

Need for Reform and Governance Capacities in Asia

Country Report Japan



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Executive Summary

Japan's political system has experienced considerable turbulence in recent years. In taking the prime minister's role in September 2011, Yoshihiko Noda became the sixth such officeholder in as many years. Two years earlier, the House of Representatives elections of August 30, 2009, led to the replacement of the long-dominant and increasingly calcified Liberal Democratic Party (LDP) by a cabinet led by Prime Minister Yukio Hatoyama, heading an uneasy coalition that joined the Democratic Party of Japan (DPJ) with two small but vocal parties. This historic change of government was welcomed by many, though there were doubts as to whether the DPJ-led cabinet would be able to deliver on its promises given its inexperience, its lack of coherence and its unwillingness to rely on the national bureaucracy. By 2010, considerable tension had already emerged within the coalition; one small party left the coalition, and the majority in the House of Councillors, Japan's upper chamber of parliament, was lost in the election of July 2010, leading to a so-called twisted Diet, or one in which different parties held majorities in the upper and the more important lower house. Even before this time, the hapless Hatoyama was replaced as prime minister by Naoto Kan, who himself had to step down after the government's bungled response to the triple disaster of Japan's 3/11 (see below), to be replaced in September 2011 by Yoshihiko Noda.

This political turbulence reflects deeper concerns as to the state's ability to handle the country's pressing socioeconomic and political issues. In terms of policy-specific performance, Japan has been unable to transform a moderate but stable post-2003 economic upswing into a sustainable growth model. The nation's overall (gross) debt ratio of more than 200% is alarming, and substantially reduces the available scope for fiscal activities. In social policy, successive governments have been unable to create a sustainable framework for dealing with topics such as pension reform, the integration of foreign residents, or the full utilization of women's labor force potential. Given the worsening income distribution and the rise in poverty in recent years, voters have become increasingly frustrated.

The major shock during the reporting period was, of course, the tragic triple disaster of March 11, 2011, consisting of a major earthquake, a tsunami and a grave nuclear accident in Northeastern Japan. On the one hand, state authorities were tasked with simultaneously organizing emergency relief and conveying the appropriate messages about imminent danger, an overwhelming set of responsibilities. Given the unprecedented size and nature of the challenge, the government may not in fact have done so badly; nevertheless, public trust in its abilities and sincerity was severely shaken. On the other hand, the government's efforts to prepare the rebuilding of the region and its energy supply were hampered by political infighting within a twisted Diet, even within the ruling coalition parties. This resulted in a correspondingly twisted road to reconstruction, although it may be too early to judge the final results. Ultimately, the events led to an extensive process of soul-searching in trying to discern what had gone wrong, both with respect to the planning and regulation processes involved, and to any collusion and incompetence that had made the catastrophe possible. The state has shown itself unable to provide good governance in a policy arena of existential importance; the outcome of the public disappointment on the future path of governance remains difficult to predict.

The existing institutional framework has not helped the government overcome the country's mounting challenges. The Japanese prime minister enjoys – at least in formal-institutional terms – a relatively

powerful position within the executive. However, prime ministerial or indeed core-executive leadership has been the exception to the rule under LDP rule. To recalibrate the system of governance, former Prime Minister Junichiro Koizumi (2001 – 2006) sought to install strong top-down decision-making structures that would allow the introduction of essential policy reforms despite the opposition of vested interests, culminating in a strong Cabinet Office and organs such as the Council for Economic and Fiscal Policy. One of the key proposals of the Hatoyama cabinet was a return to this kind of top-down decision-making structure – this time in the context of the cabinet – by establishing a National Strategy Bureau and procedural mechanisms designed to guarantee the dominance of appointed politicians over bureaucrats. It soon turned out that politicians lacked the competence to handle serious and complex policy issues. Particularly under Noda, toward the end of the reporting period, the government had sought to reestablish a relationship of amiable collaboration with its bureaucracy. In addition, older mechanisms such as strengthening party influence over policy-making were also reintroduced. At the same time, Noda tried to retain a top-level capacity for initiative by creating a new Council on National Strategy and Policy, a body that as of the time of writing still lacked legal mandate. It seems that the search for an institutional regime able to deliver effective governance has yet to come to an end. The current trend is marked by attempts to include almost all major players in order to overcome the barriers posed by a twisted Diet and a sometimes less-than-cooperative bureaucracy. However, light at the end of the tunnel remains hard to perceive.

Outlook

The first decade of the new millennium saw socioeconomic challenges intensify in Japan. Plagued by weak consumption levels coupled with unusual consumer price deflation, the Japanese economy largely stagnated, even as other economies in the Asia-Pacific region and beyond made significant strides forward. Japan's debt-to-GDP ratio is the highest among advanced industrialized nations. Working households' disposable income rose little during the millennium's first decade, arrested by continuing deflationary trends. Alarmingly, a new "precariat" has emerged in Japan. With rising part-time and contract work, every sixth Japanese citizen, including every fifth pensioner, lives in relative poverty in a country that was once hailed as the epitome of equitable growth.

Japanese governments – of whatever party composition – have been torn between the need to bolster the fragile economic recovery and to consolidate the country's battered public finances. The DPJ-led government's answer to this conundrum has been to move further away from spending on public works and to instead propose channeling money to consumers. The aim was to boost consumption and thus improve livelihoods, one of the DPJ's core election promises. However, there are some practical problems to this approach. The first is that the share of the budget available for redirection toward the financing of new spending priorities has been more limited than initially foreseen by the DPJ. Moreover, the question of whether providing more money to consumers really does lead to more consumer spending remains open. As long as Japanese consumers continue to worry about the future, they are likely to save additional income for a rainy day. In addition, the graying of Japan's population is leading to ever-higher financial obligations for the state, as more and more money is needed to maintain pension- and health-related standards even at today's levels. It is therefore vital to find new tax sources able to finance future social-

security and possibly also other spending needs. The Noda cabinet's daring attempt to double the consumption tax rate in two steps to 10% by 2015 is thus to be welcomed, even if the government risks its political survival due to strong opposition within some quarters of the public, within the opposition LDP, and even within the government coalition.

Japanese voters showed in the elections of 2009 and 2010 that the status quo is no longer an option, and that they are willing to dismiss any government or leading party that fails to deliver needed changes. While the new Noda government would be well-advised to take note of this greater voter assertiveness, it must also accept that desirable changes, including support for family-friendly lifestyles, a more hospitable environment for immigrants, and greater levels of innovation inside businesses and throughout society, cannot simply be ordered from above.

One way out of this maze could be to focus less on creating a grand solution within the country as a whole, and instead allow for policy experiments on various levels. Fiscal decentralization, giving greater autonomy to the regions, has been on the agenda for a long time. The very peculiar circumstances provided by the rebuilding of the Eastern Tohoku coastal regions and government guidelines that already allow the creation of special zones for reconstruction offer the chance to implement such a strategy as a kind of pilot project. This opportunity should not be missed, and should not be watered down by petty bureaucratism at the national level. A notable local political development with potential national ramifications took place in Osaka in November 2011. Here, the maverick but widely popular politician Toru Hashimoto won the mayoral election as a non-party candidate, with a platform to unite the prefecture and city of Osaka and to make the new entity a district with special autonomy rights similar to those of Tokyo. This seems to indicate that the population is ready to embrace innovative policy solutions on the regional level, a movement that if successful could spread across Japan. Some of these policy experiments will undoubtedly go wrong. Still, they might engender innovation, regional competition and the diffusion of best-practice principles in a country that in recent years has lacked a successful and sustainable combination of accountable and effective governance able to operate in the context of a mature, low-growth economy.

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Quality of Democracy

- S 1 Electoral Process
- S 2 Access to Information
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- S 4 Rule of Law



S 1 Electoral Process

S 1.1 Candidacy Procedures

How fair are procedures for registering candidates and parties?

Everyone has equal opportunity to become a candidate for election. The registration of candidates and parties may be subject to restrictions only when in accordance with law and if deemed reasonably necessary in a democratic society. This includes protecting the interests of national security or public order, public health or morals, or protecting the rights and freedoms of others.

Legal regulations provide for a fair registration procedure for all elections; candidates and parties are not discriminated against. 10
9

x

A few restrictions on election procedures discriminate against a small number of candidates and parties. 8
7
6

Some unreasonable restrictions on election procedures exist that discriminate against many candidates and parties. 5
4
3

Discriminating registration procedures for elections are widespread and prevent a large number of potential candidates or parties from participating. 2
1

Japan has a fair and open election system with transparent conditions for the registration of candidates. The registration process is efficiently administered. Candidates have to pay a deposit of 3 million yen (about €30,300 as of June 2012), which is returned if the candidate receives at least a tenth of the valid votes cast in his or her electoral district. The deposit is meant to deter candidacies that are not serious, but in effect presents a hurdle for independent candidates. The minimum age for candidates is 25 in the House of Representatives and 30 in the House of Councillors, the upper house. There have been no relevant changes in recent years.

S 1 Electoral Process

S 1.2 Media Access

To what extent do candidates and parties have fair access to the media and other means of communication?

Every candidate for election and every political party has equal opportunity of access to the media and other means of communication, which allows them to present their political views and to communicate with the voters. Access to the media may not be restricted or refused on grounds of race, color, gender, language, religion, political or other opinions, national or social origin, property, birth or other status.

All candidates and parties have equal opportunities of access to the media and other means of communication. All major media outlets provide a fair and balanced coverage of the range of different political positions. **10**
9

Candidates and parties have largely equal opportunities of access to the media and other means of communication. The major media outlets provide a fair and balanced coverage of different political positions. **8**
7
6

Candidates and parties often do not have equal opportunities of access to the media and other means of communication. While the major media outlets represent a partisan political bias, the media system as a whole provides fair coverage of different political positions. **5**
4
3

Candidates and parties lack equal opportunities of access to the media and other means of communications. The major media outlets are biased in favor of certain political groups or views and discriminate against others. **2**
1

Access to the media for electioneering purposes is regulated by the Public Offices Election Law, and basically ensures a well-defined rule set for all candidates. In recent years, criticism of this law as overly restrictive has increased substantially, focusing, for instance, on the hurdles it places on use of the Internet and other advanced electronic data services for campaign purposes. As an example, the use of Twitter was explicitly forbidden during the 2009 election. With respect to advanced media in particular, a candidate is not allowed to update his or her website or to upload topical material such as video of a campaign speech to YouTube. Grassroots political activity among voters online is also restricted (cf. Wilson 2011). While this topic prompted major debate during the 2009 general election season, nothing changed in time for the 2010 House of Councillors election, and no changes had been subsequently made by the time of writing.

Citations:

Matthew J. Wilson: E-Elections: Time for Japan to Embrace Online Campaigning, Stanford Technology Law Review, Vol. 4, 2011

S 1 Electoral Process

S 1.3 Voting and Registration Rights

To what extent do all citizens have the opportunity to exercise their right of participation in national elections?

To participate in national elections, every adult citizen must have the right to access an effective, impartial and non-discriminatory procedure for voting and voter registration. Voting rights also apply to convicts and citizens without a permanent residence in the country. No eligible citizen shall be denied the right to vote or disqualified from registration as a voter, otherwise than in accordance with objectively verifiable criteria prescribed by law, and provided that such measures are consistent with the State's obligations under international law. Every individual who is denied the right to vote or to be registered as a voter shall be entitled to appeal to a jurisdiction competent to review such decisions and to correct errors promptly and effectively. Every voter has the right of equal and effective access to a polling station or alternative voting method, including a feasible absentee voting option.

All adult citizens can participate in national elections. All eligible voters are registered if they wish to be. There are no discriminations observable in the exercise of the right to vote. **10**
9

The procedures for the registration of voters and voting are for the most part effective, impartial and nondiscriminatory, although occasional. **8**
7
Citizens can appeal to courts if they feel being discriminated. **6**

While the procedures for the registration of voters and voting are de jure non-discriminatory, cases of discrimination occur regularly in practice. **5**
4
3

The procedures for the registration of voters or voting have systemic discriminatory effects. Groups of adult citizens are de facto excluded from national elections. **2**
1

The Japanese constitution grants universal adult suffrage to all Japanese citizens. No general problems with discrimination or the exercise of this right can be observed. Since 2006, Japanese citizens living abroad have also been granted the ability to participate in elections.

One issue remaining outstanding is the relative size of electoral districts. Districts in the countryside still contain far fewer people than those in congested urban areas. In March 2011, the Supreme Court ruled that the maximum variance in this relative population ratio of 2.3:1 in the 2009 House of Representatives election was unconstitutional, although the election was not invalidated. This followed a long series of similar decisions related to earlier elections. The Diet is under pressure to take action, and as the leading government party since 2009, the DPJ has repeatedly voiced its intention to take action. However, little progress occurred during the reporting period. One barrier to decisive change, apart from the obvious hurdle presented by vested interests, is that other electoral reform desiderata – for instance, lowering the number of seats, reforming the ratio between single-member constituencies and regional lists, and changing the age limit for participating in the elections – complicate the lawmaking process.

S 1 Electoral Process

S 1.4 Party Financing

To what extent is private and public party financing and electoral campaign financing transparent, effectively monitored and in case of infringement of rules subject to proportionate and dissuasive sanction?

This question refers to the obligations of the receiving entity (parties and entities connected with political parties) to keep proper books and accounts, to specify the nature and value of donations received and to publish accounts regularly.

Please note that this question also includes an assessment of how effectively funding of political parties and electoral campaigns is supervised (monitored by an independent body such as electoral or parliamentary commission, anti-corruption body, audit institution etc. with checking, investigative, sanction and regulatory powers) and infringements are sanctioned (taking into account administrative, civil and criminal liability).

- | | |
|--|---------------------------------------|
| The state enforces that donations to political parties are made public and provides for independent monitoring to that respect. Effective measures to prevent evasion are effectively in place and infringements subject to effective, proportionate and dissuasive sanctions. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| The state enforces that donations to political parties are made public and provides for independent monitoring. Although infringements are subject to proportionate sanctions, some, although few, loopholes and options for circumvention still exist. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input checked="" type="checkbox"/> |
| <hr/> | |
| The state provides that donations to political parties shall be published. Party financing is subject to some degree of independent monitoring but monitoring either proves regularly ineffective or proportionate sanctions in case of infringement do not follow. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| The rules for party and campaign financing do not effectively enforce the obligation to make the donations public. Party and campaign financing is neither monitored independently nor, in case of infringements, subject to proportionate sanctions. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

Appropriate campaign financing and cases of finance-law infringement have been hot political topics in Japan for decades. To some extent, the problems are structural. The multi-member constituency system in place until 1993 made it difficult for candidates to distinguish themselves by party programs alone, pressing them instead to seek support on a more personalized basis, a costly proposition. Personalized local support groups (koenkai) thus became a deeply entrenched system for winning voter approval, and due to the tacit personal networking involved, frequently come dangerously close to engaging in illicit financial and other transactions. Moreover, the strict rules imposed by the Election Campaign Law have the consequence that politicians are continually provided with incentives to circumvent electioneering rules in some way. While the Political Funds Control Law requires parties and individual politicians to disclose revenues and expenditures, the resulting financial statements are not very detailed.

During the reporting period, discussion on this issue was dominated by a financial scandal involving Ichiro Ozawa, a leading DPJ power broker. The accusations concern a construction case and a land purchase case dating to the mid-2000s, involving false financial reporting. In September 2011, three Ozawa political aides received guilty verdicts from the Tokyo District Court. Ozawa himself was acquitted by a district court in spring 2012, but the case will now move to the next judicial level. Ozawa has for decades been a very controversial – albeit influential – political figure, so the scandal surrounding his activities and the continuous flow of critical media reports has significantly strengthened the negative impressions of the Japanese public with respect to the political establishment.

Despite such scandals, it is noteworthy that Japanese prosecutors and the media have become ever less tolerant of politicians' shady financial activities.

S 2 Access to Information

S 2.1 Media Freedom

To what extent are the media independent from government?

This question asks to what extent are the media subject to government influence and the influence of actors associated with the government. The question focuses both on media regulation and government intervention. The rules and practice of supervision should guarantee sufficient independence for publicly owned media. Privately owned media should be subject to licensing and regulatory regimes that ensure independence from government.

Public and private media are independent from government influence; their independence is institutionally protected and respected by the incumbent government. **10**
9

The incumbent government largely respects the independence of media, but the regulation of public and/or private media does not provide sufficient protection against potential government influence. **8**
7
6

The incumbent government seeks to ensure its political objectives indirectly by influencing the personnel policies, organizational framework or financial resources of public media, and/or the licensing regime/market access for private media. **5**
4
3

Major media outlets are frequently influenced by the incumbent government promoting its partisan political objectives. To ensure pro-government media reporting, governmental actors exert direct political pressure and violate existing rules of media regulation. **2**
1

Japanese media are free to report the news without official interference. While the courts have handled a few cases dealing with perceived censorship, there is no formal government mechanism infringing on the independence of the media. While NHK is a public broadcasting service, it still enjoys freedom from interference in its reports.

De facto, however, many media organizations are hesitant to take a strong stance against the government or to expose political scandals. Membership in journalist clubs has offered exclusive contacts. Established media members have feared losing this advantage, and have frequently taken nonadversarial stances as a result.

Northeastern Japan's triple catastrophe of March 11, 2011, spotlighted such informal linkages. The government was extremely slow to release information about the magnitude of the problems, particularly of radiation leakages. Despite their exclusive access to the cabinet's press conferences and to Tokyo Electric Power Company (TEPCO) press conferences, major newspapers and broadcasters rarely asked critical questions and followed the government's information policy. While arguments can be made in favor of not spreading chaos in an alarmingly confusing situation – the Tokyo megalopolis with its 30 million inhabitants is less than 200 kilometers away from Fukushima – the informational collusion between government and major press interests was distressing.

Independent journalists (often using Web-based information channels), the foreign press, and some weekly papers and political magazines such as AERA balance the one-sided nature of information supply to some extent, but these offer only a limited breath of options

S 2 Access to Information

S 2.2 Media Pluralism

To what extent are the media characterized by an ownership structure that ensures a pluralism of opinions?

This question does not assume that the predominance of either private or public ownership guarantees a pluralism of opinions. Rather, the underlying assumption is that a diversified ownership structure is likely to best represent the views and positions existing in society.

Diversified ownership structures characterize both the electronic and print media market, providing a well-balanced pluralism of opinions. Effective anti-monopoly policies and impartial, open public media guarantee a pluralism of opinions. **10**
9

Diversified ownership structures prevail in the electronic and print media market. Public media compensate for deficiencies or biases in private media reporting by representing a wider range of opinions. **8**
7
6

Oligopolistic ownership structures characterize either the electronic or the print media market. Important opinions are represented but there are no or only weak institutional guarantees against the predominance of certain opinions. **5**
4
5

Oligopolistic ownership structures characterize both the electronic and the print media market. Few companies dominate the media, most programs are biased, and there is evidence that certain opinions are not published or are marginalized. **2**
1

Japan has an oligopolistic media structure with five conglomerates dominating the leading national newspapers and the major TV networks. These five include the Asahi Group (Asahi Newspaper, TV Asahi), the Fuji Sankei Group (Sankei Newspaper, Fuji TV), the Mainichi Group (Mainichi Newspaper), the Yomiuri Group (Yomiuri Newspaper, Nippon TV) and the Nihon Keizai Group (Nihon Keizai Newspaper, TV Tokyo). Another major force is NHK, the quasi-national broadcasting service. This organization has enjoyed close connections with LDP-led governments despite formal freedom from interference, and has followed an editorial approach that hews to the status quo. Critical coverage of issues by the other media groups is rather mild, although a variety of stances from left-central (in the case of Asahi) to conservative-nationalistic (Sankei) can be observed. Generally speaking, the small group of conglomerates and major organizations does not support a pluralistic landscape of opinions. Regional newspapers and TV stations do not play a serious competitive role.

New competition might be expected from interactive digital media sources such as blogs, bulletin boards, e-magazines, social networks and so on. Their use is spreading rapidly.

While ministerial press conferences have been more or less closed shops due to the “press club” system, the new DPJ-led government tried to pry this system open after its election in 2009. However, following the disasters of March 11, 2011, even the DPJ-led government fell back on the old restrictions on open information exchange. In the longer run, the public’s loss of trust with respect to the government and the major media organizations may have intensified trends toward the development of independent media channels and thus toward a higher degree of pluralism.

S 2 Access to Information

S 2.3 Access to Government Information

To what extent can citizens obtain official information?

To assess the accessibility of government information, you should examine

(1) whether a freedom of information act exists or equivalent legal regulations exist,

(2) to what extent do the rules restrict access to information (e.g., exemptions, deadlines for responding to requests etc.) and justify these restrictions, and

(3) whether mechanisms for appeal and oversight exist to enforce citizens' right to access information (e.g., administrative review, court review, ombudsman, commission etc.) You may consult www.freedominfo.org for information specific to your country.

Legal regulations guarantee free and easy access to official information, 10
contain few, reasonable restrictions, and there are effective mechanisms 9
of appeal and oversight enabling citizens to access information.

Access to official information is regulated by law. Most restrictions are justified, 8
but access is sometimes complicated by bureaucratic procedures. Existing 7
appeal and oversight mechanisms permit citizens to enforce their right of 6
access.

