

ANSSR: Economy Priorities and Progress Assessment Measures

Japan

In June 2010, the Government of Japan approved at a Cabinet meeting “the New Growth Strategy” which aims to realise a “strong economy” in Japan, in order to lift Japan out of the economic impasse caused by the stagnant economy, the swelling fiscal deficit and the loss of confidence in the social security system, and to bring about a “strong economy”, “robust public finances”, and a “strong social security system” in an integrated manner. This Strategy has made clear the directions regarding targets that should be achieved by 2020 and the main policies for its strategic areas. The strategic areas consist of seven areas: (1) green innovation, (2) life innovation, (3) the Asian economy, (4) tourism-oriented economy and local revitalization, (5) science-technology-ICT(information and communications technology)-oriented economy, (6) employment and human resources, and (7) the financial sector.

The Great East Japan Earthquake occurred on 11 March 2011, when Japan was in the process of implementing the Strategy and the situation surrounding Japanese economy is getting more severe due to the declining birthrate and aging population, the increased global competition and so on. Though the earthquake brought serious damage to the Japanese economy, Japan will, in principle, accelerate its efforts for realising the Strategy, as Japan needs to increase its efforts to strengthen its power for growth.

Based on the situation mentioned above, Japan selected policies from the Strategy, which meet the criteria of ANSSR’s five priority areas, as Japan’s priorities.

As for the progress assessment benchmarks of Japan’s priorities, Japan adopted the targets of each strategic area set by the Strategy. As a result, Japan’s macro economy is aiming to achieve an average economic growth rate of about 3% in nominal and about 2% in real by fiscal year 2020. With regard to progress assessment in 2015 based on ANSSR, Japan will assess progress of various policies towards the 2020’s goals of the Strategy as quantitatively or qualitatively as possible.

ANSSR Priorities

| Promoting more open, well-functioning, transparent, and competitive markets | |
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| Priority: | With the goal of doubling the flows of people, goods, and money into Japan, Japan will actively advance intensive domestic reforms including by boldly revising regulations that constitute impediments to such flows. |
| Progress assessed based on: | <p>Progress will be assessed based on the following Japan's New Growth Strategy's targets for 2020:</p> <ul style="list-style-type: none"> • To strengthen the function of the airports in the Tokyo metropolitan areas including by making Haneda Airport into a 24-hour international hub facility, and revitalize Kansai International Airport and strengthen its international competitiveness; • To accept 300,000 foreign talented students into Japan; • To expand the pool of foreign talents and double the number of highly-skilled foreign personnel in Japan; • To expand talented local human resources overseas with Japanese skills; • To improve ports which are selected as major ports in East Asia; • To expand inflow of foreign funds, promote to repatriate Japanese firms' foreign profit, promote of Japan as an international financial center, and make Japan's financial industry more internationally competitive; • To increase foreign firms operating in Japan that bring high value-added products, double employment by foreign firms and also double direct inward investment; and • To strengthen the competitiveness of companies operating in Japan, encourage more companies to set up business bases in Japan, realize self-sustaining economic growth and secure domestic employment. |

| Promoting better functioning and effectively regulated financial markets | |
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| Priority: | Japan will create a financial industry which can supply funds for growth depending on the categories and characteristics of the respective targets of investment and financing as well as financial support, such as large enterprises, small- and medium-sized enterprises, individual business operators, Japanese enterprises operating overseas, domestic projects, and overseas projects. The aim is to achieve "financial system evolution," supporting innovation-oriented business management from a long-term perspective. |
| Progress assessed based on: | <p>Progress will be assessed based on the following Japan's New Growth Strategy's target for 2020:</p> <ul style="list-style-type: none"> • To supply money for growth through the concerted efforts of the public and private sectors. |
| Priority: | The financial sector itself needs to grow. To support this, Japan will proceed with measures such as improving markets and exchanges and reforming legal infrastructure for financing, and create a financial industry which is reliable and highly convenient to users, thereby making Japan's financial markets and financial industry more internationally competitive. |
| Progress assessed based on: | <p>Progress will be assessed based on the following Japan's New Growth Strategy's targets for 2020:</p> <ul style="list-style-type: none"> • To increase Japanese firms' global presence; • To establish Japan's status as a main market and main player in Asia; and • To enhance management of the economy financial assets so as to enable citizens to enjoy wealth. |

| Promoting labour market opportunities, training, and education | |
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| Priority: | Japan will promote balanced and equal treatment to ensure "decent work" (rewarding work befitting human beings), which means equal pay for equal work. Japan will also study the introduction of refundable tax credits, raise the minimum wage, and work to ensure a healthy work-life balance (by promoting the utilization of annual paid vacation time and encouraging shorter work hours, the utilization of childcare leave, and other such benefits). |
| Progress assessed based on: | <p>Progress will be assessed based on the following Japan's New Growth Strategy's targets for 2020:</p> <ul style="list-style-type: none"> • To increase the employment rate of people aged 20 to 64 to 80% and that of people aged 15 or older to 57%; • To increase the employment rate of females aged 25 to 44 to 73%; |

