture, which has received particularly favorable treatment and protection for decades as governments have sought to secure rural votes. Whereas the government has stepped up the liberalization of agriculture in recent times, trade agreements such as the Japan-EU FTA and even the 2019 Japan-U.S. trade pact have reflected this to only a limited degree.

Citation:

Masayoshi Honma and Aurelia George Mulgan, Political Economy of Agricultural Reform in Japan under Abe’s Administration, Asian Economic Policy Review, Volume13, Issue1, January 2018, pp. 128-144
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. While the country has a lower profile in international and global settings than might be expected in view of its global economic standing, the growing linkages between international economic and political issues have helped the Abe-led government to raise its profile, for instance by chairing the 2019 G-20 summit. Japan established an “Osaka Track” framework for free and secure cross-border data flows, created an initiative to tackle marine plastic litter, and has been a prime mover for the G-20 Action Agenda on Adaptation and Resilient Infrastructure relating to global ecological calamities.

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, such as the Partnership for Quality Infrastructure in 2015 – 2016; the Free and Open Indo-Pacific Strategy of 2016, which also includes Australia, India and the United States; and an invigoration of its development cooperation with Africa, particularly in the context of the 2019 meeting of the Tokyo International Conference on African Development (TICAD).
Self-monitoring
Score: 7

Institutional Reform
Score: 7

Citation:


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 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 short-lived DPJ governments demonstrated the difficulties of transplanting elements from Westminster-style cabinet-centered policymaking into a political environment with a tradition of parallel party-centered policy deliberation. Reverting to the traditional system coupled with strong central leadership, the Abe-led government has been quite successful in getting at least parts of its policy agenda implemented. It is open to debate whether the centralization of power has accounted for this 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. This also applies to the slow progress of plans to change the constitution.
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, only 39% of the overall population in 2019 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. In late 2018, it was revealed that the Monthly Labor Survey had used an improper methodology for collecting data since 2004, leading to an overestimation of wage growth. Following this exposure, weaknesses in other government statistical measures also became apparent. In a February 2019 survey, 67% of the population indicated that this incident had eroded their trust in government statistics.

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 €165,000 as of October 2019). 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.
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 dealing with the topic of disasters.

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

Media

The Japanese media system has historically been dominated by five major TV networks, including the public broadcaster NHK, along with a handful of major national newspapers. These publications remain widely read even 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. International publications also expose scandals from time to time.

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 recent years, social-media outlets 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. While the impact of the new media
on the overall quality of information remains unclear, they do seem to be contributing to the emergence of so-called partisan media in Japan.

Citation:


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 the seats in the Diet’s lower house after the 2017 election). While the Democratic Party (DP) once seemed to be a possible contender for power, it suffered a 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 joined the new party.

The LDP has traditionally revolved around individual politicians, their personal local-level support organizations and the intra-party 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/

Yoshitaka Koyama, Policy clashes could endanger opposition party cooperation in next Japan election, The Mainichi, 5 October 2019, https://mainichi.jp/english/articles/20191005/p2a/00m/0na/006000c

Japan’s leading business and labor organizations regularly publish policy proposals aimed at influencing public debate and 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 further economic opening. Critics also contend that its membership policies are too conservative, de facto keeping startups and tech companies at bay. However, the accession of new members such as Facebook in 2019 may indicate that the federation is trying to adapt. The Doyukai is more characterized by strong independent companies, and has been outspoken in demanding a more open business environment.

Citation:
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. 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 on 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. Among the general population, the idea of NPOs does not enjoy strong support.

Citation:

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 can also 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.

The board presented an interim report to the Diet in mid-2018 on the Moritomo Gakuen scandal, a deal involving the transfer of state-owned land in which the prime minister and his wife were implicated. The report alleged serious misconduct in the Ministry of Finance, but a later report in November 2018 failed to find conclusive evidence supporting this charge.

Citation:

While there is no national-level 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 counseling 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/
Administrative Evaluation Bureau, Japanese Ombudsman System, March 2018

Based on the Act on the Protection of Personal Information, a Personal Information Protection Commission was established in January 2016. The commission is a cross-sectoral, independent government body overseeing the implementation of the act. The body’s chairperson and commissioners are appointed by the prime minister, with the consent of both chambers of parliament. It is still difficult to judge whether this commission will be able to maintain independence from the government, and ultimately whether it will be effective. Recently, the Commission proposed tightening existing rules in a planned revision of the Personal Information Protection Law, for instance by making firms such as Google comply with the interests of Japanese citizens in the area of personal data protection.

Citation:
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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