Access to official information is partially regulated by law, but complicated 5
by bureaucratic procedures and some restrictions. Existing appeal and 4
oversight mechanisms are largely ineffective. 3

Access to official information is not regulated by law; there are many 2
restrictions of access, bureaucratic procedures and no or ineffective 1
mechanisms of enforcement.

Japan's Act on Access to Information Held by Administrative Organs came into effect in 2001, followed one year later by the Act on Access to Information Held by Independent Administrative Agencies. Basic rights to access government information are thus in place, although a number of issues remain. Various exemptions apply, as for instance with respect to information regarding specific individuals, national security issues or confidential business matters. Claims can be denied, and the head of the agency involved has considerable discretion. An appeal is possible, but only in court, which involves a very burdensome process.

The March 11 incident exposed the government's willingness to transgress its mandate and withhold relevant information in situations deemed critical. Under a benign interpretation, it may be argued that the government tried to prevent a panic by withholding preliminary and to some extent questionable information during the days and weeks after the disaster. Moreover, there was serious dissonance between the government and TEPCO, the operator of the damaged nuclear power plant in Fukushima prefecture, so it may be understandable that the government tried to prevent an open flow of information. From a different perspective, however, the failure to inform the population of the danger of plutonium discharges and other issues may have contributed to the spread of unreliable and even false information through irresponsible news channels, which the government wanted to prevent in the first place.

S 3 Civil Rights

S 3.1 Civil Rights

To what extent does the state respect and protect civil rights and how effectively are citizens protected by courts against infringements of their rights?

Civil rights contain and limit the exercise of state power by the rule of law. Independent courts guarantee legal protection of life, freedom and property as well as protection against illegitimate arrest, exile, terror, torture or unjustifiable intervention into personal life, both on behalf of the state and on behalf of private and individual actors. Equal access to the law and equal treatment by the law are both basic civil rights and also necessities to enforce civil rights.

All state institutions respect and effectively protect civil rights. Citizens are effectively protected by courts against infringements of their rights. Infringements present an extreme exception. 10
9

The state respects and protects rights, with few infringements. Courts provide protection. 8
7
6

Despite formal protection, frequent infringements of civil rights occur and court protection often proves ineffective. 5
4
3

State institutions respect civil rights only formally, and civil rights are frequently violated. Court protection is not effective. 2
1

Civil and human rights are guaranteed under the Japanese constitution. Institutionally, courts are often considered overly tolerant with respect to alleged maltreatment by police or prosecutors or in prisons. LDP governments have made little effort to implement relevant institutional reform. Critics have demanded – as yet unsuccessfully – the introduction of independent agencies able to investigate claims of human rights abuse. There is still no ombuds agency or committee on the national level or in the Diet. Citizens have no legal ability to take their complaints to a supranational level, while many other countries have already signed the so-called Optional Protocols to the International Covenant on Civil and Political Rights.

When the DPJ-led government took office in 2009, it gave the justice-ministry portfolio to a former human rights lawyer. However, little progress was made during her term as minister. Japan has been widely criticized as one of the few advanced countries still to apply the death penalty. Executions were resumed in early 2012, after a Justice Ministry committee created in 2010 to study the use of the death penalty was abandoned by a new justice minister.

Citations:

Bureau of Democracy, Human Rights, and Labor of the US Department of State: 2010 Human Rights Report: Japan, 8 April 2011, <http://www.state.gov/j/drl/rls/hrrpt/2010/eap/154386.htm>

S 3 Civil Rights

S 3.2 Political Liberties

To what extent does the state concede and protect political liberties?

Political liberties constitute an independent sphere of democracy and are a prerequisite of political and civil society. They aim at the possibility of the formulation, the presentation and the equal consideration of citizens' preferences and are embodied in the codification and unlimited validity of every individual's right to speak, think, assemble, organize, worship, or petition without government (or even private) interference or restraints.

- | | |
|---|---------------------------------------|
| All state institutions concede and effectively protect political liberties. | 10 <input type="checkbox"/> |
| | 9 <input checked="" type="checkbox"/> |
| <hr/> | |
| All state institutions for the most part concede and protect political liberties. | 8 <input type="checkbox"/> |
| There are only few infringements. | 7 <input type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| State institutions concede political liberties but infringements occur regularly in practice. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| Political liberties are unsatisfactory codified and frequently violated. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

The freedoms of speech and of the press, as well as the freedoms of assembly and association, are guaranteed under Article 21 of the constitution. Reported abuses are 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.

How effectively does the state protect against discrimination based on gender, physical ability, ethnic origin, social status, political views or religion?

This question evaluates policies of state institutions aimed at preventing discrimination. Such an evaluation should refer to the measures taken by these institutions and their impact. The extent of observable discrimination may be used as an indicator for the efficacy of anti-discrimination policies.

Please note that this question also includes an assessment of how effectively the state protects the rights of disadvantaged persons or persons belonging to minorities by positive discrimination measures, special representation rights or autonomy rights.

- State institutions effectively protect against and actively prevent discrimination. **10**
- Cases of discrimination are extremely rare. **9**
-
- State anti-discrimination protections are moderately successful. Few cases of discrimination are observed. **8**
- 7**
- 6**
-
- State anti-discrimination efforts show limited success. Many cases of discrimination can be observed. **5**
- 4**
- 3**
-
- The state does not offer effective protection against discrimination. **2**
- Discrimination is widespread in the public sector and in society. **1**

Women still face some discrimination, particularly in the labor market. The wage differential with respect to men has not significantly decreased in recent years, and the recent recession has not helped. The share of seats held by female parliamentarians is one of the lowest among the advanced countries (11.3% in 2010). While many observers expected that the DPJ-led government would introduce measures aimed at addressing these problems, progress has been slow. The 2011 White Paper on Gender Equality proposed more serious measures to achieve gender equality, including positive action, but activity to date has been no more than rhetorical.

The three million descendants of the so-called burakumin, outcasts of the feudal period, still face informal 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, a situation also true for more recent immigrants of Brazilian and Philippine origin. Naturalization rules were eased somewhat recently, and among the roughly 600,000 ethnic Koreans in the country, close to 10,000 are being granted citizenship per year.

Japan continues to have a rather serious human trafficking problem associated with menial labor and the sex trade. This also includes a problem with underage foreigners facing such exploitation. The treatment of refugees and asylum seekers is frequently criticized, as the processes lack transparency and can be lengthy. In some cases they have led to suicides.

S 4 Rule of Law¹

S 4.1 Legal Certainty

To what extent do government and administration act on the basis of and in accordance with legal provisions to provide legal certainty?

This question assesses the extent to which executive actions are predictable (i.e., can be expected to be guided by law).

- | | |
|---|---------------------------------------|
| Government and administration act predictably, on the basis of and in accordance with legal provisions. Legal regulations are consistent and transparent, ensuring legal certainty. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| Government and administration rarely make unpredictable decisions. Legal regulations are consistent, but leave a large scope of discretion to the government or administration. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input checked="" type="checkbox"/> |
| <hr/> | |
| Government and administration sometimes make unpredictable decisions that go beyond given legal bases or do not conform to existing legal regulations. Some legal regulations are inconsistent and contradictory. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| Government and administration often make unpredictable decisions that lack a legal basis or ignore existing legal regulations. Legal regulations are inconsistent, full of loopholes and contradict each other. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

¹ Please consider the following quantitative indicators if available for your country (see Excel input mask): S 4.5 Rule of Law and S 4.6 Control of Corruption.

In their daily lives, citizens enjoy considerable predictability with respect to law and regulations. Bureaucratic formalities can sometimes be burdensome, but also offer relative certainty. Nevertheless, regulations are often formulated in a way that gives considerable latitude to administrators. For instance, needy citizens have often found it difficult to obtain welfare aid from local government authorities. Such scope of discretion is deeply entrenched in the Japanese administrative system, which holds both the advantages and disadvantages of pragmatism. The judiciary has usually upheld the discretionary decisions of the executive.

The events of March 11, 2011, exposed the judicial system's inability to protect the public from irresponsible regulation and support of nuclear power generation – a failure that some observers fear may extend to other issues as well. Several attempts to seek judicial restraints on the construction and operation of nuclear power plants have failed in the past. With hindsight, it seems that the judiciary may not always have been competent or willing enough to appreciate the risks involved. In 2006, for instance, the Kanazawa District Court ruled that a reactor of the Shika nuclear power plant in Ishikawa Prefecture should be shut down due to imminent earthquake risks. This decision was later reversed in an appellate ruling, and in 2010 the Supreme Court denied a final appeal against the latter decision.

Citations:

The Japan Times: Suits to halt atomic plants have all failed, 26 April 2011

S 4 Rule of Law

S 4.2 Judicial Review

To what extent do independent courts control whether government and administration act in conformity with the law?

This question examines how well the courts can review actions taken and norms adopted by the executive. To provide effective control, courts need to pursue their own reasoning free from the influence of incumbent governments, powerful groups or individuals. This requires a differentiated organization of the legal system, including legal education, jurisprudence, regulated appointment of the judiciary, rational proceedings, professionalism, channels of appeal and court administration.

Independent courts effectively review executive action and ensure that the government and administration act in conformity with the law. **10**
9

Independent courts usually manage to control whether the government and administration act in conformity with the law. **8**
7
6

Courts are independent, but often fail to ensure legal compliance. **5**
4
3

Courts are biased for or against the incumbent government and lack effective control. **2**
1

Courts are formally independent of government, administrative or legislative interference in their day-to-day business. The organization of the judicial system and the appointment of judges falls under the supervision of the Supreme Court, so the appointment and the behavior of Supreme Court justices is of ultimate importance. While a lack of transparency has been lamented, the Supreme Court has an incentive to avoid conflict with the government, as this might endanger the court's independence in the longer run. This implies that it leans somewhat toward the government's position so as to avoid unwanted political attention. The lenient way in which courts have treated the risks associated with nuclear power, widely discussed after the events of March 11, 2011, fits this appraisal.

In line with this reasoning, the Supreme Court engages only in the concrete judicial review of specific cases, not in the general review of laws or regulations. Some scholars say the constitution could allow room for a process of general judicial review.

Lay judges (saiban-in) were recently introduced as part of a judicial reform, with the first cases handled by both professional and lay judges in 2009. Major parts of the judiciary still seem to be quite skeptical of lay judges. In the first cases in which a combined court of professional and lay judges acquitted the accused, a retrial was sought, evincing a lack of trust in the new mechanism – a regrettable outcome, as the reform was meant to strengthen public confidence in court verdicts. In March 2011, for instance, the Tokyo High Court overruled the acquittal of a drug trafficker by a lower court panel that had included lay judges. More recently, however, the Supreme Court overruled the High Court and reinstated the District Court judgment.

S 4 Rule of Law

S 4.3 Appointment of Justices

To what extent does the process of appointing (supreme or constitutional court) justices guarantee the independence of the judiciary?

This question regards supreme or constitutional courts' sufficient independence from political influence as a prerequisite of a functioning democratic system. The appointment process is a crucial factor which determines judiciary independence.

The prospect of politically "neutral" justices increases accordingly with greater majority requirements and with the necessity of cooperation between involved bodies. A cooperative appointment process requires at least two involved democratically legitimized institutions. Their representative character gives them the legitimacy for autonomous nomination or elective powers. In an exclusive appointment process, a single body has the right to appoint justices irrespective of veto points; whereas in cooperative procedures with qualified majorities independence of the court is best secured.

When answering the question take also into account whether the process is formally transparent and adequately covered by public media. If your country does not have a supreme or constitutional court, evaluate the appointment process of the appellate court that is responsible for citizens' appeals against decisions of the government.

- | | |
|--|---------------------------------------|
| Justices are appointed in a cooperative appointment process with special majority requirements. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| Justices are exclusively appointed by different bodies with special majority requirements or in a cooperative selection process without special majority requirements. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| Justices are exclusively appointed by different bodies without special majority requirements. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| All judges are appointed exclusively by a single body irrespective of other institutions. | 2 <input checked="" type="checkbox"/> |
| | 1 <input type="checkbox"/> |

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 – but the actual process lacks transparency. Supreme Court justices are subject to review in the next House of Representatives election, and to another review after the passage of 10 years if they have not retired in the meantime, but the public typically has insufficient knowledge to enable them to decide whether or not to approve a justice on their ballot sheet. In the House of Representatives election of 2009, nine of the 15 Supreme Court justices were up for review, and as in every previous case, all were approved. In response to the call for more transparency, the Supreme Court has put more information on the justices and their decision track record on its website. The electoral review was duly covered by the media, but did not stir up major debate. During the current reporting period, there were no new developments within this area.

S 4 Rule of Law

S 4.4 Corruption Prevention

To what extent are public officeholders prevented from abusing their position for private interests?

This question addresses how the state and society prevent public servants and politicians from accepting bribes by applying mechanisms to guarantee the integrity of officeholders: auditing of state spending; regulation of party financing; citizen and media access to information; accountability of officeholders (asset declarations, conflict of interest rules, codes of conduct); transparent public procurement systems; effective prosecution of corruption.

- | | |
|--|---------------------------------------|
| Legal, political and public integrity mechanisms effectively prevent public officeholders from abusing their positions. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| Most integrity mechanisms function effectively and provide disincentives for public officeholders willing to abuse their positions. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| Some integrity mechanisms function, but do not effectively prevent public officeholders from abusing their positions. | 5 <input checked="" type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| Public officeholders can exploit their offices for private gain as they see fit without fear of legal consequences or adverse publicity. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

Reports of corruption and bribery scandals have punctuated Japanese politics for decades. These problems are deeply entrenched in the way politics are organized in Japan, for instance in the way Japanese politicians need to secure funds for (re)election purposes, how they rely on local support networks, and how they have to “deliver” to their constituencies in return. These scandals have been common in recent years, and have concerned both the long-reigning LDP and the DPJ.

During the reporting period, a major scandal involved high-profile DPJ-politician Ichiro Ozawa, as discussed elsewhere (see “party financing”). Ozawa himself, after three aides were found guilty in 2011, was acquitted in the spring of 2012, though the case subsequently moved to the next higher judicial level. Other cases include that of lower-house member Muneo Suzuki, who started a two-year prison sentence in 2010. Also in 2010, an aide to former Prime Minister Yukio Hatoyama was convicted, though Hatoyama himself eventually avoided prosecution. While such cases are evidence of the problems in this field, it should also be appreciated that prosecutors and courts have readily taken them up in an effort to fight abuses by politicians.

On the other hand, new financial and or office-abuse scandals involving bureaucrats have been quite rare in recent years, though it is unclear whether this is a direct consequence of stricter accountability rules devised after a string of ethics-related scandals came to light in the late 1990s and early 2000s.

According to Transparency International’s widely used Corruption Perceptions Index, Japan has improved somewhat in recent years, and now shares rank 14 with Germany (2011 ranking).

Citations:

Transparency International: Corruption Perceptions Index 2011, <http://cpi.transparency.org/cpi2011/results/>, accessed June 2012

Status Index

Policy Performance

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How successful has economic policy been in providing a reliable economic framework and in fostering international competitiveness?

This question addresses the existence of a government's general strategy to support the future-oriented development of its economy through regulatory policy. Sound economic policy is expected to adhere to the following principles: clear-cut assignment of tasks to institutions, refraining from unnecessary discretionary actions, frictionless interlinkage of different institutional spheres (labor market, enterprise policy, tax policy, budgetary policy) and the coherent set-up of different regimes (e.g. dismissal protection, co-determination rights, efficiency of anti-monopoly policies, income taxation). Countries following these principles are able to increase overall productivity, become more attractive for internationally mobile factors of production and thus raise their international competitiveness.

When answering the question, focus on the use and interplay of different regimes with regard to the aims of economic policy.

² Please consider the following quantitative indicators if available for your country (see Excel input mask): S 5.2 GDP per Capita, S 5.3 Inflation, S 5.4 Product Market Regulation and S 5.5 Competitiveness.

Economic policy fully succeeds in providing a coherent set-up of different institutional spheres and regimes, thus stabilizing the economic environment. It largely contributes to the objectives of fostering a country's competitive capabilities and attractiveness as an economic location.	10 <input type="checkbox"/>
	9 <input type="checkbox"/>
<hr/>	
Economic policy largely provides a reliable economic environment and supports the objectives of fostering a country's competitive capabilities and attractiveness as an economic location.	8 <input type="checkbox"/>
	7 <input type="checkbox"/>
	6 <input checked="" type="checkbox"/>
<hr/>	
Economic policy somewhat contributes to providing a reliable economic environment and helps to a certain degree in fostering a country's competitive capabilities and attractiveness as an economic location.	5 <input type="checkbox"/>
	4 <input type="checkbox"/>
	3 <input type="checkbox"/>
<hr/>	
Economic policy mainly acts in discretionary ways essentially destabilizing the economic environment. There is little coordination in the set-up of economic policy institutions. Economic policy generally fails in fostering a country's competitive capabilities and attractiveness as an economic location.	2 <input type="checkbox"/>
	1 <input type="checkbox"/>

In general, Japanese governments have been able to create an economic policy framework providing certainty to business, supporting the corporate sector in creating one of the world's most competitive economies. While Japan had one of the best-performing catching-up economic systems of the earlier postwar period, the government found it more difficult to create institutional mechanisms that accorded with Japan's subsequent recent status as an advanced economy at the frontier of economic and technological progress.

With the 2009 election, it was hoped that the new DPJ-led government could bring a fresh dynamism to economic reform, finding a new sustainable framework able to meet economic and social challenges. However, instability in the political system and the split parliament implied that few decisive reforms could be implemented. This notwithstanding, the government is aware of the issues at stake. In policy statements such as the Industrial Structure Council's Industrial Structure Vision, (June 2010), the New Growth Strategy (based on a cabinet decision in June 2010) or METI's September 2011 update of post-Fukushima challenges in its Challenges and Actions in Economic/Industrial Policies report, the government and its administration have shown a remarkably sober-minded and circumspect understanding of the major problem areas and needs for policy action. However, it is a matter of contention whether the demand-oriented approach of the New Growth Strategy, a set of proposals that accords with the DPJ-led government's sociopolitical agenda, is a sensible concept.

The events of March 11, 2011, refocused attention on the reconstruction of Northeastern Japan and on the need to find a new energy mix. Many observers were disappointed with the slow progress made during 2011, though it has to be taken into consideration that the country had just experienced the gravest disaster since the Second World War, and policy adjustment to the new situation has not been easy. Considered from this perspective, the major regions and the business sector have overcome the immediate shock surprisingly quickly. For instance, after a seasonally adjusted decline in real GDP of 2.0% in the first quarter of 2011 and 0.3% in the second quarter, the third quarter showed growth of 1.9%, with the fourth showing stability. Prices stabilized somewhat in 2011. While the consumer price index trend was still clearly negative in 2010, triggering deflation concerns, it reached approximate stability in 2011.

Citations:

Ministry of Economy, Trade and Industry (Japan): Challenges and Actions in Economic/Industrial Policies, 29 September 2011, <http://www.meti.go.jp/english/aboutmeti/policy/fy2012/fy2012policies.pdf>

Bank of Japan: Monthly Report of Recent Economic and Financial Developments, May 2012, http://www.boj.or.jp/en/mopo/gp_2012/gp1205b.pdf

How effectively does labor market policy in your country address unemployment?

This question addresses a government's strategies to reconcile the following objectives: unemployment reduction and job security, and balancing supply and demand on the labor market by providing sufficient mobility of the labor force according to the needs of potential employers. To assess labor market policy comprehensively, special emphasis should be placed on the positive or detrimental effects resulting from labor market regulation (e.g., dismissal protection, minimum wages, collective agreements) and from the modus operandi of unemployment insurance.

- Successful strategies ensure unemployment is not a serious threat. 10
9

- Labor market policies have been more or less successful. 8
7
6

- Strategies against unemployment have shown little or no significant success. 5
4
3

- Labor market policies have been unsuccessful and unemployment has risen. 2
1

³ Please consider the following quantitative indicators if available for your country (see Excel input mask): S 6.2 Unemployment, S 6.3 Long-term Unemployment, S 6.4 Youth Unemployment, S 6.5 Low-skilled Unemployment, S 6.6 Employment Rate and S 6.7 Intensity of Active LMP.

Generally speaking, Japan has maintained a low unemployment level in recent decades, a major success story in the region and beyond. Even during the global financial crisis that followed the Lehman shock, unemployment stayed below 6% (although some upward revision of that figure may be in order for international comparison). This did not change after the triple disaster of 2011. In terms of age cohorts, recent trends show diverging patterns. While unemployment among under-30 Japanese citizens, especially among 20- to 24-year-olds, continues to be above average and has indeed risen since the late 2000s, unemployment among 60- to 64-year-olds has significantly declined since the early 2000s – in large part due to government support schemes – and is now close to average.

