

A Heisei Reformation

Changes under the New DPJ Government

Mills College

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Japan changed in 1868 and 1945

Now in 2009?



Tokugawa to Today



- 1868 – Meiji Restoration
- 1945 – Defeat and Occupation
- 1989-1990 – End of the Cold War and the burst of the bubble leads to the “Lost Decade”
- 2001-2006 – Terrorism, war, and PM Koizumi’s “market fundamentalism”



2009

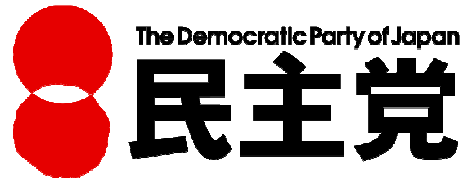


Landslide victory by the Democratic Party of Japan
(DPJ)



New DPJ Coalition Government

- Basic Framework -



- Bureaucracy driven → Cabinet driven
- Change in government spending
- Give more power to local governments
- Transparency
- More policies for the middle-class
- An economy for the people
- Green technology – key for economic growth



New DPJ Coalition Government

- Reviving Japan's Economy -



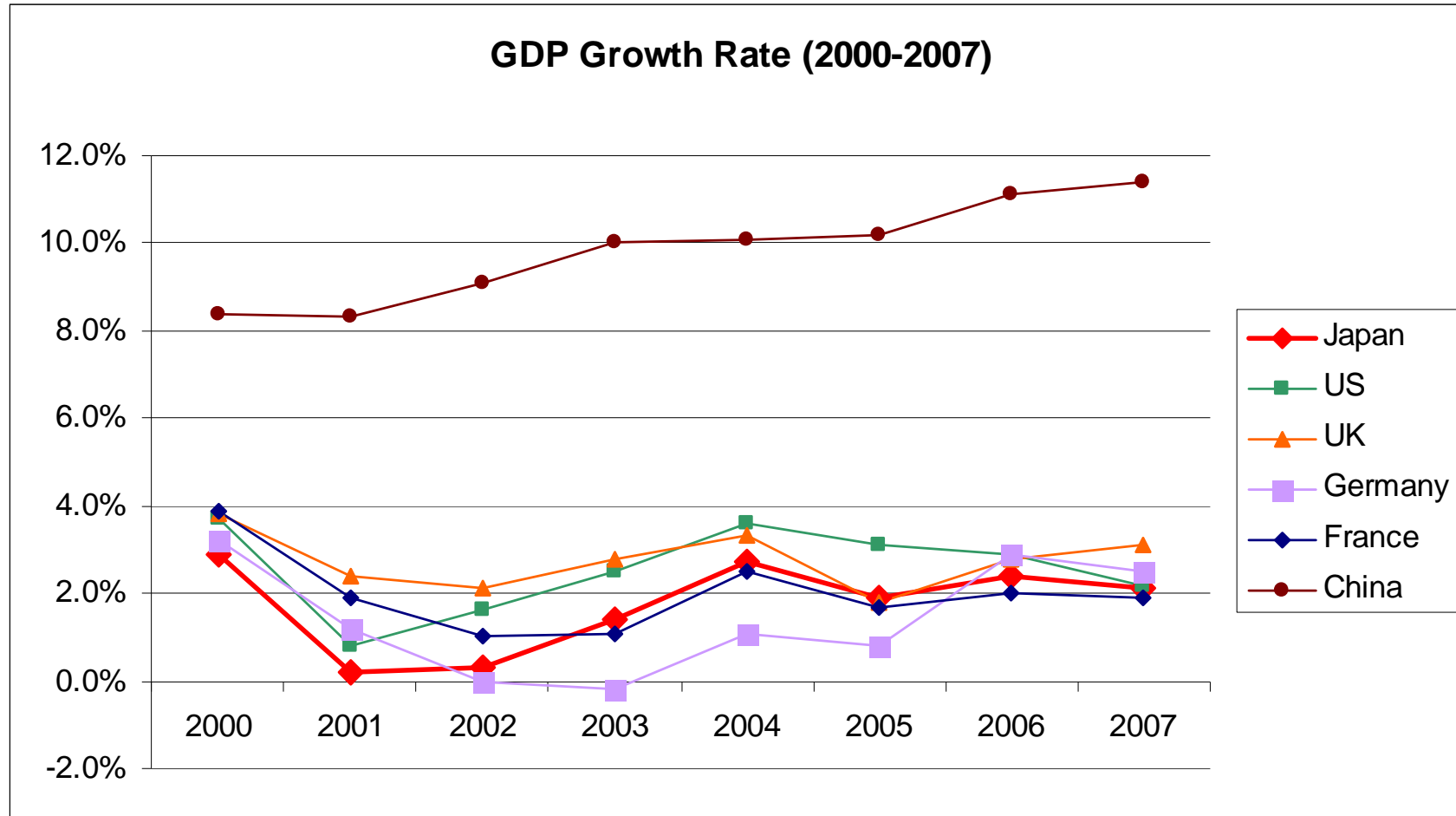
- *Yu-Ai* – create a “fraternity” without discrimination or prejudice
- Focus on child rearing and education
- Tax relief
- Creation of new markets through clean tech