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| | <ul style="list-style-type: none"> To increase the rate of females who continue to work before and after their first childbirth to 55%, and the rate of males who take childcare leave to 13%; To increase the rate of use of annual paid vacation time to 70%, while halving the rate of employees who work 60 hours or more per week; To raise the minimum wage to ¥800 in the lowest region and ¥1,000 as the domestic average; and To reduce the number of industrial accidents by 30%, increase the rate of workplaces where mental health care is available to 100%, and eliminate passive smoking from workplaces. |
| Priority: | To raise the quality of elementary and secondary education, Japan will improve the quality of teachers and enhance systems that support education at the local level through the participation of private citizens and other measures. By making public high school tuition effectively free, Japan will enable all children to receive a complete secondary education, with the support of all society. |
| Progress assessed based on: | Progress will be assessed based on the following Japan's New Growth Strategy's target for 2020: <ul style="list-style-type: none"> To consistently attain the world's top level of academic achievement. |
| Priority: | In the area of higher education, Japan will expand its economic assistance to students, work to ensure the quality of universities and make them more international in nature, expand and improve graduate education, and promote vocational education, such as by cultivating students' entrepreneurial abilities. In these and other ways, Japan will expand opportunities for and improve the quality of higher education, thereby cultivating people who can be active on the world stage and are ready to meet the challenges of the future. |
| Progress assessed based on: | Progress will be assessed based on the following Japan's New Growth Strategy's targets for 2020: <ul style="list-style-type: none"> To increase Japanese students who study overseas to 300,000; To increase the employment rate of university graduates and to decrease the turnover rate of new employees with less than three years working experience; To increase the number of adults who study at universities; To improve user-friendliness and quality of services provided by institutions such as universities for career development. To increase the rate of universities providing internships to 100% |
| Priority: | Japan will generate demand for education and make education an area of growth. |
| Progress assessed based on: | Progress will be assessed based on the following Japan's New Growth Strategy's target for 2020: <ul style="list-style-type: none"> To develop private-sector educational services |

Promoting sustained SME development and enhanced opportunities for women and vulnerable populations

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| Priority: | Japan will vitalize small and medium-sized enterprises. |
| Progress assessed based on: | Progress will be assessed based on the following Japan's New Growth Strategy's target for 2020: <ul style="list-style-type: none"> To realise a substantial increase of the number of starting businesses and changing occupations per year; To maintain and develop the accumulation of companies in urban areas, and maintain and expand skills and employments of small and medium-sized enterprises mainly engaged in manufacturing; and To expand foreign operations of small and medium-sized enterprises. |
| Priority: | Japan will reform systems and rules to allow innovation to flourish, and protect and utilize intellectual property appropriately. |
| Progress assessed based on: | Progress will be assessed based on the accomplishment of the following Japan's New Growth Strategy's target for 2020: <ul style="list-style-type: none"> To encourage utilisation of intellectual property possessed by small and medium-sized enterprises. |

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| Priority: | Japan will establish policy goals to increase employment among young people, women, the elderly, and the disabled. To this end, systems and practices that hinder employment will be rectified, and intensive efforts to improve the environment for employment, including the provision of childcare and other services, will be made over a two-year period. |
| Progress assessed based on: | <p>Progress will be assessed based on the following Japan's New Growth Strategy's targets for 2020:</p> <ul style="list-style-type: none"> • To reduce the number of "freeters" to 1.24 million, while increasing the number of people who find jobs with the help of local young people support stations to 100,000 among those not in employment, education or training; • To increase the employment rate of females aged 25 to 44 to 73%, the rate of females who continue to work before and after their first childbirth to 55%; • To increase the employment rate of people aged 60 to 64 to 63%; and • To increase the actual employment rate of people with disabilities to 1.8%, while Japanese government increases procurement from facilities that employ people with disabilities to ¥800 million. |
| Priority: | Japan will promote the integration of kindergartens and nursery schools, enact fundamental reforms to establish user-friendly childcare systems, encourage the entry of a variety of businesses through revisions of relevant systems and regulations, and expand the hours and target-age range of clubs that offer after-school activities for children. Through these and other measures, we will work to diversify and quantitatively expand childcare. Japan will also eliminate classroom waiting lists for preschool and school-age children by 2020. |
| Progress assessed based on: | <p>Progress will be assessed based on the following Japan's New Growth Strategy's targets for 2020:</p> <ul style="list-style-type: none"> • To stop the rapid population decline by achieving a sustainable increase in the birthrate through the establishment of an environment in which everyone can have and raise children without experiencing undue concern; • To quickly eliminate classroom waiting lists for preschool and school-aged children. |
| Priority: | By taking such steps as making the length and manner of childcare leave more flexible (shorter working hours for parents with small children, etc.) and offering preferential consideration to business that take the lead in providing childcare leave, Japan will provide enhanced support for resumption of employment and reemployment following the birth of children and infant care. By 2017 at the latest, Japan will enable every willing citizen to return to work following the birth of children and infant care. |
| Progress assessed based on: | <p>Progress will be assessed based on the following Japan's New Growth Strategy's target for 2020:</p> <ul style="list-style-type: none"> • To enable every person who seeks employment to resume work following the birth of children and infant care. |

Promoting effective and fiscally sustainable social safety net programs

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| Priority: | <p>Japan will work to establish a "second-level safety net" and improve the functions of its unemployment insurance system. In order to establish a system for developing and evaluating occupational skills throughout society, including non-regular employees, Japan will also redevelop the current "job-card system" to the "Japanese national vocational qualification system (NVQ)".</p> <ul style="list-style-type: none"> • A "second-level safety net" is the general term of a series of the measures established as a system to fill the gap between the two safety nets: unemployment insurance to stabilize employment and public assistance to guarantee a minimum standard of living. |
| Progress assessed based on: | <p>Progress will be assessed based on the following Japan's New Growth Strategy's targets for 2020:</p> <ul style="list-style-type: none"> • To increase the number of job-card holders to 3 million, the total number of adults accepted at vocational schools to 150,000, the percentage of workers engaging in self-education to 70% among regular workers and 50% among non-regular workers, and the employment rate of people who have received public vocational training to 80% among those trained at public vocational training facilities and 65% among those trained at commissioned facilities. |