However, as in many other countries, Japan's labor market has witnessed a significant deterioration in the quality of jobs. The incidence of non-regular employment has increased strongly; while in the mid-1980s only one of every five jobs was non-regular, this ratio had risen to one of every three by 2010. It has become a major source of concern that young people cannot easily secure 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 in the future. In 2011, Japan has passed a law designed to support job seekers through the implementation of a job training program and the provision of some post-training financial support. While such support eases some structural issues, it is a source of some concern that ameliorating measures are sought outside of the open labor market. Indeed, Japan is turning somewhat more strongly to nonmarket solutions for employment problems, a fact that raises the danger of so-called state failure, which Japan has tended to avoid in the past except in special cases such as distressed industries.

Citations:

Ministry of Health, Labor and Welfare (Japan): Law on support of employment of specified job seekers through implementation of job training, etc.

October 2011, http://www.mhlw.go.jp/english/policy/employ-labour/employment-security/dl/law_e.pdf

How successful has enterprise policy been in fostering innovation, entrepreneurship and economic competitiveness, and in stimulating private investment?

Private investment includes not only the acquisition of capital stock, but also entrepreneurial transactions aimed at investment, such as developing human capital, the restructuring of companies, establishing new companies, etc.

Enterprise policy has been successful in achieving the objectives of fostering innovation, entrepreneurship and economic competitiveness, and stimulating private investment. **10**

9

Enterprise policy has largely achieved these four objectives. **8**

7

6

Enterprise policy has partly achieved these four objectives. **5**

4

3

Enterprise policy has not achieved the objectives of fostering innovation, entrepreneurship and economic competitiveness, and stimulating private investment. **2**

1

For most of the postwar period, the Japanese government was renowned for its pro-business approach, often possibly going beyond the interests of consumers in running a “producer-oriented economy.” Since the country’s approach to the international frontier of technological and organizational progress, however, it has been questioned whether the government’s sometimes paternalistic attitude is appropriate for an advanced economy.

During the past decade, little progress has been made in creating a more competitive enterprise environment. The high-profile postal reform of the Koizumi government (2001 – 2006), which tried to create a more competitive sector with the Postal Bank being a major supplier of capital to the national

⁴ Please consider the following quantitative indicators if available for your country (see Excel input mask): S 7.2 Enterprise Regulation, S 7.3 Unit Labor Costs, S 7.4 Corporate Investment, S 7.5 Energy Costs for Enterprises and S 7.6 Real Interest Rates.

economy, was effectively halted by the new DPJ-led government when it came to power in 2009. However, the new government was unable to pass new legislation on the issue for two years, and was forced to rely instead on (temporary) cabinet decisions. As of the time of writing (spring 2012), a compromise modifying the postal reform bills was thought to be in the works between the coalition parties DPJ and Komeito, as well as the major opposition party LDP. Any such result is not expected to contribute to the creation of functioning competitive mechanisms in this important field.

As for other areas of enterprise policy, the dearth of venture capital relative to other advanced countries has been a concern for many years. The government has been unable to alter this situation significantly. For instance, Japan is ranked in only 98th place for this issue in the World Bank's 2010 Doing Business report.

In terms of opening Japan's enterprise sector to foreign corporate control and thereby increasing competitive pressure, a 2006 revision of the Corporate Law has brought some helpful changes. So-called triangular M&A deals have been possible since 2007, although only after Japanese companies have been given time to prepare against possible intruders. No significant further regulatory action has been taken since that time.

To what extent does taxation policy realize goals of equity, competitiveness and the generation of sufficient public revenues?

The objectives of justice and allocative efficiency suggest that taxation policies do not discriminate between different groups of economic actors with similar tax-paying abilities, such as corporate and personal income taxpayers (horizontal equity). Tax systems should also impose higher taxes on persons or companies with a greater ability to pay taxes (vertical equity). Tax rates and modalities should improve or at least not weaken a country's competitive position. However, tax revenues should be sufficient to ensure the long-term financing of public services and infrastructure. "Sufficiency" does not assume any specific ideal level of public expenditure, but refers only to the relationship between public revenues and expenditures.

Taxation policies are equitable, competitive and generate sufficient public revenues.	10 <input type="checkbox"/>
	9 <input type="checkbox"/>
<hr/>	
Taxation policies fail to achieve one of the three principles.	8 <input type="checkbox"/>
	7 <input type="checkbox"/>
	6 <input type="checkbox"/>
<hr/>	
Taxation policies fail to achieve two of the three principles.	5 <input checked="" type="checkbox"/>
	4 <input type="checkbox"/>
	3 <input type="checkbox"/>
<hr/>	
Taxation policies fail to realize the following three principles: equity, competitiveness and the generation of sufficient public revenues.	2 <input type="checkbox"/>
	1 <input type="checkbox"/>

⁵ Please consider the following quantitative indicators if available for your country (see Excel input mask): S 8.2 Tax Evasion, S 8.3 Marginal Tax Burden (Individuals), S 8.4 Marginal Tax Burden (Businesses), S 8.5 Tax System Complexity and S 8.6 Total Tax Rate.

Generally speaking, Japan has a modern and reasonably fair tax system that allows its corporate sector to thrive. Two major areas of concern have emerged in recent years, however. One is corporate taxation, which is felt to be too high in international comparison. Government efforts have focused on finding ways to make corporate taxation more bearable. With the 2011 tax reform, tax rates were slated to be lowered from 30% to 25.5%. The change was halted after the triple disaster of March 11, 2011, but later activated as of April 1, 2012, combined with a three-year surcharge earmarked for reconstruction purposes, thus lowering the tax rate to 28.05% for the time being (smaller companies are assessed at lower rates). The government has effectively dealt with this issue, though it may be questioned whether enough additional business can be generated and tax income earned to make up for the lowered tax rate, given Japan's difficult budgetary situation.

The second concern is related to the weak tax base. Among OECD nations, Japan has the lowest overall tax take, at just 17% of GDP. Moreover, two decades of low economic growth and fiscal support programs have led to a situation in which yearly tax income falls significantly short of the national budgetary expenses. For instance, government bonds make up 48% of national government revenue in 2011. Public debate in recent years, even before the global financial crisis of 2008 – 2009, has focused on raising the consumption tax, which is essentially a valued-added tax of only 5% at the time of writing. This is the only major tax that seems to offer considerable leeway for the levying of additional revenue. Nevertheless, recent governments have found it impossible to pass legislation raising the consumption tax, or to shore up the government's revenue base effectively.

During the reporting period, it was widely believed that the ruling DPJ-led coalition's loss of the upper house majority in the 2010 elections, thus creating the problematic "twisted Diet," was largely due to former Prime Minister Naoto Kan's suggestion that he planned to raise the consumption tax.

In January 2012, under new Prime Minister Yoshihiko Noda, the DPJ unveiled a new proposal to increase the consumption tax rate to 8% in April 2014 and again to 10% in October 2015. This was to be combined with an overhaul of the social security system, as well as a promise to use the newly collected tax money for social purposes and to create a new pension program. These conditions were designed to make the whole program more acceptable, but were themselves the source of additional controversy. Other parties, including the main opposition party LDP, quickly signaled their resistance; thus, as in earlier cases, it is doubtful whether true progress can be achieved.

To what extent does budgetary policy realize the goal of fiscal sustainability?

This question focuses on the aggregate of public budgets and does not assess whether budgets reflect government priorities or induce departments to manage efficiently. Sustainable budgeting should enable a government to pay its financial obligations (solvency), sustain economic growth, meet future obligations with existing tax burdens (stable taxes) and pay current obligations without shifting the cost to future generations (inter-generational fairness).

Budgetary policy is fiscally sustainable. 10

9

Budgetary policy achieves most standards of fiscal sustainability. 8

7

6

Budgetary policy achieves some standards of fiscal sustainability. 5

4

3

Budgetary policy is fiscally unsustainable. 2

1

⁶ Please consider the following quantitative indicators if available for your country (see Excel input mask): S 9.2 Debt-to-GDP, S 9.3 Net Debt Ratio, S 9.4 Debt Interest Ratio, S 9.5 Budget Consolidation and S 9.6 Soundness of Banks.

Public indebtedness in Japan totals 200% of GDP, or 100% on a net basis, the highest level of any developed economy. The budget deficit is still rising, reaching 8.2% in 2010, and will probably have been higher still in the year of the triple disaster. During the period under review, few concrete steps were taken to correct this situation, despite repeated calls for implementation of a general tax reform. In January 2011, an IMF deputy executive director has described Japan's debt as untenable in the medium and long term.

From a short-term perspective, nominal interest rates are still low (rarely higher than 1.5%). A major factor responsible for this fact is that more than 90% of public debt is held by Japanese, mainly by institutional investors. The government and such institutional investors obviously have no interest in lower bond prices, and this oligopoly of players can sustain the current price level of the Japanese government bonds. However, should national savings fall short of domestic needs, a foreseeable situation due to the forecast aging of Japanese society in the coming years, the domestic market may no longer be able to absorb new government deficits. Government bond prices may fall and interest rates rise at a fast pace, leading to extremely serious problems for the Japanese government budget and for the financial sector.

How effective and efficient are health care policies in your country?

Public health care policies should aim at providing high-quality health care for the largest possible share of the population and at the lowest possible costs.

Of the three criteria – quality, inclusiveness and cost efficiency – efficiency should be given less weight if the first two criteria can be considered fulfilled.

Health care policies provide high-quality health care for a majority of the population and services are efficiently organized. **10**
9

Health care policies provide high-quality health care for a majority of the population, but services are inefficiently organized. **8**
7
6

Health care policies provide poor-quality health care for a majority of the population and services are inefficiently organized. **5**
4
3

Health care policies provide poor-quality health care for a majority of the population. Health care services are underfinanced, overloaded, unreliable and inefficiently organized. **2**
1

⁷ Please consider the following quantitative indicators if available for your country (see Excel input mask): S 10.2 Private-to-Public HC Spending, S 10.3 Spending on Pharmaceuticals, S 10.4 Spending on Preventive and Health Programs, S 10.5 Life Expectancy-to-HC Spending and S 10.6 Infant Mortality.

Japan has had a universal health-care system since 1961. The overall accomplishment of the country's medical system is evident in the fact that Japan has one of the world's highest average life expectancies, at 79 years for men and almost 86 for women (rates at birth), and that infant mortality rates are among the world's lowest (2.8 deaths per 1,000 live births). Despite these achievements, the health care system faces a number of challenges, as pointed out by the OECD in 2009. These include cost containment and the need to enhance quality and address imbalances. Some noteworthy progress with respect to cost containment has been made. With respect to quality, however, the ongoing shortage of doctors remains a serious bottleneck. The number of doctors per head is some 40% lower than in Germany or France.

During the triple disaster, the Japanese health system's disaster preparedness was put to the test. Generally speaking, there was considerable frustration with the slow and ineffective coordination of various services as the large-scale emergency unfolded. While contingency plans did exist, they did not cover the novel triple character of the event (tsunami, earthquake and nuclear accident), and authorities proved unable to handle the situation flexibly. The fact that the death toll was low in comparison to other major disasters was due to the solid construction of most structures and to individual, voluntary efforts.

Citations:

Jones, R. S. and B. Yoo (2011), "Japan's New Growth Strategy to Create Demand and Jobs," OECD Economics Department Working Papers, No. 890, OECD Publishing.

<http://dx.doi.org/10.1787/5kg58z5z007b-en>

To what extent does social policy in your country prevent exclusion and decoupling from society?

Reducing the various risks of social exclusion is a core task of social policy. The prevention of poverty and the provision of enabling conditions for equal opportunity in society are essential elements of such a policy. In addition to poverty, please take also into account additional dimensions of exclusion like the experience of marginalization and the desire to be appreciated when evaluating socioeconomic disparities.

Policies very effectively enable societal inclusion and ensure equal opportunities.	10 <input type="checkbox"/>
	9 <input type="checkbox"/>
<hr/>	
For the most part, policies enable societal inclusion effectively and ensure equal opportunities.	8 <input type="checkbox"/>
	7 <input checked="" type="checkbox"/>
	6 <input type="checkbox"/>
<hr/>	
For the most part, policies fail to prevent societal exclusion effectively and ensure equal opportunities.	5 <input type="checkbox"/>
	4 <input type="checkbox"/>
	3 <input type="checkbox"/>
<hr/>	
Policies exacerbate unequal opportunities and exclusion from society.	2 <input type="checkbox"/>
	1 <input type="checkbox"/>

⁸ Please consider the following quantitative indicators if available for your country (see Excel input mask): S 11.2 Poverty, S 11.3 Life Satisfaction, S 11.4 Youth not in Education and Unemployed, S 11.5 Gini Coefficient, S 11.6 Gender Equality and S 11.7 Social and Political Participation.

Once a model of social inclusion, Japan has developed considerable problems with income inequality and poverty during the past decade. The DPJ-led government has been particularly outspoken on these issues. Equity concerns accounted for a considerable portion of the DPJ's successful electoral manifesto of 2009.

The New Growth Strategy of 2010 is based on the creation of new demand and employment opportunities. However, the strategy's goal of creating demand to establish the country as a leading center for green industries or for the creative sector has been deemed optimistic by some skeptics. In addition, it will be difficult for the government to muster funds sufficient to develop truly substantial policies for social inclusion. The financial means to implement expensive social policy-related programs are extremely limited.

As noted elsewhere, major social-system reform measures form an integral part of a broad-ranging legislative package introduced in January 2012, called the Comprehensive Reform of Social Security and Tax. Among other elements, this included a proposal for a new system to support children and childrearing, as well as an enhancement of the safety-net functions of the country's various social insurance systems. However, given widespread political opposition from other parties, its chances of being adopted as law appeared small at the time of writing.

To what extent do family support policies in your country enable women to combine parenting with participation in the labor market?

Traditional family patterns confine mothers to opt out of gainful employment and focus on household and child care work, a division of roles that has lost acceptance among an increasing number of women. This question is based on the assumption that an optimal system of family support should enable women to decide freely whether and when they want to remain full-time mothers or take up full- or part time employment.

- | | |
|--|---------------------------------------|
| Family support policies effectively enable women to combine parenting with employment. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| Family support policies provide some support for women who want to combine parenting and employment. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input checked="" type="checkbox"/> |
| <hr/> | |
| Family support policies provide only few opportunities for women who want to combine parenting and employment. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| Family support policies force most women to opt for either parenting or employment. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

⁹ Please consider the following quantitative indicators if available for your country (see Excel input mask): S 12.2 Child Care Density, S 12.3 Child Poverty, S 12.4 Fertility Rate and S 12.5 Spending on Family Policy.

Japanese family policy has in recent years focused strongly on efforts to improve the ability of women to balance work and family. In comparison to other OECD countries, Japan does not score well on measures of gender equality; for instance, recent statistics show the country to have the group's second-highest gender gap in terms of median incomes earned by full-time employees. Government figures show that only slightly more than 6% of women working in the private sector have made it to section manager or beyond, while just over 2% of director-level jobs and above in central government are held by women. Although several policy measures aimed at addressing these issues have been implemented since the 1990s, cultural challenges have remained quite significant. With respect to the sharing of housework and child care duties, for example, studies show that little has changed since the mid-1990s. Fathers and husbands still spend little time on housework and child care activities, even during weekends.

The DPJ-led government has tried to make a fresh start on the issue since 2009, based on the social concerns expressed in its election manifesto. In April 2010, its Act on Payment of Child Allowance was introduced, offering a child-care allowance for children aged 15 and younger. After losing its majority in the House of Councillors in 2010, however, the DPJ-led government was forced to scale back the magnitude and availability of child allowance payments substantially. In consequence, financial improvements for families proved largely fleeting. Moreover, a lack of available and affordable child-care facilities remains a serious problem. As recently noted by the *Financial Times*, "[i]n Tokyo state-run nurseries are full, have long waiting lists and often inflexible collection times. Strict licensing regulations means there are a limited number of private establishments. Babysitting or private care is also not the norm in Japan" (Whipp 2011).

The scope for policy action is also limited by Japan's severe fiscal constraints. The government has sought to influence the public's awareness of sensitive issues, but the effectiveness of such policy instruments is limited. As an example, the Ikumen Project, launched in June 2010, is meant to strengthen the awareness and acceptance of men taking care of children (<http://ikumen-project.jp>).

Citations:

Whipp, Lindsay, 'Japan: culture change required', *Financial Times*, December 7, 2011, p. 8.

To what extent does pension policy in your country realize goals of poverty prevention, inter-generational equity and fiscal sustainability?

An optimal pension system should prevent poverty among the elderly due to retirement and should be based on distributional principles that do not erode the system's fiscal stability. It should ensure equity among pensioners, the active labor force and the adolescent generation. These objectives may be achieved by different pension systems: exclusively public pension systems, a mixture of public and private pension schemes, or publicly subsidized private pension plans. Accumulating public and private implicit pension debt is undesirable.

- | | |
|--|---------------------------------------|
| The pension policy is fiscally sustainable, guarantees inter-generational equity and effectively prevents poverty caused by old age. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| The pension policy fails to realize one of these three principles. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| The pension policy fails to realize two of these three principles. | 5 <input checked="" type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| The pension policy is fiscally unsustainable, does not effectively prevent old-age poverty and fails to achieve inter-generational equity. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

¹⁰ Please consider the following quantitative indicators if available for your country (see Excel input mask): S 13.2 Older Employment, S 13.3 Senior Citizen Poverty, S 13.4 Dependency Ratio and S 13.5 Public Pension Coverage.

With a rapidly aging population, Japan faces critical challenges in setting up and administering a sound, equitable and distributionally acceptable pension system. The last major overhaul was based on 2004 legislation and took effect in 2006. Under its provisions, future payments will rise less than inflation, payments (after an intermediate period) will commence at age 65 instead of age 60, contributions top out at 18.3% of income and a payout ratio of 50% is promised. However, the program's assumed relationship between future payment levels, contributions and the starting age for the receipt of benefits is based on optimistic macroeconomic forecasts. These assumptions seem increasingly unrealistic in the wake of the global financial crisis, and further reform is needed.

Old-age poverty remains a concern despite previous reforms. A third issue concerns the technical efficacy of the mechanisms employed by the pension system. At this point, the assets of the Government Pension Investment Fund are mostly held in Japanese government bonds. Given the financial precariousness of Japan's public debt, it seems advisable to diversify assets and thus spread the risk; but any such action might lower public trust in the soundness of public debt. Another major technical issue was exposed by the government's recent loss of millions of pieces of contributor data, which led to a public uproar in 2007.

During the first two years after taking office in 2009, the DPJ-led government proved unable to pass legislation reforming the pension system. Under the provisions of a January 2012 announcement, pension reform is slated to become part of a broad-ranging reform of the tax and social security system. On the one hand, this reform is designed to keep expenses in check, for instance by finding a new balance between earning levels and minimum guarantees for payments. On the other hand, some equity concerns would be accommodated, for instance by extending employment insurance to more part-time workers. However, it is far from clear whether the far-reaching proposals can be successfully turned into law.

How effectively do policies in your country support the integration of migrants into society?

This question covers integration-related policies comprising a wide array of cultural, education and social policies insofar as they affect the status of migrants or migrant communities in society. The objective of integration precludes forced assimilation but favors integration by acquisition of nationality

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|--|---------------------------------------|
| Cultural, education and social policies effectively support the integration of migrants into society. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| Cultural, education and social policies seek to integrate migrants into society, but have failed to do so effectively. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| Cultural, education and social policies do not focus on integrating migrants into society. | 5 <input type="checkbox"/> |
| | 4 <input checked="" type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| Cultural, education and social policies segregate migrant communities from the majority society. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

¹¹ Please consider the following quantitative indicators if available for your country (see Excel input mask): S 14.2 Foreign-born Secondary Attainment, S 14.3 Foreign-born Tertiary Attainment, S 14.4 Foreign-born Unemployment and S 14.5 Foreign-born-to-Native Employment.

Japan has always had a strict immigration policy. In recent years, however, the challenges posed by the aging population have exposed the potential need for new thinking on the issue. The shrinking population has triggered periodic calls such as that in 2008 by Japanese business organization Nippon Keidanren and others to develop a “Japanese-style” immigration policy. To date, these have remained largely unanswered.

Among the few recent exceptions to this rule has been the creation of bilateral economic partnership pacts, under which Filipino and Indonesian nurses and caregivers have since 2008 been given the temporary right to enter Japan. For longer-term employment, however, they have to pass a professional test which demands a high level of Japanese language proficiency. In the first few years of the program, less than 5% of the trainee nurses and caregivers were able to pass this test. In early 2012, it was reported that the ratio had increased significantly.

In December 2011, a program was introduced to attract 2,000 non-Japanese with a “high degree of capability.” Access to five-year visas and a simplified process of acquiring permanent residency status is based on a points system. While some have criticized the tough conditions, it is important to note that the number of visas provided by the program is quite small. As a policy experiment, it may be a step forward, and should thus be welcomed.

Japanese government authorities remain extremely reluctant to pursue any radical reform in immigration policy. Major sticking points include a desire to protect job prospects for young Japanese as well as safety concerns, as for instance when foreigners with relatively poor Japanese language skills provide care for frail elderly people. However, many observers tie the considerable resistance to opening Japan to broader immigration to a deep-rooted discomfort with foreigners.

Japan has long had a reputation for treating “outsiders” such as foreigners and foreign minorities rather harshly. Under a 2009 revision of the Immigration Law, taking effect in 2012, a number of important changes have been made. On the one hand, some strict rules are relaxed. For instance, for medium-term foreign residents, the maximum period of residency is extended from three to five years. Automatic permission for reentry is given within one year of departure. On the other hand, residence cards instead of the older alien registration cards will now be directly issued by the Immigration Bureau of the Ministry of Justice, instead of by local authorities. The fact that central oversight will thus be made easier, and that foreigners are now covered by the central Juki Net registration system applicable to all residents, can be seen critically, as the Juki Net has been subject to considerable criticism on privacy grounds.

Citations:

Arudou, Debito: Japan’s revolving-door immigration policy hard-wired to fail, in: Japan Times, 6 March 2012

Thompson, Ashley and Jeffs, Angela: Bye-bye to the gaijin card, welcome to the Juki Net in '12, in: Japan Times, 12 July 2011

S 15 External Security

Category: Security

S 15.1 External Security Policy¹²

How effectively does external security and defense policy in your country protect citizens against security risks and safeguard the national interest?

This question rests on the assumption that the aims of protecting citizens against security risks and safeguarding the national interest can be achieved by many different ways and combinations of security and defense policies. In addition a combination of various domestic and external policies can achieve an effective protection against new security risks arising from threats like terrorism. On the one hand the effectiveness of these policies depend on the relation between the aims and strategies of the defence policy and the way the military forces are financed, fitted with high-tech and state-of-the-art equipment and supported by a national consensus on the desired defense policy. On the other hand the membership in collective security alliances/organizations/treaties, the internal integration of domestic intelligence communities and their cooperation with regional/international counterparts, the promotion of neighbourhood stability, conflict prevention and assistance/risk containment for failed states are necessary pre-conditions to a successful security policy. Whereas military expenditures alone say little about the effectiveness of external security policy, they have to be taken into account in order to assess the cost/benefit-ratio of these policies.

External security policy protects citizens against security risks and safeguards the national interest very effectively. **10**
9

External security policy protects citizens against security risks and safeguard the national interest more or less effectively. **8**
7
6

External security policy does not effectively protect citizens against security risks and safeguard the national interest. **5**
4
3

External security policy exacerbates the security risks and does not safeguard the national interest. **2**
1

¹² Please consider the following quantitative indicators if available for your country (see Excel input mask): S 15.2 Conflicts Fought and S 15.3 Relations with Neighbors.

Under the provisions of its postwar constitution, Japan has in a formal sense renounced war. While it does maintain so-called Self-Defense Forces, Japan nevertheless has had to rely on a strong military alliance with the United States, essentially sheltering under that country's nuclear umbrella. At the same time, Japan has had to manage delicate relations with neighboring East and Southeast Asian countries, many of which it occupied or colonized before World War II. With the rising importance of China as a military and economic factor in the region, triangulation between these relationships has become increasingly demanding.

In December 2010, the Japanese Ministry of Defense published new National Defense Program Guidelines (NDPG), marking a major overhaul of the country's military strategy. These guidelines represent a reaction to military anxieties over China's waxing regional and global power, and explicitly mention "concerns" over this rise. Most visibly, some ground forces including battle tank units were to be redeployed from Hokkaido, where they faced the former Soviet Union, to the southern islands, where China is the only conceivable adversary. Moreover, the guidelines ask for more mobile units, involving larger transport aircraft, as well as more submarines and fighter jets, which extend the possible range of military involvement. Without constitutional change, which has always remained impossible for political reasons, this is a backdoor departure from the ultra-pacifist stance of the early postwar period. Also implied is a stronger linkage between the Japanese military and U.S. forces in the region. However, the still-unresolved question of relocating the U.S. Marine Corps Air Station Futenma on the southern islands of Okinawa remains a thorn in the U.S.-Japan security alliance.

Citations:

Security Council and the Cabinet (Japan): Summary of National Defense Program Guidelines for FY 2011 and beyond (Provisional Translation), Approved on December 17, 2010,

http://www.mod.go.jp/e/d_act/d_policy/pdf/summaryFY2011.pdf

Yuka Hayashi, 'U.S., Japan Scale Back Plan to Move Base', *The Wall Street Journal*, February 9, 2012, online: <http://online.wsj.com/article/SB10001424052970204136404577210951755288944.html>

Japan enjoys the reputation of having a very low crime rate. For major crimes such as homicide or hard drug abuse, this is well deserved. Major terrorist attacks too have posed little concrete threat in recent years; the last major incident was the subway poisoning by the notorious Aum Shinrikyo cult in the mid-1990s. With respect to lesser offences, particularly burglaries and robberies, Japan now occupies only a middle rank among OECD countries. Another issue is the continued existence of organized gangs (the so-called yakuza), which have never been eradicated, although incidents in which these groups molest ordinary citizens seem rather rare.

In recent years, the Japanese public has evinced concern over the potential for crimes committed by foreigners, following the gradual opening of the country. However, official National Police Agency statistics suggest that these fears are exaggerated: After a peak of close to 50,000 cleared criminal cases committed by foreign visitors in 2004 and 2005, the number declined to roughly 20,000 in 2010.

Citations:

National Police Agency (Japan): Police of Japan 2012,
<http://www.npa.go.jp/english/kokusai/2012contents.htm>

S 17 Environment

Category: Resources

S 17.1 Environmental Policy¹⁴

How effectively does environmental policy in your country protect and preserve the sustainability of natural resources and quality of the environment?

This question covers a government's activities aimed at safeguarding the environment and thereby securing the prerequisites for sustainable economic development.

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|---|---------------------------------------|
| Environmental policy effectively protects, preserves and enhances the sustainability of natural resources and quality of the environment. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| Environmental policy largely protects and preserves the sustainability of natural resources and quality of the environment. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| Environmental policy insufficiently protects and preserves the sustainability of natural resources and quality of the environment. | 5 <input checked="" type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| Environmental policy has largely failed to protect and preserve the sustainability of natural resources and quality of the environment. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

¹⁴ Please consider the following quantitative indicators if available for your country (see Excel input mask): S 17.2 Energy Intensity, S 17.3 CO-2 Emissions, S 17.4 Energy Mix, S 17.5 Water Usage and S 17.6 Waste Management.

Japan was a global leader in terms of antipollution policy and energy conservation during the 1970s and 1980s, partially due to progress in research and development and the forceful implementation of relevant policy programs, and partially due to the overseas relocation of polluting industries. More recently, Japan has faced two major challenges: first, how to contribute successfully to the global reduction of CO₂ emissions, and second, how to improve the domestic economy's energy mix.

Recent developments have of course been most strongly influenced by the triple disaster of March 11, 2011. Though policy-makers decided in 2010 to raise nuclear power's share of electricity generation from the then-current 30% to 50%, the events of March 2011 raised extremely serious concerns as to the government's planning capability, the nature of linkages between energy companies (most notably the regional electricity monopolies) and government, and the regulatory competence of national, regional and local authorities. Other nuclear reactors not involved in the Tohoku incident were shut down one by one for regular inspection and special stress tests, and by early 2012 none of these reactors had been restarted. By May 2012, Japan was expected to be without any operating nuclear power plants.

Given the severity of the accident and its aftermath, it is encouraging that the Japanese government has already taken some concrete policy measures. On an institutional level, a decision was made in June 2011 to decouple the Nuclear and Industrial Safety Agency (NISA), responsible for nuclear regulatory and oversight, from the Agency for Natural Resources and Energy, which is associated with the METI industry ministry. This was intended to avoid a serious conflict of interest between industry and environment/safety concerns in the future. As late as spring 2012, however, political infighting over the issue had kept the associated legislation from being delivered. On a more concrete level, policy-makers decided during the summer of 2011 to strengthen the feed-in tariff system, seeking to promote photovoltaic energy generation. The policy was slated to take effect in July 2012. As of the time of writing, however, the country's future stance on nuclear energy remained unclear. While former Prime Minister Kan pledged in summer 2011 to move toward a nuclear-free Japan, it is questionable whether this is a realistic option for Japan.

No matter how the energy issue is eventually resolved, the events of March 2011 have raised serious doubts as to the government's willingness and capability to address environmental concerns affecting future generations in the absence of strong public scrutiny and pressure.

S 18 Research and Innovation

Category: Resources

S 18.1 Research and Innovation Policy¹⁵

To what extent does research and innovation policy in your country support technological innovations that foster the creation and introduction of new products?

This question comprises subsidies and incentives for research institutions conducting basic and applied research, as well as subsidies and incentives for establishing start-up companies that transfer scientific output into products and enhanced productivity. Bureaucratic impediments to research and innovation should also be taken into account.

- | | |
|---|---------------------------------------|
| Research and innovation policy effectively supports innovations that foster the creation of new products and enhance productivity. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| Research and innovation policy largely supports innovations that foster the creation of new products and enhance productivity. | 8 <input type="checkbox"/> |
| | 7 <input checked="" type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| Research and innovation policy partly supports innovations that foster the creation of new products and enhance productivity. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| Research and innovation policy has largely failed to support innovations that foster the creation of new products and enhance productivity. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

¹⁵ Please consider the following quantitative indicators if available for your country (see Excel input mask): S 18.2 Public R&D Spending, S 18.3 Industry R&D Personnel, S 18.4 Science and Technology Degrees, S 18.5 Triad Patents and S 18.6 Computer and Internet Access.

During the postwar period, Japan developed into one of the world's leading research and development (R&D) nations. Even during the so-called lost decades, science, technology and innovation (STI) has received considerable attention and budget allocations from the government. During the period here under review, the Fourth Science and Technology Basic Plan (2011 – 2016) took effect; this will serve as the foundation for new policies. Compared to the Third Plan, emphasis has shifted from a supply-side orientation designed to foster a number of specific technologies such as nano materials, to a demand-pull approach that focuses on a looming set of economic and social challenges.

Reconstruction of Northeastern Japan and the creation of a green Japan are among the major demands mentioned in this context. This demand-side philosophy reflects the overall policy conception of the DPJ-led government coalition; in this case, however, it may also help to overcome the previously problematic necessity of identifying the technologies most relevant to future development.

The internationalization of Japanese R&D will represent an important challenge for Japanese STI in the future. While many attempts at this have already been made, a domestic bias is still evident. The fourth plan recognizes this issue, and calls for the creation of an East Asia Science and Innovation Area as one of its concrete measures. It remains to be seen whether such an entity can overcome the various national strategic interests in the region.

In institutional terms, the basic STI policy has previously been overseen by the Council for Science and Technology Policy. This is headed by the prime minister and also oversees the various ministries and agencies involved, a fact testifying to the high priority given to this issue. Under the fourth plan, the council is to be abolished and an STI Headquarters is to take its place. This will include more representatives from academia and will nominate an advisor reporting to the prime minister. It is an open question whether this body will be more effective than the former Council. It may indeed be closer to academic circles, but as a downside might wield less influence within government circles. The Keizai Doyukai, a business association, recently requested that the policy-planning functions of the Ministry of Education, Culture, Sports, Science and Technology (MEXT) be shifted to the STI Headquarters, perhaps reflecting just such concerns.

Citations:

Reiko Aoki: The 4th Science and Technology Basic Plan: A National Innovation System for New Challenges – Role of East Asia and Small & Medium Businesses, 12 January 2012, mimeo., <http://cis.ier.hit-u.ac.jp/Japanese/publication/cis/dp2011/dp534/text.pdf>

Keizai Doyukai (Japan Association of Corporate Executives): Strengthen a True “Control Tower” Function to Drive Further Innovation in the Field of Science and Technology, February 2012, <http://www.doyukai.or.jp/en/policyproposals/2011/pdf/120222a.pdf>

To what extent does education policy in your country deliver high-quality, efficient and equitable education and training?

This question assesses the extent to which a government's education policy facilitates high-quality learning that contributes to personal development, sustainable economic growth and social cohesion. Your response should focus on the following, irrespective of the education system's organization: the contribution of education policy towards providing a skilled labor force, the graduate output of upper secondary and tertiary education, and (equitable) access to education. While the latter pertains to issues of fairness and distributive justice, it also has implications for a country's international competitiveness as unequal education implies a waste of human potential.

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|---|---------------------------------------|
| Education policy effectively delivers efficient and equitable education and training. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| Education policy largely delivers high-quality, efficient and equitable education and training. | 8 <input type="checkbox"/> |
| | 7 <input checked="" type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| Education policy partly delivers high-quality, efficient and equitable education and training. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| Education policy largely fails to deliver high-quality, efficient and equitable education and training. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

¹⁶ Please consider the following quantitative indicators if available for your country (see Excel input mask): S 19.2 Upper Secondary Attainment, S 19.3 Tertiary Attainment, S 19.4 Continuing Education, S 19.5 PISA Results and S 19.6 Pre-primary Education.

Education has always been considered to be a strong point in Japan, a country with a Confucian tradition in which parents take great care and often go to significant expense to offer their children good schooling. Primary and lower secondary education, until ninth grade, are mandatory. Since 2000, one out of every two Japanese youngsters has gone on to tertiary education. Japanese still do well in PISA tests, with 15-year-olds in 2009 ranking in the world's top five in terms of student performance.

However, the Japanese education system faces a number of challenges. One is to deliver adequate quality. In 2002, a so-called *yutori* ("room to grow") educational system was introduced by the education ministry (MEXT), significantly reducing the overall number of hours and putting less emphasis on core subjects such as mathematics. This policy shift has led to some discontent, and a reorientation was introduced in 2011 that to some extent undoes the *yutori* changes. While this does demonstrate policy activism, it remains to be seen whether this backward shift will have a positive impact on quality.

In the tertiary education sector, the 2001 administrative reform transformed the national universities into independent agencies. Professors lost their civil servant status, for instance. This measure was meant to make universities more agile and competitive. However, MEXT's influence through the budgeting process remains evident, and there are concerns that formerly national universities are not fully exploiting the opportunities provided by their new liberties.

Another unresolved challenge is the slow progress of internationalization. The number of students seeking education abroad has been shrinking for a number of years (only 59,000 in 2009); Japan is almost unique among advanced nations in this respect. No major policy initiative has addressed this issue in recent years, possibly because the causes of the decline are not entirely clear. Some observers stress the role of falling incomes for many families, others attribute it to a sense of complacency instilled by the mature economy, and still others see anxiety about the foreign world and a hesitation to stand out as a primary factor. As for inbound foreign students, numbers have been more encouraging in recent years (roughly 140,000 in 2010 – 2011), although this number has probably dropped significantly due to the Fukushima incident. Foreign students still make up less than 3% of university-level enrollments.

Still another issue is of the challenge of dealing with growing income inequality and the persistent economic stagnation. Many citizens who consider the quality of the public school system to be lacking send their children to expensive cram schools; but given economic hardship, poor households may have to give up educational opportunities and thus future income and social status. The move away from *yutori* may also be interpreted in this context: The lower emphasis given after 2002 to core subjects such as the Japanese language and mathematics motivated many parents to send their children to expensive cram schools. Given economic difficulties, this became ever more problematic from an equity perspective in recent years.

Citations:

Jones, Randall. S. (2011), "Education Reform in Japan," OECD Economics Department Working Papers, No. 888, OECD Publishing. <http://dx.doi.org/10.1787/5kg58z7g95np-en>

Management Index

Executive Capacity

Steering Capability

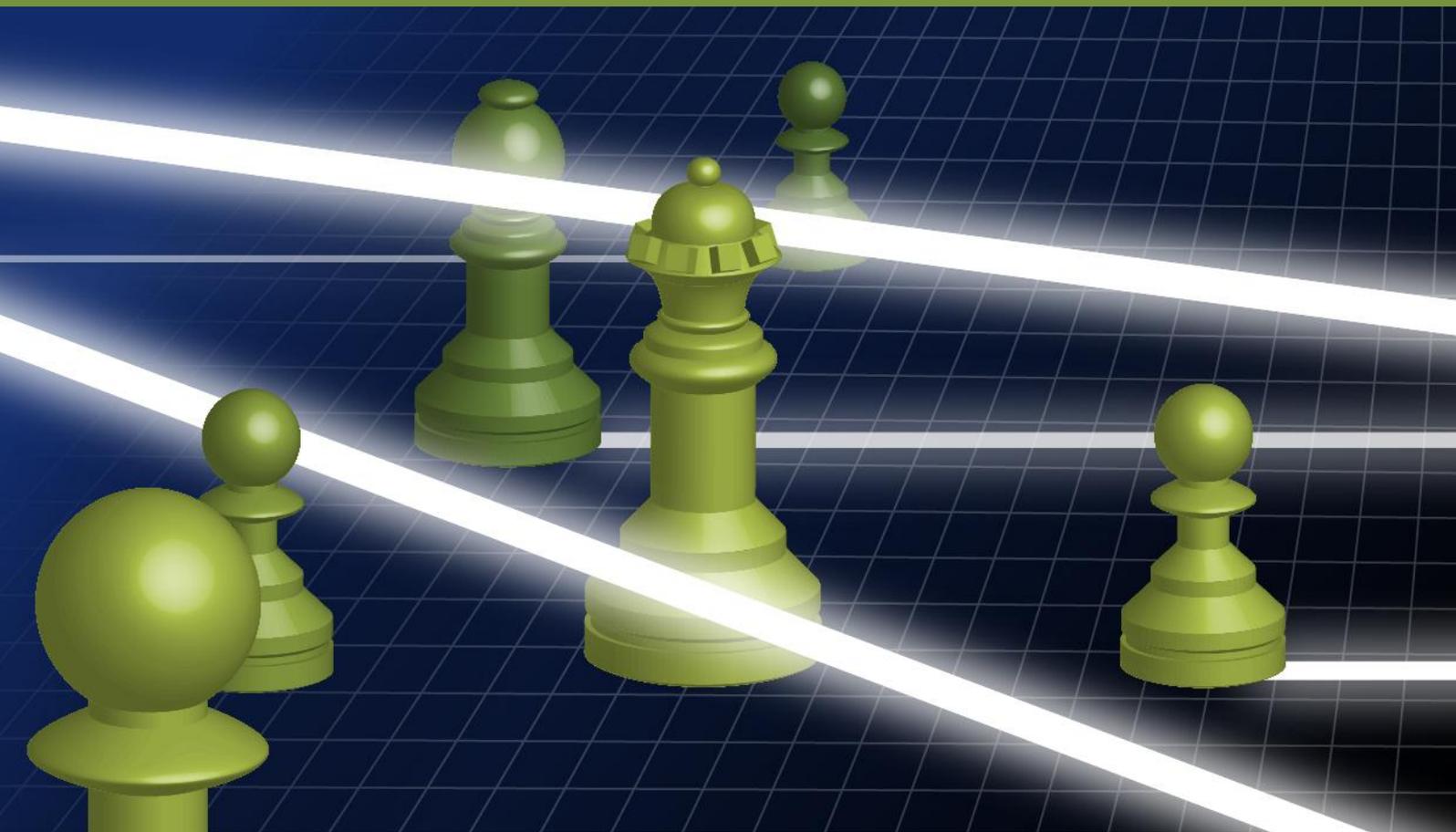
- M 1 Strategic Capacity
- M 2 Inter-ministerial Coordination
- M 3 Evidence-based Instruments
- M 4 Societal Consultation
- M 5 Policy Communication

Institutional Learning

- M 7 Adaptability
- M 8 Organizational Reform Capacity

Policy Implementation

- M 6 Effective Implementation



How much influence does strategic planning have on government decision-making?

Organizational forms of strategic planning include planning units at the center of government and personal advisory cabinets for ministers or the president/prime minister or extra-governmental bodies.

An indicator of influence may be the frequency of meetings between strategic planning staff and the head of government. Please substantiate your assessment with empirical evidence.

Dominant influence.	10	<input type="checkbox"/>
	9	<input type="checkbox"/>
<hr/>		
Considerable influence.	8	<input type="checkbox"/>
	7	<input type="checkbox"/>
	6	<input checked="" type="checkbox"/>
<hr/>		
Modest influence.	5	<input type="checkbox"/>
	4	<input type="checkbox"/>
	3	<input type="checkbox"/>
<hr/>		
No influence.	2	<input type="checkbox"/>
	1	<input type="checkbox"/>

¹⁷ Please consider the following quantitative indicators if available for your country (see Excel input mask): M 1.2 Medium-term Fiscal Framework.

In its 2009 election manifesto, the DPJ promised grand reforms with respect to government structures. However, the party's desire to streamline executive decision-making structures by creating a government effectively run by elected political representatives rather than bureaucrats was not only difficult to achieve, but also rested on problematic assumptions from the outset. To start with, a planned division of labor between DPJ politicians in government posts who would focus on policy affairs and a broad remainder that would focus on electioneering and other party affairs proved unacceptable to many DPJ Diet members. During the party's time in opposition, DPJ politicians had become used to shaping policy proposals through their membership in the party's Policy Research Council (PRC), the DPJ's main policy body. In particular those politicians who had not been given government posts proved unwilling to cede their former role in shaping policy proposals to executive organs. The abolishment of the PRC in fall 2009 following the DPJ's attainment of power was thus met with great dissatisfaction within the party rank-and-file, a situation leading to the eventual reinstatement of the PRC after Kan took the premiership in June 2010. His successor Yoshihiko Noda even amplified the powers of the PRC, by making all government policy decisions dependent on the approval of committee heads. Thus, creating a unified decision-making power within the executive has proved elusive even for the DPJ.

The DPJ had also sought to create a National Strategy Bureau, conceiving it as a kind of "control tower" charged with proposing and coordinating important budget and policy matters. This plan too ran quickly into difficulties. First, the DPJ was forced to confront the fact that any such new structure empowered to give directions to national bureaucrats would require a legal foundation of its own. To circumvent this problem, the new unit was established inside the Cabinet Office as an office rather than a full-fledged bureau. Nevertheless, it was dogged from the beginning with important questions about its competences. An attempt to endow the national strategy unit with a proper legal basis ultimately floundered in spring 2011, with the government unable to win passage for the relevant bill in the House of Councillors. By that time, the national strategy unit had been degraded to a mere consultative organ advising the prime minister on select issues, a function shared from fall 2011 onward with the newly established National Policy Conference, a body comprised of outside experts. This latter body is meant to tackle key issues in such a way as to overcome vested interests. Many observers have here drawn a parallel with former Prime Minister Koizumi's (2001 – 2006) Council on Economic and Fiscal Policy, a key force during that period of reform. However, unlike Koizumi's council, the new body lacks a legal basis.

It is premature to evaluate the prospects or even the performance of the very recent changes. While skeptics have criticized the shifts in emphasis in trying to set up effective strategic planning institutions, it is worth noting that most recent governments have made continual efforts to mend the defects of earlier attempts. In this field, at least, the Japanese government has shown itself to be far from immobile. Basically, the idea of establishing a better working relationship between politicians responsible to the public and bureaucrats with their sectoral expertise seems reasonable.

Citations:

Makihara, Izuru: The DPJ, the Bureaucrats, and the Policymaking Process, Nippon.com Website, 19 October 2011, <http://nippon.com/en/currents/d00002/>

How influential are non-governmental academic experts for government decision-making?

An indicator of influence may be the frequency of meetings between government and external academic experts. Please substantiate your assessment with empirical evidence.

Dominant influence.	10 <input type="checkbox"/>
	9 <input type="checkbox"/>
<hr/>	
Considerable influence.	8 <input type="checkbox"/>
	7 <input type="checkbox"/>
	6 <input type="checkbox"/>
<hr/>	
Modest influence.	5 <input checked="" type="checkbox"/>
	4 <input type="checkbox"/>
	3 <input type="checkbox"/>
<hr/>	
No influence.	2 <input type="checkbox"/>
	1 <input type="checkbox"/>

The Japanese government is assisted by a large number of advisory councils, usually associated with particular ministries and agencies. These are usually composed of private sector representatives, journalists, civil servants and trade unionists. It has frequently been asked whether these advisory boards truly have a decisive influence on policy-making, or whether the bureaucracy instead uses them to legitimize its policies by nudging seemingly independent bodies into making proposals that would be forthcoming in any case. As discussed above, the new DPJ-led government was initially quite critical of bureaucrats' policy-making role. From that perspective, it was also suspicious of the ubiquity of such councils, which include a significant number of academic advisors. Following the 2009 House of Representatives election, many councils saw their work put on hold. However, this moratorium was not complete. For instance, a new body called the Industrial Competitiveness Committee, responsible to the Ministry of Economics, Trade and Industry (METI), was added to the Industrial Structure Council in February 2010 and was tasked with developing ideas related to the long-term competitiveness of the Japanese economy. It includes a number of university professors and academics from institutes.

As discussed elsewhere (see "strategic planning"), the DPJ-led government has recently abandoned the bulk of its opposition to bureaucrats' involvement in framing policy. As the vast majority of laws in Japan have initially been drafted on the junior officer level within the ministries, at least until the DPJ temporarily tried to move away from this system, it seems natural that outside expertise is included. This comes in the shape of formal committees, informal study groups and other such mechanisms, in the course of a complex and nontransparent consultation process. However, it is too early to judge whether the second phase of DPJ-led rule has indeed returned to a reliance on scholarly advice.

Citations:

U.S. Japan Research Institute: Workshop on "Differences of Policy Formulation Processes in Japan and U.S. Parliaments: Roles of the Cabinet, Congressional Staff, Government Officials, Lobbyists, Parliamentarians, and Think Tanks," Summary, Washington, DC, November 3, 2011, http://www.us-jpri.org/en/reports/seminar/summary_20111103.pdf

Does the government office / prime minister's office (GO / PMO) have the expertise to evaluate ministerial draft bills substantively?

This question examines whether the government office (referred to in some countries as the prime minister's office, chancellery, etc.) has capacities to evaluate the policy content of line ministry proposals. In case this question does not fully apply to the structure of relevant institutions in your country, please answer this question according to possible functional equivalents.

The GO / PMO has comprehensive sectoral policy expertise and provides regular, independent evaluations of draft bills for the cabinet / prime minister. These assessments are guided exclusively by the government's strategic and budgetary priorities.

10
9

The GO / PMO has sectoral policy expertise and evaluates important draft bills.

8
7
6

The GO / PMO can rely on some sectoral policy expertise, but does not evaluate draft bills.

5
4
3

The GO / PMO does not have any sectoral policy expertise. Its role is limited to collecting, registering and circulating documents submitted for cabinet meetings.

2
1

Under the central government reform implemented by the Koizumi government in 2001, the role of central institutions was considerably strengthened. While retaining and making use of the substantially beefed-up resources of the Cabinet Secretariat, the new DPJ-led government initially put particular emphasis on transferring effective control over the budget from the Ministry of Finance to the newly established National Strategy Bureau, chaired by the prime minister and led by a minister of state. On a symbolic level – and perhaps in the future also on a material level – the NSO embodies the principle of prime ministerial leadership (Takayasu 2009). It was tasked with (politically) determining priorities, including budget priorities; acting as a think tank within the core executive by collecting and disseminating ideas, and by making numerous previously existing councils redundant; providing political council to the prime minister, who previously often relied on the chief cabinet secretary for this function; and fostering the flow of information within the cabinet.

The results of this policy-making were disappointing, however, and the Ministry of Finance has regained influence through its privileged participation in the budget drafting process. Nevertheless, following Noda's assumption of the premiership in September 2011, mechanisms intended to support strategic decision-making at the central level remained. Continuing from the earlier phase of the DPJ-led governments, a Government Revitalization Unit is tasked with examining the need for and effectiveness of government institutions and programs. In particular, a "proposal-based policy review" is intended to make the appraisal of policies more transparent, in large part through the use of public meetings, as well as to strengthen the involvement of central authorities.

Upon taking office, Noda also established a Council on Economic and Fiscal Policy consisting of senior ministers and leading private sector representatives to discuss strategic issues. However, the council lacks a legal mandate, leading many observers to question its real policy-making influence. However, it remains too early to offer any valid assessment of its efficacy.

Citations:

Takayasu, Kensuke: *Kokka senryakukyoku wa nani o subeki ka?*, in: *Sekai*, December 2009, pp. 140-147.

Can the government office / prime minister's office return items envisaged for the cabinet meeting on the basis of policy considerations?

Please assess whether the GO/PMO is de facto, not only legally, able to return materials on the basis of policy considerations. In case this question does not fully apply to the structure of relevant institutions in your country, please answer this question according to possible functional equivalents.

- | | |
|--|---------------------------------------|
| The GO/PMO can return all/most items on policy grounds. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| The GO/PMO can return some items on policy grounds. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input checked="" type="checkbox"/> |
| <hr/> | |
| The GO/PMO can return items on technical, formal grounds only. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| The GO/PMO has no authority to return items. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

Present guidelines for policy coordination, passed by the Japanese cabinet in 2000, hold the Cabinet Secretariat to be the highest and final organ for policy coordination below the cabinet itself. In statutory terms, the Cabinet Secretariat was thus placed above other ministries and national agencies. The empowerment of the Cabinet Secretariat has de jure enabled Japanese prime ministers to return items envisaged for cabinet meetings on policy grounds. In reality this rarely happens, as items reaching the cabinet stage are typically those for which consensus already exists. However, this does not rule out conflicts among coalition partners over contentious policy issues, which can flare up at the cabinet level. This has been witnessed on several occasions during the coalition government of the DPJ, the People's New Party and the Social Democratic Party.

A related formal mechanism is the Cabinet Legislation Bureau, tasked with supervising decentralized policy-making mechanisms. However, its official mandate extends only to providing support in framing proposed laws correctly, not to the provision of material evaluation. It is further weakened as an independent mechanism of cabinet- or premier-level supervision by the fact that ministry representatives are seconded to the bureau to support its work, thus creating chains of influence difficult to counter in the absence of independent expertise at the central level.

Citations:

Shinoda, Tomohito (2005), "Japan's Cabinet Secretariat and Its Emergence as Core Executive," in: *Asian Survey* 45, 5, pp. 800-821.

M 2 Inter-ministerial Coordination

Category: Steering Capability

M 2.3 Line Ministries

To what extent do line ministries have to involve the government office/prime minister's office in the preparation of policy proposals?

Please assess whether line ministries involve the GO/PMO de facto, not only legally, in the preparation of policy proposals. In case this question does not fully apply to the structure of relevant institutions in your country, please answer this question according to possible functional equivalents.

There are interrelated capacities for coordination in the GO/PMO and line ministries. **10**
9

The GO/PMO is regularly briefed on new developments affecting the preparation of policy proposals. **8**
7
6

Consultation is rather formal and focuses on technical and drafting issues. **5**
4
3

Consultation occurs only after proposals are fully drafted as laws. **2**
1

In Japan, rather than focusing solely on a dichotomy between the government office/prime minister's office (GO/PMO) and line ministries, one should consider as well the explicit role of governing parties in this relationship, visualized as a triangle. (The role of the Diet as a potentially independent fourth player, creating a "rectangle" of influences, will be discussed later). Traditionally, since the early years of the so-called 1955 system – 1955 being the year in which the LDP was founded – the LDP's own policy-making bodies, which mirror the ministries closely, have been closely involved in the policy process. While the GO/PMO was also involved, for instance through the technical-legalistic supervision of proposed laws in the Cabinet Legislation Bureau, in a material sense the exchange between the ministries and the respective mirror branches of the LDP's Policy Research Council have been more important.

With the incoming DPJ-led government of 2009, this configuration changed in important ways. Cabinet-level involvement and initiative was strengthened, as discussed previously (see "strategic planning"), and the DPJ formally abolished its own Policy Research Committee in an attempt to weaken the nontransparent behind-the-scenes influence of non-officeholders, thus fulfilling a pledge contained within the party's electoral platform. Under Prime Minister Kan, however, this committee was reinstated (2010), and Kan also arranged for the committee's chairperson to become minister for national planning. When Noda took office in the autumn of 2011, he abolished this latter link, making it clear that draft legislation has to be cleared by party organs first. In this sense, in the triangle of GO/PMO, ministries and party, the cabinet or central government level has again become the weakest element. Nevertheless, how this will play out in real life remains an open question. The reversal is said to be motivated by two major causes: First, it gives politicians without official office a voice, thus (hopefully) mitigating the somewhat chaotic closed-door maneuvering and strong party infighting of the early DPJ era. Second, it could ease party-to-party negotiations on policy initiatives within the split Diet.

Citations:

Asahi Shimbun (English language website): Noda dilutes Cabinet's role in policy decisions, 31 August 2011, http://ajw.asahi.com/article/behind_news/politics/AJ201108318434

How effectively do ministerial or cabinet committees prepare cabinet meetings?

This question studies whether cabinet committees (composed exclusively of cabinet members) or ministerial committees (composed of several ministers and individual non-cabinet members) effectively filter out or settle issues so that the cabinet can focus on strategic policy debates.

Please assess whether ministerial or cabinet committees are de facto, not only legally, able to prepare cabinet meetings. In case this question does not fully apply to the structure of relevant institutions in your country, please answer this question according to possible functional equivalents.

- | | |
|--|---------------------------------------|
| The large majority of issues are reviewed and scheduled first by/for the committees. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| Most of the issues are prepared by committees. Or: Issues of political or strategic importance are reviewed and scheduled by/for the committees. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| There is hardly any preparation of cabinet meetings by committees. | 5 <input checked="" type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| There is no preparation of cabinet meetings by committees. Or: There is no ministerial or cabinet committee. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

Following the government reform in 2001, government committees were established in a number of important fields in which coordination among ministries with de facto overlapping jurisdictions plays an important role. The most important among these was the Council for Economic and Fiscal Policy (CEFP), headed by the prime minister. However, this differs in two respects from a “ministerial committee” in the strict sense of the definition applied here. First, it has only an advisory function. Second, individuals from the private sector – two academics and two business representatives in the current configuration – have been included. This can increase the impact of such a council, but it also means that it exists somewhat outside concrete political processes.

In order to break the dependence of the cabinet on the national bureaucracy, the new DPJ-led government abolished the administrative vice-ministers’ meeting. Its high-level coordinating role was given instead to a cabinet-level committee in charge of discussing key issues ahead of cabinet meetings, the members of which changed depending on the issue at hand. Measures approved by this committee were then submitted for cabinet approval.

However, the changes made by the early DPJ-led government after the 2009 elections have largely been undone. “Politician-led government” was found to be too unprofessional, so the role of the bureaucrats operating from within line ministry hierarchies seems once again to be strengthening. To counter potentially centrifugal forces, the incoming Noda government of 2011 in particular has reintroduced several cross-cutting mechanisms. The administrative vice-ministers’ meeting has been reinstated. Moreover, Noda has created a Council on National Strategy and Policy, bringing together important ministers and private sector representatives. Unlike the CEFP, which it resembles somewhat, it lacks a legal basis, so its influence on actual policy-making may be limited.

How effectively do senior ministry officials prepare cabinet meetings?

This question examines whether senior ministry officials (leading civil servants or political appointees including junior ministers below the cabinet level) effectively filter out or settle issues so that the cabinet can focus on strategic policy debates.

Please assess whether senior ministry officials are de facto, not only legally, able to prepare cabinet meetings. In case this question does not fully apply to the structure of relevant institutions in your country, please answer this question according to possible functional equivalents.

Most issues arrive in time to be reviewed and scheduled first by/for the senior ministry officials (i.e., more than 70 percent of cabinet agenda items are prepared). **10**
9

Many of the issues are prepared by senior ministry officials (i.e., 50-70 percent of cabinet agenda items are prepared). **8**
7
6

There is some preparation of cabinet meetings by senior ministry officials (i.e., less than 50 percent of cabinet agenda items are prepared). **5**
4
3

There is no or hardly any preparation of cabinet meetings by senior ministry officials. **2**
1

The administrative vice-ministers' meeting has traditionally been the most important government committee in the preparation of cabinet meetings. This was composed of the heads of the bureaucracies of the various ministries. It has always been a matter of some dispute whether this council simply set the agenda for cabinet meetings in a formal sense, performing tasks such as preparing documents, or whether it played a more ambitious gatekeeping role determining which issues were taken up in cabinet meetings and in which manner.

As part of the new DPJ-led government's drive to downgrade the role of senior bureaucrats, the vice-ministers meetings were abolished. As further pledged by the DPJ in the 2009 election campaign, 100 members of parliament were assigned to government roles, but these often lacked expertise or experience in their new field of responsibility. During 2011, the role of bureaucrats was again strengthened, and the administrative vice-ministers' meetings reintroduced. This seems to imply that there could be a return to the older model in which some 80% of legislative proposals originated from the ministries after receiving clearance from the leading government party or parties. If so, this would give cabinet-level bodies rather less room for maneuver

How effectively do line ministry civil servants coordinate policy proposals?

This question refers to administrative coordination and examines to what extent civil servants of individual ministries effectively coordinate the drafting of policy proposals with other ministries so that political coordination bodies and the cabinet can focus on strategic policy debates.

In case this question does not fully apply to the structure of relevant institutions in your country, please answer this question according to possible functional equivalents.

Most policy proposals are effectively coordinated by civil servants. 10
9

Many policy proposals are coordinated by civil servants. 8
7
6

There is some coordination of policy proposals by civil servants. 5
4
3

There is no or hardly any coordination of policy proposals by civil servants. 2
1

When the DPJ and its coalition partners took over government responsibility in 2009, a number of high-profile measures were put in place aimed at reducing the influence of civil servants in policy-making. One measure was to abolish the administrative vice-ministers' meeting. Another was that political appointees rather than senior civil servants were required to speak on behalf of their ministries, particularly in the course of official functions such as reports to the Diet or press conferences.

More recently, the influence of civil servants has grown again. This is most visible in the reappearance of the administrative vice-ministers' meeting. In the wake of such changes, older informal interministerial coordination mechanisms, on both junior and senior levels of the bureaucracy, are again gaining importance. A particularly important mechanism is the clearing of budget requests, a task in which the Ministry of Finance has regained an increasingly important role. At a working level, such budget discussions often take place between bureaucrats, so political appointees find it hard to make an impact.

There is also a long tradition of interministerial competition in Japan. With the administrative reform of the late 1990s, culminating in Koizumi's reform measures of 2001, the general view was that such competition was wasteful, as it created redundant work and possibly friction. However, such competition may also have a positive role to play, sharpening and improving government policies. Today, such competition is in some areas very much alive, as exemplified in the area of international relations, where the Ministry of Foreign Affairs, the industry and trade ministry (METI) and the Ministry of Finance struggle for influence.

How effectively do informal coordination mechanisms work?

This question examines whether there are informal coordination mechanisms (examples: coalition committees, informal meetings within government or with party groups, informal meetings across levels of government) which effectively filter out or settle issues so that the cabinet can focus on strategic policy debates?

Most policy proposals are effectively coordinated by informal mechanisms. 10

9

Many policy proposals are coordinated by informal mechanisms. 8

7

6

There is some coordination of policy proposals by informal mechanisms. 5

4

3

There is no or hardly any coordination of policy proposals by informal mechanisms. 2

1

The crucial importance of informal contacts between Japanese decision makers is almost a piece of folk wisdom. During formal meetings, it is difficult to mention all important points explicitly, among other reasons to avoid “loss of face” situations. For that reason, considerable effort is made to prepare meetings in an informal manner, ensuring a “binding of roots” (nemawashi), or reaching the “true” decisions in an informal environment such as during visits to restaurants or bars. While this may involve only those persons who are formally involved in the decision-making process, such procedures can also reach well beyond the circle of those who are formally involved, sometimes leading to collusion, nepotism or even corruption.

On the level of “organized informal mechanisms,” one of the most important channels of coordination for policy-making has been the informal meetings and debates between the ministries and the policy research departments of the major parties, particularly of the LDP. It has sometimes been suggested that the directors of the LDP policy research departments, which closely mirror the government’s ministry structure, may have been as or even more powerful than the serving ministers.

With the advent of the new DPJ-led government, this system came to a temporary halt. Upon coming to power, the DPJ immediately abolished its policy research branch; however, Prime Minister Kan subsequently reinstated the DPJ Policy Research Commission. One of the motive forces is said to be the desire to smooth negotiations with other parties, including opposition parties, in a twisted Diet. Informal, closed-door agreements on policy can thus be expected to gain again in importance, well in line with Japanese predispositions. However, it is too early to ascertain whether this has in fact been the case.

Does the government regularly assess the potential socioeconomic impact of the draft laws it prepares (regulatory impact assessments, RIA)?

If RIA activities are not centrally registered, please try to obtain exemplary information that is representative of the situation in your country. **Please Note: If RIA are not applied or do not exist, please give your country a score of “1” for this question AND for M3.2 and M3.3.

In case this question does not fully apply to your country, please answer this question according to possible functional equivalents and substantiate your answer.

- | | |
|--|---------------------------------------|
| RIA are applied systematically to new or existing regulations, but are limited to those matching defined criteria. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| RIA are not applied systematically to study the impact of regulations. | 8 <input checked="" type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| RIA are applied randomly. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| RIA are not applied or do not exist. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

The basic framework for policy evaluation in Japan is the Government Policy Evaluations Act of 2001. According to the OECD, this was only used sporadically until 2004. The Regulatory Reform Program of 2004 ordered that regulatory impact assessments (RIAs) were to be administered in a more systematic way. By the time of a review and revision of the system by Japan's government in 2005, the process was considered to have taken root. Japan has now fulfilled most of the points mentioned, at least in a formal sense.

The process is administered by the Ministry of Internal Affairs and Communications (Administrative Evaluation Bureau), while the ministries are charged with doing their own analyses, a fact which may undermine trust in the procedure to some extent. A number of evaluations in strategically important fields are undertaken by the internal affairs ministry itself. In 2010, for instance, the ministry started directly evaluating special measures concerning taxation, and performing analyses of regulations' effect on the state of competition.

In its 2009 manifesto, the DPJ promised to weed out "wasteful" public expenditures by means of reviews and evaluations. The actual budget screening process (*jigyo shiwake*, literally "sorting-out activities") started in late 2009, and was held at a public venue with the direct participation of handpicked citizens. The review process was also streamed online. The transparency of the process proved very popular among Japanese voters, to whom budget-relevant deliberations had hitherto been inaccessible. Academic and other observers lauded the general idea of introducing a new check mechanism into the budgeting system. However, the budget screening process began to lose steam in late 2010 in the face of increasing media and public criticism of its theatrical staging, as well as internal DPJ questions as to the use of screening public expenditures when the state budget was controlled by the party itself. Yet despite limited success in securing the vast amounts of funds needed for new programs, as well as its defects in terms of staging, the new government's budget screening process arguably constituted a laudable first step towards a more transparent public administration.

Separately, the Ministry of Finance performs its own Budget Execution Review of selected issues, and the Board of Audit engages in financial audits of government accounts.

The fragmented nature of such assessments does not inspire trust in either their reliability or effectiveness. It is difficult to point to a major policy arena in which these endeavors have led to major improvements.

Citations:

Ministry of Internal Affairs and Communications (Japan): Diet Report on the Status of Policy Evaluation in FY 2010 (Summary), http://www.soumu.go.jp/main_content/000127499.pdf

Miki Matsuura, Joanna Watkins, William Dorotinsky: Overview of Public Sector Performance Assessment Processes in Japan, GET Note: Japanese Public Sector Assessment Processes, August 2010, World Bank, http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2011/09/05/000356161_20110905023040/Rendered/INDEX/637480BRI0Japa00Box0361524B0PUBLIC0.txt

To what extent do RIA analyze the purpose of and need for a regulation?

This question seeks to assess the analytical depth of RIA. Please try to obtain exemplary information that is representative of the situation in your country. In case this question does not fully apply to your country, please answer this question according to possible functional equivalents and substantiate your answer.

- | | |
|---|---------------------------------------|
| RIA define the purpose of and need for a regulation in a clear, concise and specific manner. | 10 <input type="checkbox"/> |
| | 9 <input checked="" type="checkbox"/> |
| <hr/> | |
| RIA mention the purpose of and need for a regulation, but the specification is not sufficiently clear, concise and/or well-defined. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| RIA mention the purpose of and the need for a regulation, but do not specify. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| RIA do not analyze the purpose of and the need for a regulation. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

The appropriate analytical depth of regulatory evaluation has been carefully defined at least since the revision of the policy evaluation system in 2005. According to the Basic Guidelines for Implementing Policy Evaluation (Revised) of March 2007, necessity, efficiency and effectiveness are to be the central considerations used in the evaluation of policy measures; other issues include equity and priority. 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 these guidelines specify quite demanding tasks that must be performed as a part of the evaluations.

Since 2010, for example, it has been obligatory for any ministry considering a tax measure to present an ex-ante evaluation; if the measure is in fact implemented, it is to be followed by an ex-post examination.

Citations:

Cabinet Decision (Japan): Basic Guidelines for Implementing Policy Evaluation (Revised), March 2007, http://www.soumu.go.jp/main_sosiki/hyouka/seisaku_n/pes/basic_guidelines.pdf

Ministry of Internal Affairs and Communications (Administrative Evaluation Bureau), in conjunction with Waseda University (the Okuma School of Public Management): Overview of the International Symposium on Policy Evaluation, June 2006

To what extent do RIA analyze alternative options?

This question seeks to assess the scope of RIA.

Please try to obtain exemplary information that is representative of the situation in your country. In case this question does not fully apply to your country, please answer this question according to possible functional equivalents and substantiate your answer.

- | | |
|---|---------------------------------------|
| RIA analyze alternative options (including “do nothing”) and quantify the costs and benefits of the different alternatives. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| RIA highlight alternative options and consider the pros and cons of each option. | 8 <input checked="" type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| RIA consider some alternative options. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| RIA do not analyze alternative options. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

The Implementation Guidelines for Ex-Ante Evaluation of Regulations of August 2007 define “necessary” standard operating procedures for ex-ante policy evaluations. The need for comparisons with alternatives is explicitly included. If possible, this analysis should encompass nonregulatory means as well. As a caveat, the guidelines note that if a measure based on other laws or ordinances is evaluated, the underlying regulations are not to be questioned.

It should be noted in passing that Japan possesses another mechanism to evaluate alternative policy options in the form of the experimental application of regulatory changes in specially designated regions, based on the Law on Special Zones for Structural Reform of 2002, revised in 2007.

Citations:

Interministerial Liaison Meeting on Policy Evaluation (Japan): Implementation Guidelines for ex-ante Evaluation of Regulations, 24 August 2007, http://www.soumu.go.jp/main_sosiki/hyouka/seisaku_n/pes/implementation.pdf

Werner Pascha and Petra Schmitt: Japans Deregulierungszonen als wirtschaftspolititiches Experimentieren, in: David Chiavacci and Iris Wiczorek (eds.): Japan Jahrbuch 2010, pp. 225-263

M 4

Social Consultation

Category: Steering Capability

M 4.1

Negotiating Public Support

To what extent does the government consult with trade unions, employers' associations, leading business associations, religious communities, and social and environmental interest groups to support its policy?

This question assesses how successfully the government consults with economic and social actors in preparing its policy. Successful consultation is conceived here as an exchange of views and information that increases the quality of government policies and induces economic and social actors to support them.

- | | |
|---|---------------------------------------|
| The government successfully motivates economic and social actors to support its policy. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| The government facilitates the acceptance of its policy among economic and social actors. | 8 <input type="checkbox"/> |
| | 7 <input checked="" type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| The government consults with economic and social actors. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| The government hardly consults with any economic and social actors. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

The traditional practice of LDP-led governments was to pursue societal consultation through the so-called iron triangle, a term referring to the dense links between elected politicians, the ministerial bureaucracy and large business concerns. However, these mechanisms tended to exclude other societal actors, including the trade union movement and the small and medium-sized enterprise sector. Since the onset of economic problems in the 1990s, tensions within this triangle have increased, and during the most recent years of LDP-led government, through 2009, relations were so strained that one could speak of a demise of the “iron triangle” system.

Since the start of the new DPJ-led government in 2009, government relations with the trade union sector have vastly improved; indeed, the trade union umbrella organization Rengo is one of the major support pillars of the DPJ. Since the DPJ’s founding in the mid-1990s, Rengo and a number of individual unions have supported the party and its candidates financially, with manpower and in terms of voter mobilization. Tellingly, DPJ cabinets have included former labor union leaders, and lobbying government-affiliated members of parliament has become easier since the DPJ’s rise to power. This support has moreover cut both ways: In late 2011, Rengo supported a salary cut of 7.8% for government employees, against the recommendation of an independent commission, a quite extraordinary position for a trade union movement to take.

Stronger relations between government and trade unions do not imply that business organizations have lost all relevance. The influence of organizations such as Keidanren, Japan’s most powerful business association of Japan, is considered by some observers to be quite significant in areas such as the formation of recent free trade and economic partnership agreements, or in upcoming challenges such as the United States’ proposal for a Trans-Pacific Partnership agreement (TPP). Substantiating such claims is difficult, however, as there are no clear rules for lobbying efforts, which makes tracing channels of influence very difficult.

Citations:

Asahi shimbun: Rengo has bigger voice than ever, 8 March 2010,
<http://www.asahi.com/english/TKY201003080233.html>

Nikkei Weekly: Nippon Keidanren laboring to push policies with DPJ in power, 14 June 2010, p. 28

Laura Araki: Joining the FTA Frenzy. How Japanese Industry Drives Preferential Trade Diplomacy, Jackson School Focus, Spring 2012, pp. 32-45, http://depts.washington.edu/jsjweb/wp-content/uploads/2012/04/JSJWEBv3n1.Araki_.L.pdf

M 5

Policy Communication

Category: Steering Capability

M 5.1

Coherent Communication

To what extent does the government implement a coherent communication policy?

- | | |
|---|---------------------------------------|
| The government effectively coordinates the communication of ministries; ministries closely align their communication with government strategy. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| The government seeks to coordinate the communication of ministries through consultation procedures. Contradictory statements are rare, but do occur. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input checked="" type="checkbox"/> |
| <hr/> | |
| The ministries are responsible for informing the public within their own particular areas of competence; their statements occasionally contradict each other. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| Strategic communication planning does not exist; individual ministry statements regularly contradict each other. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

Policy communication has always been a priority for Japanese governments. Ministries and other governmental agencies publish regular reports, often called “white papers,” as well as other materials on their work. These materials are full of rich details, though observers have sometimes found the sheer quantity of brochures, data and other material bewildering. Ministries and other agencies have sometimes used public communication to stake their claims on specific policy areas. Another critique has been that policy statements have become rather vague. Particularly with respect to visions of the future economy, recent statements have been filled with terms such as “economic individualism” or “people’s power,” the practical definitions of which have been difficult to pin down.

One major departure by the DPJ from earlier communications policy has been that politicians with ministry responsibility, particularly the ministers themselves, have been put in charge of representing their issue area in the Diet and in press conferences. Ministers and other politicians have used various means to hold press conferences and communicate with the public, including the solicitation of direct feedback over the Internet. There have been cases in which ministerial civil servants were not even aware that their minister was speaking to the public. This has been part of the DPJ-led coalition’s effort to strengthen “politician-led government.” While this may seem a refreshing departure from the previous regime’s somewhat stiff communication patterns, communication may actually have lost transparency as a result.

The recent debate on Japanese government communication practices has been dominated by the Tohoku triple disaster in March 2011, in particular by the lack of transparency and of timely public information on the radiation risk associated with the nuclear accident. The government was extremely hesitant to speak of the possibility of a meltdown, although circumstantial evidence already seemed telling. Many Japanese citizens turned to the Web and to foreign media for information on the “true” measure of exposure to radiation. This breakdown in reliable government communication has had and will continue to have serious consequences for the trust placed by citizens in their government, with long-run effects that remain difficult to guess.

However, it should also be noted that the government may have had a valid interest in avoiding a high level of transparency. In the early hours and days of the crisis, there was deep discord between senior government officials, including the prime minister, and the company in charge of the affected atomic power plants (TEPCO). Learning this might have disturbed the public even more than being left in the dark. In addition, any misunderstood piece of officially confirmed information about damages or nuclear leakages might have created a panic, which in a metropolitan area such as Tokyo with 30 million inhabitants might easily have become uncontrollable and disastrous. From that perspective, the government was indeed successful in containing the danger of a panic by means of its restricted information policy.

Citations:

DPJ: The Democratic Party of Japan’s Platform for Government, [as of 27 July 2009],
<http://www.dpj.or.jp/english/manife%20sto/manifesto2009.pdf>

DPJ: Supplementary Sentences to Clarify Expressions in the DPJ Manifesto, 11 August 2009

Debito Arudou: Letting radiation leak, but never information, in: The Japan Times, 5 April 2011

To what extent can the government achieve its own policy objectives?

This question seeks to evaluate a government's implementation performance against the performance benchmarks set by the government for its own work. The assessment should therefore focus on the major policy priorities identified by a government and examine whether declared objectives could be realized.

- | | |
|---|---------------------------------------|
| The government can largely implement its own policy objectives. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| The government is partly successful in implementing its policy objectives or can implement some of its policy objectives. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| The government partly fails to implement its objectives or fails to implement several policy objectives. | 5 <input checked="" type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| The government largely fails to implement its policy objectives. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

The DPJ promised in 2009 to shift public expenditure patterns by spending less on public construction projects and instead making more money available to various groups of citizens including families (“investing in people rather than concrete”). The party hoped that this policy would also lead to higher consumption levels, which in turn would help to fight deflation. Concrete steps taken after assuming power included the implementation of a waiver on public high-school tuition fees (amounting to 118,000 yen, or close to \$1,300, per year) as well as the introduction of income-independent monthly child benefits set initially at 13,000 yen (around \$140) per child from April 2010 on. The 2010 fiscal year also marked the start of a test run for a new subsidy system targeting agricultural households, by means of which the state made up the difference between production costs and market prices of specified products. In order to finance its more costly manifesto pledges, the DPJ counted strongly on making necessary funds available by cutting expenditures elsewhere. According to the manifesto, a total of 9.1 trillion yen (around \$95 billion), and more than half the scheduled funding for new policies through 2013 (amounting to 16.8 trillion yen), were to be generated by means of systematic budget screenings. The first round of reviews in November 2009, targeting a total of 447 public projects, were supposed to “free” some 3 trillion yen (around \$32 billion), but in the end generated only 0.7 trillion yen (around \$7.2 billion) in savings in the 2010 fiscal year budget. The second and third round, which took place in spring and fall 2010, also targeted public corporations, but again led to savings that were far under expectations (a total of 360 billion yen, or around \$3.8 billion, were cut). Total savings thus amounted to only slightly more than 1 trillion yen, far less than what was needed for fully implementing the relevant manifesto pledges.

In these circumstances, the new government had to slim down its planned policy programs substantially. The loss of the government’s majority in the House of Councillors in 2010 further complicated the situation, in effect leading to the derailment of some initiatives and the watering down of others. For example, the government had originally planned to double income-independent child benefits to 26,000 yen per child in fiscal year 2011, but in view of the insufficiency of funds and major resistance by opposition parties, had to settle for a total of 20,000 yen (around \$210) for children up to the age of three and 13,000 yen for older children – that is, the same amount as was allocated the preceding fiscal year. Moreover, in order to gain acceptance from the LDP and New Komeito for the passage of an earthquake reconstruction bill, the DPJ was forced (among other things) to limit from mid-2012 on the availability of child benefits to families with annual nominal incomes of less than 9.6 million yen (around \$100,000). As tax exemptions for dependents aged up to 15 years were no longer deemed necessary when universal child benefits were introduced in 2010, and were thus slated to be abolished in 2011, many households were ultimately threatened with financial circumstances worse than those prevailing under LDP rule.

To what extent does the organization of government ensure that ministers do not seek to realize their self-interest but face incentives to implement the government's program?

Organizational devices providing incentives for ministers include prime ministerial powers over personnel, policies or structures, coalition committees, party summits, comprehensive government programs/coalition agreements and cabinet meetings. In case this question does not fully apply to your country, please answer this question according to possible functional equivalents and substantiate your answer.

The organization of government successfully provides strong incentives for ministers to implement the government's program. **10**
9

The organization of government provides weak incentives for ministers to implement the government's program. **8**
7
6

The organization of government partly prevents ministers from realizing departmental self-interests. **5**
4
3

The organization of government fails to prevent ministers from realizing departmental self-interests. **2**
1

Japan's formal institutional political framework provides the prime minister with powerful tools to control ministers. Prime ministers can appoint and fire ministers at will. Moreover, prime ministers can also propose or veto specific sectoral policies themselves if they want to do so. In practice, however, prime ministerial options have been more limited, as most have lacked full control over their own parties. During the long reign of the LDP, which came to an end only in August 2009, prime ministers were often unable to choose ministers as they wished, as they had to take into account the power and preferences of intraparty factions when allocating portfolios. On the other hand, the powerful entrenched national bureaucracy and a relatively high degree of cabinet discipline all effectively constrained ministers' opportunities to put personal interests before national or party goals.

Following its election in 2009, the DPJ-led government initiated institutional reforms aimed at centralizing policy-making within the core executive. The experience of the relatively short-lived DPJ-PNP-SDP coalition government has shown how difficult it is to balance the need for policy coherence with the need to satisfy individual party clienteles. The SDP left the coalition in May 2010, demonstrating the difficulties of enforcing cabinet discipline. Given serious infighting within the DPJ, the party leader – the prime minister – has found it difficult to enforce discipline even among his own ministers. Prime Minister Kan was forced to return to an approach of considering the various internal political currents within his party and the coalition when appointing ministers.

M 6 Effective Implementation

Category: Policy Implementation

M 6.2b Monitoring Line Ministries

How effectively does the government office / prime minister's office monitor line ministry activities?

This question assumes that effective delegation from the core executive to ministries is reflected in the monitoring of line ministry activities by the administration of the core executive. While such monitoring is not sufficient to prevent line ministries from prioritizing sectoral over government interests, the presence or absence of monitoring is taken here as a proxy of effective delegation policies. In case this question does not fully apply to your country, please answer this question according to possible functional equivalents and substantiate your answer.

- | | |
|--|---------------------------------------|
| The GO / PMO effectively monitors the activities of line ministries. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| The GO / PMO monitors the activities of most line ministries. | 8 <input type="checkbox"/> |
| | 7 <input checked="" type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| The GO / PMO shadows the activities of some line ministries. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| The GO / PMO does not monitor the activities of line ministries. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

Generally speaking, the Cabinet Office, established during Koizumi's years of government (2001 – 2006), offers the means of monitoring ministry activities. Over time it has increased its personnel, improving its capacity to do so. However, it cannot de facto survey all activities at all times, and it is questionable whether either the prime minister or the chief cabinet secretary have the clout to use this apparatus effectively. The DPJ-government initially made efforts to assert top-level executive control over the budgeting process by shifting functions away from the Ministry of Finance, with the newly established Government Revitalization Unit playing an important role in the preparation of the 2010 budget. More recently, however, the Ministry of Finance has regained some of its clout, and some observers consider it not entirely coincidental that the two most recent prime ministers were ministers of finance before being entrusted with heading the cabinet.

How effectively do ministries monitor the activities of executive agencies?

An effective implementation may be constrained by bureaucratic drift. To ensure that agencies act in accordance with government policies, this question assumes that ministries and their leading officials should monitor the activities of semi-autonomous executive agencies in their task area.

In federal states with few executive agencies at the central level of government, the assessment should also consider regional-level decentralized agencies acting on behalf of the federal government.

- | | | |
|--|----|-------------------------------------|
| The ministries effectively monitor the activities of all executive agencies. | 10 | <input type="checkbox"/> |
| | 9 | <input type="checkbox"/> |
| <hr/> | | |
| The ministries monitor the activities of most of the executive agencies. | 8 | <input type="checkbox"/> |
| | 7 | <input checked="" type="checkbox"/> |
| | 6 | <input type="checkbox"/> |
| <hr/> | | |
| The ministries monitor the activities of some executive agencies. | 5 | <input type="checkbox"/> |
| | 4 | <input type="checkbox"/> |
| | 3 | <input type="checkbox"/> |
| <hr/> | | |
| The ministries do not monitor the activities of executive agencies. | 2 | <input type="checkbox"/> |
| | 1 | <input type="checkbox"/> |

¹⁸ Please consider the following quantitative indicators if available for your country (see Excel input mask): M 6.2d Internal Auditing.

Japanese ministries are traditionally run by civil servants that stay within the same ministry for their whole career. Government agencies that belong to the functional area of a specific ministry are thus also directed by civil servants delegated from that ministry, who may also 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 allocation and person-to-person peer networks.

In 2001, so-called independent administrative agencies were established, following New Public Management recommendations to improve the execution of well-defined policy goals by handing them over to professionally managed quasi-governmental organizations. Such independent agencies are overseen by evaluation mechanisms similar to those discussed in the section on RIA, based on modified legislation. During the period under review, voices skeptical of this arrangement have gained ground, as the effective use of this independent-agency mechanism has been hindered by the preexisting networks mentioned above, and because the administrators in charge frequently lack a managerial mindset, originating instead from the civil service. In addition, significant donations by the electric power industry to the Japan Atomic Energy Agency have been revealed in recent years, adding to the skepticism.

Debate over how to reform the independent administrative agencies continues, and toward the end of the reporting period, emphasis was placed on realizing cost reductions through selective mergers. For instance, science- and technology-related agencies are slated to be combined, and a similar process has been suggested for the overseas offices of Japan's government agencies.

To what extent does the central government ensure that tasks delegated to subnational self-governments are adequately funded?

A high or low degree of decentralization as such does not constitute a meaningful indicator of executive capacity. Rather, this question focuses on the delegation problem associated with decentralization.

If the central government delegates a public task to lower levels of government (as a rule: regional self-government and in unitary states without regional self-government, local self-government), the central government needs to ensure that such tasks are adequately funded. The absence of corresponding funding sources (“unfunded mandates”) indicates a lack of responsibility and strategic design. Funding may be provided through grants (shares of centrally collected taxes) from the central budget or by endowing subnational self-governments with their own revenues.

Please note that subnational self-government refers to directly elected subnational administrative authorities with considerable discretion. The broad concept of “delegation” applied here is taken from principal-agent theory and includes independent powers of subnational self-government enshrined in the constitution. Thus, no difference is made between independent powers and those central government powers that have been delegated by laws or executive regulations to subnational self-government.

The central government enables subnational self-governments to fulfill all their delegated tasks by funding these tasks sufficiently and/or by providing adequate revenue-raising powers. 10
9

The central government enables subnational governments to fulfill most of their delegated tasks by funding these tasks sufficiently and/or by providing adequate revenue-raising powers. 8
7
6

The central government sometimes and deliberately shifts unfunded mandates to subnational governments. 5
4
3

The central government often and deliberately shifts unfunded mandates to subnational self-governments. 2
1

The dependence of local governments – prefectures and municipalities – on central government is strong. Local taxes account for less than half of local revenues, and a complicated system of vertical fiscal transfers is in place. Local governments can follow their own policies only to a limited extent, as they are generally required to execute central policies, although this burden has been somewhat eased as a result of earlier rounds of administrative reforms. Pressure on expenditures has increased in recent years, as local governments are responsible for a considerable proportion of the rising costs associated with the aging of the population, as well as social policy expenses linked to the growing income disparities and poverty rates. Moreover, tax income has been disappointing during the period under review, particularly during fiscal year 2010, when a record funds shortage of 18.2 trillion yen was reached. At the end of fiscal 2011 (March 31), local government loans totaled 41.4% of GDP.

Japanese authorities are well aware of these issues. Countermeasures have included the merging of municipalities in such a way as to create economies of scale, lower personnel costs and necessitate lower levels of public investment. This policy was implemented by LDP governments, and is being continued by the new DPJ-led government. A Fiscal Management Strategy approved by the cabinet in June 2010 foresees a halving of the primary balance of both the nation state and of local jurisdictions as a percentage of GDP between 2010 and 2015, although this goal may have been derailed by the events of March 11, 2011. The DPJ-led government also hopes to push fiscal decentralization further, but no concrete progress has been made in this area.

Citations:

Ministry of Internal Affairs and Communications (Japan): White Paper on Local Public Finance 2011, FY2009 Settlement, http://www.soumu.go.jp/iken/zaisei/23data/chihouzaisei_2011_en.pdf

M 6.3b Constitutional Discretion

To what extent does central government ensure that substantial self-governments may use their constitutional scope of discretion?

As a high or low degree of decentralization as such does not constitute a meaningful indicator of executive capacity, this question takes the constitutional scope of regional self-government or, in unitary states without regional self-government, local self-government autonomy, as a point of reference.

Central government institutions are assumed to enable subnational self-governments to use this autonomy fully. Subnational autonomy may be curtailed by legal, administrative, fiscal or political measures of the central level. Such de facto centralizing policies may be deliberate or unintentional, unconstitutional or in accordance with the constitution.

- | | |
|---|---------------------------------------|
| The central government enables subnational self-governments to use their constitutional scope of discretion fully. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| Central government policies inadvertently limit the subnational self-governments' scope of discretion. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| The central government formally respects the constitutional autonomy of subnational self-governments, but de facto narrows their scope of discretion. | 5 <input type="checkbox"/> |
| | 4 <input checked="" type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| The central government deliberately precludes subnational self-governments from making use of their constitutionally provided autonomy. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

Local autonomy is guaranteed by the Japanese constitution. However, Articles 92 to 95 of Chapter VIII, which discuss local self-government, are very short and quite unspecific. The central state primarily makes its power felt through three mechanisms: 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, a set of “carrots” and “sticks” are in place, such as public works cofinancing programs.

In the last decade, there have been a growing number of initiatives aimed at increasing local autonomy further. To some extent, this has been motivated by fiscal necessity, as local autonomy was seen as a way to save money. However, some of the pressure has come from local populations and civil society organizations seeking to take over local functions, arguing that they have more insight into what is needed and sensible on their level.

Little progress on this matter was made during the reporting period. The disaster of March 11, 2011, had a two-sided effect, which to date has not led to any significant sea change in the debate on local autonomy. On the one hand, the disaster area with its very specific challenges presented a strong case for local autonomy, which for the first time could be attempted on a supra-prefectural level. On the other hand, local authorities were part of the collusive system that created the problems associated with poorly regulated and constructed living areas and nuclear power plants in the first place. With its Basic Guidelines for Reconstruction in response to the Great East Japan Earthquake (of July 2011), the government decided to create special zones for reconstruction in the region. However, these will be overseen by the national state and a newly founded Reconstruction Agency.

Anthony Rausch: Post Heisei Merger Japan. A New Realignment in the Dōshū System, Discussion Paper No. 2 in 2010, electronic journal of contemporary japanese studies, <http://www.japanesestudies.org.uk/discussionpapers/2010/Rausch.html>

Government of Japan, Road to Recovery, March 2012, http://www.kantei.go.jp/foreign/policy/documents/2012/_icsFiles/afieldfile/2012/03/07/road_to_recovery.pdf

To what extent does central government ensure that subnational self-governments meet national standards of public services?

This question seeks to assess how central government ensures that the decentralized provision of public services complies with standards (rules, performance figures, etc.) agreed upon and set on the national level.

Central government effectively ensures that subnational self-governments meet national standards of public services.	10 <input type="checkbox"/>
	9 <input type="checkbox"/>
<hr/>	
Central government ensures largely that subnational self-governments meet national standards of public services.	8 <input checked="" type="checkbox"/>
	7 <input type="checkbox"/>
	6 <input type="checkbox"/>
<hr/>	
Central government ensures that subnational self-governments meet national minimum standards of public services.	5 <input type="checkbox"/>
	4 <input type="checkbox"/>
	3 <input type="checkbox"/>
<hr/>	
Central government does not ensure that subnational self-governments meet national standards of public services.	2 <input type="checkbox"/>
	1 <input type="checkbox"/>

Japanese government authorities lay great stress on providing reasonable unitary standards for the provision of public services. The recent move toward decentralization has made it particularly important to raise standards for the local provision of public services. On the central government level, the Ministry of Internal Affairs and Communications is in charge of this task, which involves direct supervision, personnel transfer between central and local entities, and training activities. While direct administrative supervision has lost some importance compared to legal and judicial supervision, the result of a reform in the year 2000 that abolished local entities' agency functions in a strict sense, other channels remained important during the period under review. On the local level, particularly on the level of prefectures, there is a rather elaborate training system that is linked in various ways with the national level.

Citations:

Yoshinori Ishikawa: Training of Japanese Local Government Officials

as a Policy of Human Resource Development, Papers on the Local Governance System and its

Implementation in Selected Fields in Japan No.2, 2007, <http://www.clair.or.jp/e/hikaku/kan kou.html>

To what extent does the government respond to international and supranational developments by adapting domestic government structures?

Government structures include the organization of ministries, the cooperation among ministries and in cabinet, the center of government and relations with subnational levels of government. This question asks whether these structures have been adapted to address inter / supranational developments and their effects for policy formulation and policy implementation.

Please note that structural reforms are also studied in view of their role in institutional learning (question M 8.2).

- | | |
|--|---------------------------------------|
| The government has appropriately and effectively adapted domestic government structures to international and supranational developments. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| The government has largely adapted domestic government structures to international and supranational developments. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input checked="" type="checkbox"/> |
| <hr/> | |
| The government has partly adapted domestic government structures to international and supranational developments. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| The government has not adapted domestic government structures. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

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. With respect to the extensive governmental reform program initiated in 2009, for example, the (somewhat idealized) Westminster system operating in the United Kingdom has served as a role model for top DPJ personnel. The idea of a systematic review of public expenditures as carried out by the DPJ-led government in 2009 and 2010 derived from a similar undertaking in Canada, and was introduced to the Japanese scene by the Koso Nippon (Japan Initiative) think tank. Reviews of public projects first took place successfully in Japan at the local level in 2002 in Gifu prefecture. The concept was then picked up elsewhere at the prefectural level and was finally championed at the national level by proponents within the LDP when Fukuda was prime minister. Due to strong intraparty resistance, however, systematic reviews of public expenditures were never carried out while the Liberal Democrats were in power. Actors interested in reform have frequently appealed to international standards and trends to support their position. However, in many cases it is unclear whether substantial reform is truly enacted, or whether Japan is in fact following international standards in only a formal sense, with underlying informal institutional mechanisms changing much more slowly.

To what extent does the government participate in the international coordination of joint reform initiatives?

This question evaluates whether the government actively collaborates in reform initiatives promoted by international fora or organizations. The underlying assumption is that – given the transnational integration of modern states – executive capacity increasingly depends on whether a government is able to actively participate in international institutions and in shaping international policies.

Joint reform initiatives concern challenges or problems that cannot be mastered unilaterally by an individual country and that aim to facilitate international cooperation in fields such as international security, economic development, social progress, human rights issues or environmental protection.

- | | |
|--|---------------------------------------|
| The government actively participates in the international coordination of joint reform initiatives as often as possible. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| The government often participates in the international coordination of joint reform initiatives. | 8 <input checked="" type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| The government selectively and sporadically participates in the international coordination of joint reform initiatives. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| The government does not participate in the international coordination of joint reform initiatives. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

In recent years, Japan has been actively involved in the new G-20 mechanism designed to meet the challenges of global financial turmoil. As its part of this multilateral effort, Japan contributed a considerable economic stimulus program. Nevertheless, it could be argued that Japan is less visible in international or global settings than one might assume in view of the country's still-substantial global economic role. The frequent changes of prime ministers and other ministers in recent years have contributed to Japan's comparatively low profile in G-8, G-20 and other international settings.

In foreign and security policy, the so-called Peace Constitution, and particularly its Article 9, makes it difficult for Japan to engage in international missions that include the use of force. In January 2010, the DPJ-led government halted a refueling mission in the Indian Ocean that had provided support for antiterrorism operations in and around Afghanistan. However, it promised to provide financial support for international efforts. The new Defense Guidelines of 2010 potentially give more scope to Japanese overseas engagement, but no clear tendency has become visible during the reporting period.

Japan has emphasized its Asia-Pacific regional roots, and has actively forwarded and contributed to regional programs. However, with respect to global and regional leadership, Japan has found it difficult to contribute visionary plans that attract support by others, although it is noteworthy that plans for regional financial cooperation, such as the Chiang Mai Initiative (CMI), have gathered momentum in recent years and have been quite markedly shaped by Japanese proposals.

It is often difficult for Japan to voice its positions on international cooperation forcefully and effectively enough against the sometimes conflicting and competing views of the United States and, more recently, China. With respect to the CMI, for example, the multilateralization program that came into force in March 2010 (CMIM) and the related AMRO (ASEAN+3 Macroeconomic Research Office) established up in Singapore in May 2011, which is to play a key role in activating drawings from the CMIM, were shaped more by Chinese than by Japanese interests. AMRO's first director is Chinese, for example.

Citations:

Grimes, William W.: The future of regional liquidity arrangements in East Asia: lessons from the global financial crisis, in: *The Pacific Review*, 2011, 24:3, pp. 291-310

To what extent do actors within the government monitor whether institutional arrangements of governing are appropriate?

Institutional arrangements include the rules of procedure and the work formats defined there, in particular the cabinet, the office of the head of government, the center of government, the portfolios of ministries, the advisory staffs of ministers and the head of government as well as the management of relations with parliament, governing parties, ministerial administration and public communication.

The institutional arrangements of governing are monitored regularly and effectively. 10
9

The institutional arrangements of governing are monitored regularly. 8
7
6

The institutional arrangements of governing are selectively and sporadically monitored. 5
4
3

There is no monitoring. 2
1

Government institutional reform has been a major theme in Japanese politics for more than a decade. Prime Minister Koizumi's credible attempt at institutional reform was a key driver of his decisive election victory in the lower house elections of 2005. Later governments have not been afforded the time to develop strong reform initiatives, but each of the succeeding LDP governments ranked restoring trust through institutional reform as an important task.

The new DPJ-led government too included a wide-ranging consideration of institutional alternatives as a major chapter in its 2009 election manifesto, and performing this task occupied a considerable amount of the new government's first months in office. Trying to introduce "politician-led government" was a major attempt at institutional reform. However, the assumption among many (though certainly not all) DPJ politicians that the national bureaucracy was an enemy that needed to be constrained in order to be able to govern effectively proved problematic. The negative attitude toward the national bureaucracy complicated the power transition after September 2009, leading to friction in a number of ministries. Quite a few DPJ politicians, finding themselves newly in the roles of ministers, (senior) vice ministers and parliamentary secretaries, had to learn the hard way that effective governance required functioning working relations with senior bureaucrats. These processes worked better in some ministries than in others. Barely two years later, the new Noda cabinet and even to some extent the preceding Kan cabinet (2010 – 2011) drew lessons from the perceived institutional failures of the Hatoyama (2009 – 2010) reforms, and again introduced quite significant changes.

While the pace of institutional reconfiguration in recent years has been remarkable, particularly during the period under review, critics charge the government with a tendency toward hyperactivity with respect to the rearrangement of government organization.

To what extent does the government improve its strategic capacity by changing the institutional arrangements of governing?

For a list of institutional arrangements, see question M 8.1. Strategic capacity is the capacity to take and implement political decisions which take into account the externalities and interdependencies of policies, are based on scientific knowledge, promote common goods and represent a long-term orientation.

The government improves considerably its strategic capacity by changing its institutional arrangements. **10**
9

The government improves its strategic capacity by changing its institutional arrangements. **8**
7
6

The government does not improve its strategic capacity by changing its institutional arrangements. **5**
4
3

The government loses strategic capacity by changing its institutional arrangements. **2**
1

In recent years, the most significant organizational reform attempts were then-Prime Minister Koizumi's measures in 2001 – 2002 to strengthen cabinet-level policy-making. A second major attempt was the DPJ-led government's attempt to put elected politicians in charge of the government apparatus after the 2009 general election.

Neither attempt was wholly successful. After some time, centralized strategic capacity was undermined by infighting among politicians seeking to follow their own agenda. While the LDP-led cabinets following Koizumi's departure rather informally abandoned attempts to use mechanisms such as the Council for Economic and Fiscal Policy to shape national (economic) strategy, the Noda cabinet, which took office in September 2010, also formally strengthened influences outside central-government circles. Noda's formal reinstatement of the administrative vice-ministers' meeting and the Policy Research Committee of the DPJ, as well as the search for a more consensual style of collaboration between politicians and bureaucrats, was widely interpreted as an abandonment of the attempt to strengthen strategic capacity at the top, even though the creation of the Council on National Strategy and Policy (which as yet lacks a formal legal mandate) can be seen as a certain countermeasure.

Management Index

Executive Accountability

Citizens

M 9 Citizens' Participatory Competence

Legislature

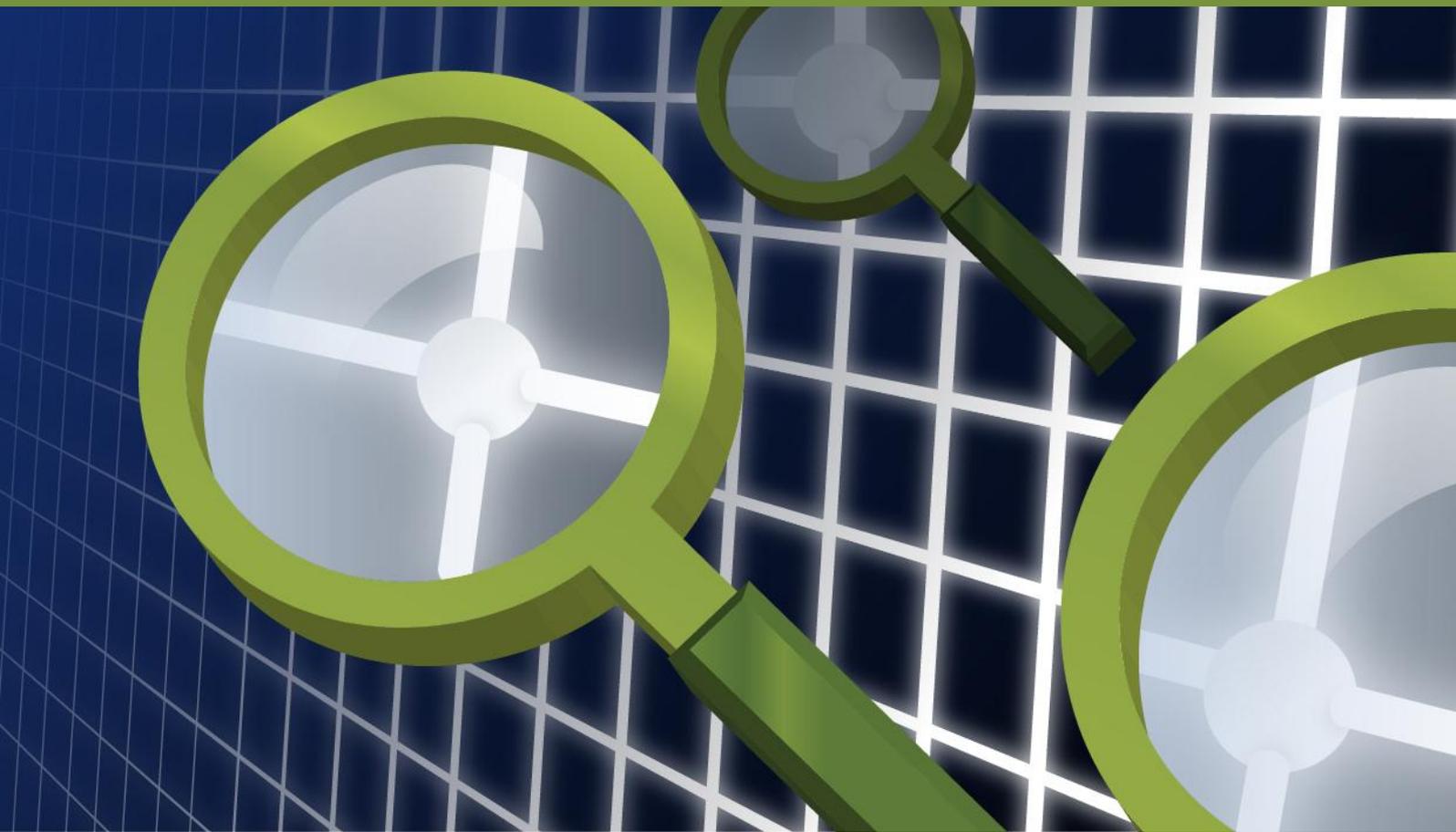
M 10 Structures and Resources of Parliamentary Actors

M 11 Parliamentary Accountability and Oversight

Intermediary Organizations

M 12 Media

M 13 Parties and Interest Associations



To what extent are citizens informed of government policy-making?

This question assesses the extent to which citizens have information and knowledge enabling them to evaluate government policy-making adequately. The question focuses on policies, not the personnel or political composition of government or the power struggles that often dominate government. A high level of information about policies presupposes that citizens understand the motives, objectives, effects and implications of policies.

Please rely on local opinion survey data to substantiate your evaluation.

Most citizens are well-informed of a broad range of government policies.	10 <input type="checkbox"/>
	9 <input type="checkbox"/>
<hr/>	
Many citizens are well-informed of individual government policies.	8 <input type="checkbox"/>
	7 <input checked="" type="checkbox"/>
	6 <input type="checkbox"/>
<hr/>	
Few citizens are well-informed of government policies; most citizens have only a rudimentary knowledge of policies.	5 <input type="checkbox"/>
	4 <input type="checkbox"/>
	3 <input type="checkbox"/>
<hr/>	
Most citizens are not aware of government policies.	2 <input type="checkbox"/>
	1 <input type="checkbox"/>

¹⁹ Please consider the following quantitative indicators if available for your country (see Excel input mask): M 9.2 Voter Turnout.

There is a substantial amount of information about policies and policy-making available in Japan. For instance, ministries regularly publish a wide range of so-called White papers, which explain the situation, the challenges and the policies taken within certain policy areas in great detail. With respect to recent developments, U.S. scholar Steven Vogel has noted that the DPJ-led government “has made modest progress in supplementing elite policy councils (*shingikai*), with various public hearings, public comment periods and other more open consultations, and in publicizing minutes from those hearings that are not open to the public” (Vogel 2012).

However, while there are significant opportunities to become informed, this does not necessarily mean that citizens feel satisfied or consider the information trustworthy. In the 2006 AsiaBarometer study, 56% of respondents stated that they were very or somewhat satisfied with the scope of the right to be informed about government. A 2007 survey reported that 38% found NHK and 37% found newspapers to be reliable sources of information.

The events of March 11, 2011, significantly increased doubts as to the reliability of government information on policies. While factual information about policies including quantitative data may be considered trustworthy, information about causal relations or policy background material is expected by many Japanese citizens to be severely distorted, particularly in the case of pre-3/11 government reports on nuclear energy policy. With respect to the planning and operation of nuclear power plants, for instance, it has emerged that the original reactor architecture choice was probably suboptimal, that the choice of locations was extremely careless and that regulatory oversight was not effective, among other problems.

Citations:

Open Source Center (of the CIA): Japan - Media Environment Open; State Looms Large, 2009, www.fas.org/irp/dni/osc/japan-media.pdf

Vogel, Steven, ‘Japanese democracy: proceed with care’, *Nikkei Weekly*, March 19, 2012, p. 27.

M 10 Structures and Resources of Legislative Actors

Category: Legislature

M 10.1 Number of Committees

How many parliamentary committees are there?

The underlying assumption is that a parliament with a sufficient number of committees is better able to discuss bills, whereas too many committees may lead to fragmentation. Based on comparative studies, 12 – 18 committees are considered optimal. Please consider only regular parliamentary committees, not committees established ad hoc to investigate specific questions.

Total parliamentary committees:

No information available

How many members does a parliamentary (sub-)committee have on average?

It is assumed that parliamentary committees can best respond to their task of control if they have neither too many nor too few members. Based on comparative studies, 13-25 committee members are considered optimal.

Please consider only regular parliamentary committees, not committees established ad hoc to investigate specific questions.

Average number of committee members:

No information available

Where subcommittees exist, average number of subcommittee members:

No information available

M 10 Structures and Resources of Legislative Actors

Category: Legislature

M 10.3 Pro-Government Committee Chairs

How many committee chairpersons nominated by the governing party (or parties) are appointed?

This question addresses the influence of governing parties in parliament. Please consider only regular parliamentary committees, not committees established ad hoc to investigate specific questions.

Total nominated / appointed committee chairpersons:

No information available

M 10.4 Deputy Expert Staff

How large, on average, is the deputy's expert support staff?

This question seeks to measure the capacities of parliamentary deputies.

Expert support staff size:

*No information
available*

M 10.6 Legislature's Expert Staff

How many expert support staff members work for the legislature (including legislature's library)?

This question seeks to measure the capacities of the parliament.

Total parliamentary expert support staff:

No information available

M 11 Legislative Accountability

Category: Legislature

M 11.2 Obtaining Documents²⁰

Are parliamentary committees able to ask for government documents?

Please assess whether parliamentary committees are de facto, not only legally, able to obtain the documents they desire from government. Specify if you consider the rights of committees limited. This question considers regular parliamentary committees only, not committees established ad hoc to investigate specific questions.

Parliamentary committees may ask for most or all government documents; they are normally delivered in full and within an appropriate time frame. 10
9

The rights of parliamentary committees to ask for government documents are slightly limited; some important documents are not delivered or are delivered incomplete or arrive too late to enable the committee to react appropriately. 8
7
6

The rights of parliamentary committees to ask for government documents are considerably limited; most important documents are not delivered or delivered incomplete or arrive too late to enable the committee to react appropriately. 5
4
3

Parliamentary committees may not ask for government documents. 2
1

Government documents can be obtained at the discretion of legislative committees. There are typically no problems in obtaining such papers in a timely manner. As the internal culture of committees varies, depending for instance on the personality of the chairperson, the actual use of this right differs among committees.

Citations:

The House of Representatives (Japan): Guide to the House: Committees,
http://www.shugiin.go.jp/index.nsf/html/index_e_guide.htm

²⁰ Please consider the following quantitative indicators if available for your country (see Excel input mask): M 11.1 Non-majority Leverage.

Are parliamentary committees able to summon ministers for hearings?

Please assess whether parliamentary committees are de facto, not only legally, able to summon ministers to committee meetings and to confront them with their questions. Please specify if you consider the rights of committees limited. This question considers regular parliamentary committees only, not committees established ad hoc to investigate specific questions.

- | | |
|--|---------------------------------------|
| Parliamentary committees may summon ministers. Ministers regularly follow invitations and are obliged to answer questions. | 10 <input type="checkbox"/> |
| | 9 <input checked="" type="checkbox"/> |
| <hr/> | |
| The rights of parliamentary committees to summon ministers are slightly limited; ministers occasionally refuse to follow invitations or to answer questions. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| The rights of parliamentary committees to summon ministers are considerably limited; ministers frequently refuse to follow invitations or to answer questions. | 5 <input type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| Parliamentary committees may not summon ministers. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

Committees may demand the presence of ministers and lower-ranking top ministry personnel such as senior vice-ministers, among others. There has been no formal change in this power since the 2001 administrative reform. Previously, senior civil servants frequently attended legislative hearings, while junior politicians are expected to do so today. This change was aimed at increasing the role of elected politicians. Under the DPJ-led governments, appointed politicians are expected to answer to parliament.

Are parliamentary committees able to summon experts for committee meetings?

Please assess whether parliamentary committees are de facto, not only legally, able to invite experts to committee meetings. Please specify if you consider the rights of committees limited. This question considers regular parliamentary committees only, not committees established ad hoc to investigate specific questions.

Parliamentary committees may summon experts.	10 <input type="checkbox"/>
	9 <input type="checkbox"/>
<hr/>	
The rights of parliamentary committees to summon experts are slightly limited.	8 <input type="checkbox"/>
	7 <input checked="" type="checkbox"/>
	6 <input type="checkbox"/>
<hr/>	
The rights of parliamentary committees to summon experts are considerably limited.	5 <input type="checkbox"/>
	4 <input type="checkbox"/>
	3 <input type="checkbox"/>
<hr/>	
Parliamentary committees may not summon experts.	2 <input type="checkbox"/>
	1 <input type="checkbox"/>

Under Article 62 of the constitution, the Diet, including 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.

To what extent do the task areas of parliamentary committees and ministries coincide?

If the task areas of parliamentary committees match the task areas of ministries, each parliamentary committee may focus on monitoring the activities of its corresponding ministry, thereby increasing the control capacity of the legislature. There are two possible ill-fitting constellations between committee and ministerial portfolios. If there are fewer committees than ministries, the committees may be overburdened with monitoring ministerial activities. If there are more committees than ministries, control responsibilities are split and the parliament may act non-cohesively.

This question considers regular parliamentary committees only, not committees established ad hoc to investigate specific questions.

- | | | |
|--|----|-------------------------------------|
| The task areas of parliamentary committees and ministries fully coincide. | 10 | <input type="checkbox"/> |
| Parliamentary committees monitor ministries effectively. | 9 | <input checked="" type="checkbox"/> |
| <hr/> | | |
| The task areas of parliamentary committees do not fully correspond to the task areas of ministries. Parliamentary committees are largely capable of monitoring ministries. | 8 | <input type="checkbox"/> |
| | 7 | <input type="checkbox"/> |
| | 6 | <input type="checkbox"/> |
| <hr/> | | |
| The task areas of parliamentary committees do not correspond to the task areas of ministries. Parliamentary committees fail to monitor ministries effectively. | 5 | <input type="checkbox"/> |
| | 4 | <input type="checkbox"/> |
| | 3 | <input type="checkbox"/> |
| <hr/> | | |
| The task areas of parliamentary committees differ widely from the task areas of ministries. Parliamentary committees frequently fail to monitor ministries effectively. | 2 | <input type="checkbox"/> |
| | 1 | <input type="checkbox"/> |

The Diet's standing committees closely correspond to the jurisdiction of the government's major ministries. Indeed, the areas of committee jurisdiction are defined in this manner. However, the portfolios of the ministers of state cover special task areas such as financial services, consumer affairs and civil service reform, areas that are not covered by corresponding committees. There are a number of additional standing committees that carry out tasks such as disciplinary matters or other functions.

Citations:

House of Representatives (Japan): Summary of the jurisdictional areas of standing committees,
http://www.shugiin.go.jp/index.nsf/html/index_honkai.htm

To what extent is the audit office accountable to the parliament?

This question assesses the extent to which the parliament can rely on its own auditing capacities.

- The audit office is accountable to the parliament exclusively. 10
9
-
- The audit office is accountable primarily to the parliament. 8
7
6
-
- The audit office is not accountable to the parliament, but has to report regularly to the parliament. 5
4
3
-
- The audit office is governed by the executive. 2
1

The Board of Audit of Japan is considered to be independent of the executive, the legislature and the judiciary system. It submits yearly reports to the cabinet, which together with the cabinet's financial statements are forwarded to the Diet. The board is free to choose its own points of focus, but parliament can request audits on special topics. Since 2005, the board has been able to forward opinions and recommendations between submissions of its regular yearly audit reports.

Citations:

Board of Audit of Japan: Status of the Board, <http://www.jbaudit.go.jp/english/jbaudit/status.html>

Does the parliament have an ombuds office?

This question asks whether parliaments have institutions that listen to the concerns of citizens, publicly advocate the issues raised by citizens and initiate governmental action to address them.

The term “ombuds office” is used here as a label representing these functions and may be institutionalized in different organizational formats. Please also consider possible functional equivalents and substantiate your answer.

- | | |
|---|---------------------------------------|
| The parliament has an effective ombuds office. | 10 <input type="checkbox"/> |
| | 9 <input type="checkbox"/> |
| <hr/> | |
| The parliament has an ombuds office, but its advocacy role is slightly limited. | 8 <input type="checkbox"/> |
| | 7 <input type="checkbox"/> |
| | 6 <input type="checkbox"/> |
| <hr/> | |
| The parliament has an ombuds office, but its advocacy role is considerably limited. | 5 <input checked="" type="checkbox"/> |
| | 4 <input type="checkbox"/> |
| | 3 <input type="checkbox"/> |
| <hr/> | |
| The parliament does not have an ombuds office. | 2 <input type="checkbox"/> |
| | 1 <input type="checkbox"/> |

According to Article 16 of Japan’s constitution, each citizen has the right to peaceful petition. While there is no “ombuds office” as such on the national level, the two houses of parliament handle petitions received through their committees on audit and administrative oversight.

A more important petition mechanism is situated within the Administrative Evaluation Bureau of the Ministry of Internal Affairs and Communications. This body represents Japan within the Asian Ombudsman Association. The bureau runs an administrative counseling service with some 50 local field offices that can handle complaints, and is staffed by 220 civil servants engaged in administrative counseling services. In addition, about 5,000 volunteer administrative counselors serve as go-betweens.

Citations:

Asian Ombudsman Association: AOA Fact Sheet - Administrative Evaluation Bureau, Japan,

http://asianombudsman.com/ORC/factsheets/2010_4_22_FINAL_JAPAN_Fact_Sheet_Member_Profile.pdf

To what extent do the TV and radio stations in your country provide substantive indepth information on decisions taken by the government?

This question seeks to assess the extent to which the media provide contextualized information, analysis and background information that enables the broader public to evaluate the government's decisions. For reasons of comparability and simplicity, the question focuses on:

(1) your country's main TV and radio stations (excluding all other electronic and print media as well as pure news channels) and

(2) decisions taken by the government (and not political issues or the political process in general). A lack of in-depth information is not tantamount to a complete lack of information but to the dominance of "infotainment programs" framing government decisions as personalized power politics and diverting attention from the substance of decisions to entertaining events and stories.

The main TV and radio stations every day produce high-quality information programs analyzing government decisions.	10 <input type="checkbox"/>
	9 <input type="checkbox"/>
<hr/>	
The main TV and radio stations produce a mix of infotainment and quality information programs. Programs with in-depth information on government decisions comprise between five and seven hours a week.	8 <input checked="" type="checkbox"/>
	7 <input type="checkbox"/>
	6 <input type="checkbox"/>
<hr/>	
The main TV and radio stations produce many superficial infotainment programs. In-depth information on government decisions is limited to programs lasting between three and five hours a week.	5 <input type="checkbox"/>
	4 <input type="checkbox"/>
	3 <input type="checkbox"/>
<hr/>	
The main TV and radio stations are dominated by superficial infotainment programs. In-depth information on government decisions is limited to programs lasting between one and three hours a week.	2 <input type="checkbox"/>
	1 <input type="checkbox"/>

²¹ Please consider the following quantitative indicators if available for your country (see Excel input mask): M 12.2 Newspaper Circulation and M 12.3 Quality Newspapers.

The NHK public broadcasting station traditionally provides ample and in-depth information on policy issues. It had a near-monopoly on this role until the 1970s. Since that time, the major private broadcasting networks have also moved into this field, while at the same time trying to make the provision of information entertaining. NHK dominates the 7 p.m. news slot and also provides a long news program at 9 p.m., in addition to its widely seen morning programs (“Ohayô Nihon”). Private broadcasters have various interesting programs in the 11 p. m. slot. TV Asahi’s “Sunday Project” and NHK’s “Nichiyo Toron” are examples of a tendency to present high-profile information and serious policy-related talk shows on Sundays. NHK also operates a news/speech-based radio program (Radio 1).

It is difficult to determine the extent to which TV-based information has been influential with respect to political developments and policy-making. This is certainly the case when political content can be combined with powerful pictures or video footage. In the early 1990s, TV Asahi’s Sunday Project famously and repeatedly featured a group of three comparatively young LDP politicians (nicknamed YKK), among them Junichiro Koizumi, and it is said that his publicity rose remarkably through this exposure. In recent years, the appearance of a drunken Japanese finance minister in February 2009 during a televised interview in Rome contributed significantly to the public’s disillusionment with the LDP.

The disasters of March 11, 2011, raised two new issues related to the media: first, the question of how much trust could be accorded to leading organizations such as NHK, and second, the rise in importance of new social media such as Twitter, Facebook and YouTube. Among intellectuals, established media have been criticized for their tame reporting and lack of clarity about the dangerous situation in and around Fukushima, including the lack of journalistic coverage of the shady relationships between the state, the electric power industry and mainstream scientists. However, it is difficult to ascertain how the public at large has reacted to the crisis in terms of their trust in media. According to a Nomura Research Institute poll taken shortly after March 11, most people (80%) said they relied on NHK as a crucial source of information. In terms of trustworthiness, 29% had more trust in NHK after March 11, compared to only 13% that said they had more trust in individual social media sites. A similar 29% said they now distrusted central and local governments more. These numbers are surprisingly good news for the established channels of information. One reason could be that the informal channels did serve as conduits for more and more detailed information, but some of it was clearly biased, sensational or preliminary, and was soon proved wrong. It remains to be seen whether these early appraisals are reliable or are still undergoing change, and whether alternative media will gain a new importance propelled by the March 11 events.

Citations:

Eric Johnston: Will 3/11 prove social media watershed? In: The Japan Times, 8 March 2012

M 13 Parties and Interest Associations

Category: Intermediary Organizations

M 13.1 Party Competence

To what extent do the electoral programs of major parties in your country propose plausible and coherent policies?

This question seeks to assess the quality of parties' policy proposals by analyzing the electoral programs of parties. It is assumed that programs document a party's capacity to formulate policies and to engage in a programmatic competition with rival parties.

Two criteria of quality are given: a proposal is plausible if its underlying problem diagnosis, the suggested policy instruments/measures, policy objectives and expected policy impacts are reasonably linked with each other; a proposal is coherent if it does not contradict other proposed policies.

Your evaluation will imply an assessment about whether proposed policies are likely to work, although the question is more focused on the plausibility of policy proposals. Please avoid an assessment of objectives pursued by individual parties, their appropriateness, desirability etc. "Major" parties are conceived here as parties supported by more than ten percent of the voters in the last national elections.

Most electoral programs propose plausible and coherent policies.	10 <input type="checkbox"/>
	9 <input type="checkbox"/>
<hr/>	
Many electoral programs propose plausible and coherent policies.	8 <input type="checkbox"/>
	7 <input checked="" type="checkbox"/>
	6 <input type="checkbox"/>
<hr/>	
Few electoral programs propose plausible and coherent policies.	5 <input type="checkbox"/>
	4 <input type="checkbox"/>
	3 <input type="checkbox"/>
<hr/>	
Most electoral programs do not propose plausible or coherent policies.	2 <input type="checkbox"/>
	1 <input type="checkbox"/>

Both major parties, the LDP and the DPJ prepared detailed election programs for the 2009 and 2010 elections. Such manifestos were introduced by the DPJ in the 2003 lower house election, and represent a growing tendency to draw closer connections between parties, their policy propositions and their candidates. Previously, elections had been largely based on personalities, candidates' electoral networks, and pork-barrel spending aimed at supporting and maintaining such networks. Despite shortcomings in the actual programs identified, the overall positive contribution of these manifestos to Japan's political process should not be underestimated.

In 2009, the DPJ was rather clear in its stated priorities, distinguishing between five major pledges, five major principles and five major policies. It provided a clear distinction between superior objectives, subordinate objectives and related policy measures. The DPJ even included specific cost estimates and deadlines for its proposals.

However, a major weakness in this process is the continued lack of clarity as to how the various costly programs are to be realized during Japan's post-crisis period of economic hardship and severe fiscal strain. Some of the measures appear overly simplistic, such as the promise to find "hidden treasures" in the existing budget. There are also a number of obvious contradictions, such as the inherent conflict between the populist promise to eliminate highway tolls and the need for fiscal restraint and environmental incentives. The LDP's "promise" (yakusoku) was considerably less specific in comparison. For instance, it did not as clearly distinguish between principles, overarching goals, subordinate goals and instruments. Information about individual policy proposals' cost and timelines was much more vague, an issue that has long been subject to criticism.

While manifestos thus feature specific policy pledges in a number of policy areas, they do not provide voters with a clear idea of underlying principles, an offer that would help voters make informed choices. Economic policy constitutes a major case in point. In addition, there is the unanswered question of how binding manifestos are for the parties and their members of parliament.

A significant public disappointment during the reporting period was evidence that the DPJ-led coalition's policy process was again strongly influenced by personal relationships among leading politicians and their followers, rather than by party programs. Speculation over the role played by Ichiro Ozawa, a leading behind-the-scenes politician who did not hold a government mandate after 2009, is typical in this respect. Another example can be drawn from the critical months following the events of March 11, 2011, when Naoto Kan was forced to step down as prime minister: It was well understood that one of the leading actors working for his resignation was Yukio Hatoyama, his predecessor as premier and colleague within the DPJ.

Citations:

LDP manifesto: http://www.jimin.jp/jimin/english/pdf/2009_yakusoku_e.pdf

DPJ manifesto:

M 13 Parties and Interest Associations

Category: Intermediary Organizations

M 13.2 Association Competence (Business)

To what extent do economic interest associations propose reasonable policies?

“Reasonable” policy proposals identify the causes of problems, rely on scholarly knowledge, are technically feasible, take into account long-term interests and anticipate policy effects. These criteria are more demanding than the criteria used to evaluate party programs as interest associations can be expected to represent a specialist, substantive policy know-how.

The assessment should focus on the following interest associations: employers’ associations, leading business associations, trade unions.

Most interest associations propose reasonable policies.	10 <input type="checkbox"/>
	9 <input type="checkbox"/>
<hr/>	
Many interest associations propose reasonable policies.	8 <input type="checkbox"/>
	7 <input checked="" type="checkbox"/>
	6 <input type="checkbox"/>
<hr/>	
Few interest associations propose reasonable policies.	5 <input type="checkbox"/>
	4 <input type="checkbox"/>
	3 <input type="checkbox"/>
<hr/>	
Most interest associations do not propose reasonable policies.	2 <input type="checkbox"/>
	1 <input type="checkbox"/>

Japan's leading business and labor organizations regularly prepare topical policy proposals designed to stir public debate and influence government policy-making. Specifically, the three umbrella business federations – Keidanren (formerly Nippon 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, should be mentioned in this context. Such organizations can make their impact felt not only by publishing policy papers, but also through their membership in government advisory committees. However, as the financial support of political parties by business has declined, particularly with the demise of the traditional “iron triangle” linking large businesses with the LDP and the bureaucracy, politicians have become less willing to consider the views of these interest groups seriously. Some competition between the organizations has helped to raise the quality of their proposals. While there is an obvious scramble for influence between Rengo and the business organizations, a fact that has led each side to issue explicit statements criticizing the other's views, there is also growing competition among business organizations themselves. For instance, Keidanren is dominated by large enterprise groups, and has been somewhat slow in demanding further opening of the economy. The Doyukai is more characterized by strong independent companies, and is outspoken in demanding a more open business environment. In December 2011, Seidanren, a new business federation comprised of retailers, household goods makers, consumer associations and various consumer-oriented firms, held its first meeting in Tokyo. The association wants to provide an additional collective corporate voice with a particular focus on consumer issues.

It is noteworthy that the system of interest association influence in Japan is much less well defined than that in some other OECD nations, particularly the United States. After March 11, 2011, it became clear that the problematic influence of self-centered economic interests can have devastating consequences. It remains unclear whether this public realization will have any long-term impact on the professionalism and influence channels of such interest associations.

Citations:

Yamagoshi, Katsuya, 'Ground shaking beneath Keidanren', Nikkei Weekly, January 30, 2012, p. 4

M 13 Parties and Interest Associations

Category: Intermediary Organizations

M 13.3 Association Competence (Others)

To what extent do non-economic interest associations propose reasonable policies?

“Reasonable” policy proposals identify the causes of problems, rely on scholarly knowledge, are technically feasible, take into account long-term interests and anticipate policy effects. These criteria are more demanding than the criteria used to evaluate party programs as interest associations can be expected to represent a specialist, substantive policy know-how.

The assessment should focus on the following interest associations: social interest groups, environmental groups and religious communities.

Most interest associations propose reasonable policies.	10 <input type="checkbox"/>
	9 <input type="checkbox"/>
<hr/>	
Many interest associations propose reasonable policies.	8 <input type="checkbox"/>
	7 <input type="checkbox"/>
	6 <input type="checkbox"/>
<hr/>	
Few interest associations propose reasonable policies.	5 <input type="checkbox"/>
	4 <input checked="" type="checkbox"/>
	3 <input type="checkbox"/>
<hr/>	
Most interest associations do not propose reasonable policies.	2 <input type="checkbox"/>
	1 <input type="checkbox"/>

Civil society organizations do not have a long tradition in Japan. Until 1998, it was very difficult to found this type of organization and ensure a steady flow of membership contributions and/or donations. The Non-Profit Organization (NPO) Law of 1998 has made the incorporation of such NPOs easier, but many bureaucratic and financial challenges remain. The depth and breadth of such organizations in Japan thus remain limited, with only a few sectoral exceptions. Japan also lacks a well-developed think tank scene – well-funded think tanks such as the Tokyo Foundation again constituting the exception to the rule. It should also be noted that some NPOs are used by the government as auxiliary mechanisms in fields where it cannot or does not want to become directly involved.

The lack of competency displayed by many state actors during the immediate aftermath of the events of March 11, 2011, have again raised calls for and interest in the further development of civil society mechanisms. However, discounting for the possibly exaggerated optimism of dedicated activists, it remains unclear whether such movements are able to create professionally operating, sustainable platforms.

Citations:

Economist, 'Non-profit organisations in Japan: Charity at home', July 7, 2011,
<http://www.economist.com/node/18929259>

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