Japan's Economic Challenges



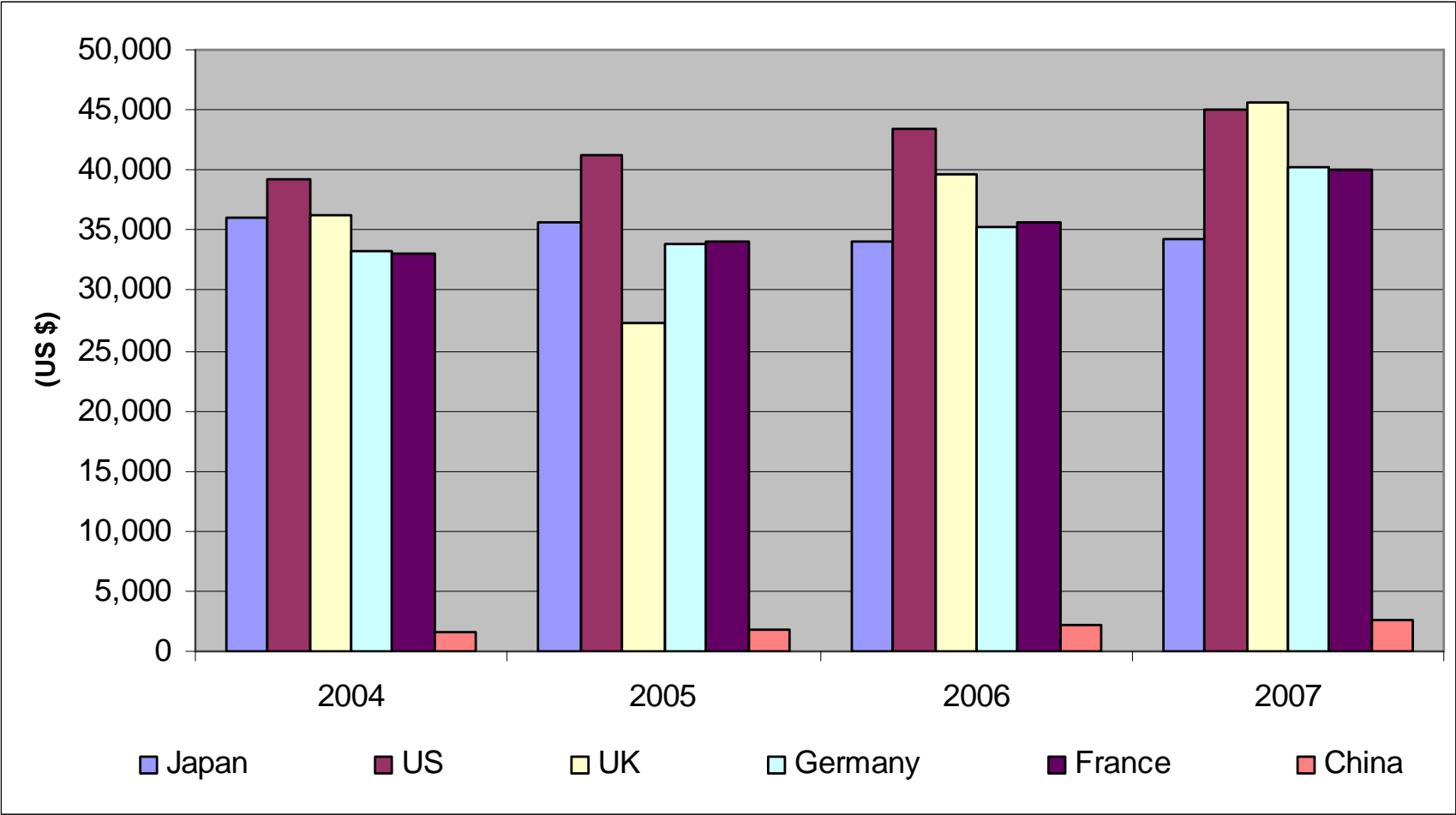
GDP Growth Rate



Source: Statistics Bureau of the Ministry of Internal Affairs and Communications



GDP Per Capita



Source: Statistics Bureau of the Ministry of Internal Affairs and Communications



Public Debt

Total Central Government Debt in Millions of U.S. Dollars

	2003	2004	2005	2006	2007
Japan	6,741,783.0 (140.8%)	7,280,156.8 (156.5%)	7,048,474.7 (163.8%)	7,092,221.5 (160.7%)	8,483,907.6 (162.9%)
US	3,924,300.0 (35.4%)	4,307,420.0 (36.6%)	4,605,970.0 (36.7%)	4,848,260.0 (36.6%)	5,054,930.0 (36.2%)
UK	834,468.7 (38.8%)	930,462.6 (40.0%)	982,931.5 (43.6%)	1,167,880.5 (43.5%)	1,230,768.2 (42.9%)
Germany	1,029,944.9 (37.7%)	1,180,360.4 (39.2%)	1,068,592.7 (40.4%)	1,251,627.1 (40.9%)	1,409,330.1 (39.5%)
France	1,044,992.3 (51.9%)	1,188,595.7 (52.6%)	1,084,816.7 (53.3%)	1,240,230.8 (52.1%)	1,454,122.7 (52.2%)

(%) Public Debt as a % of GDP

Source: Organization for Economic Cooperation and Development



Gini Coefficient

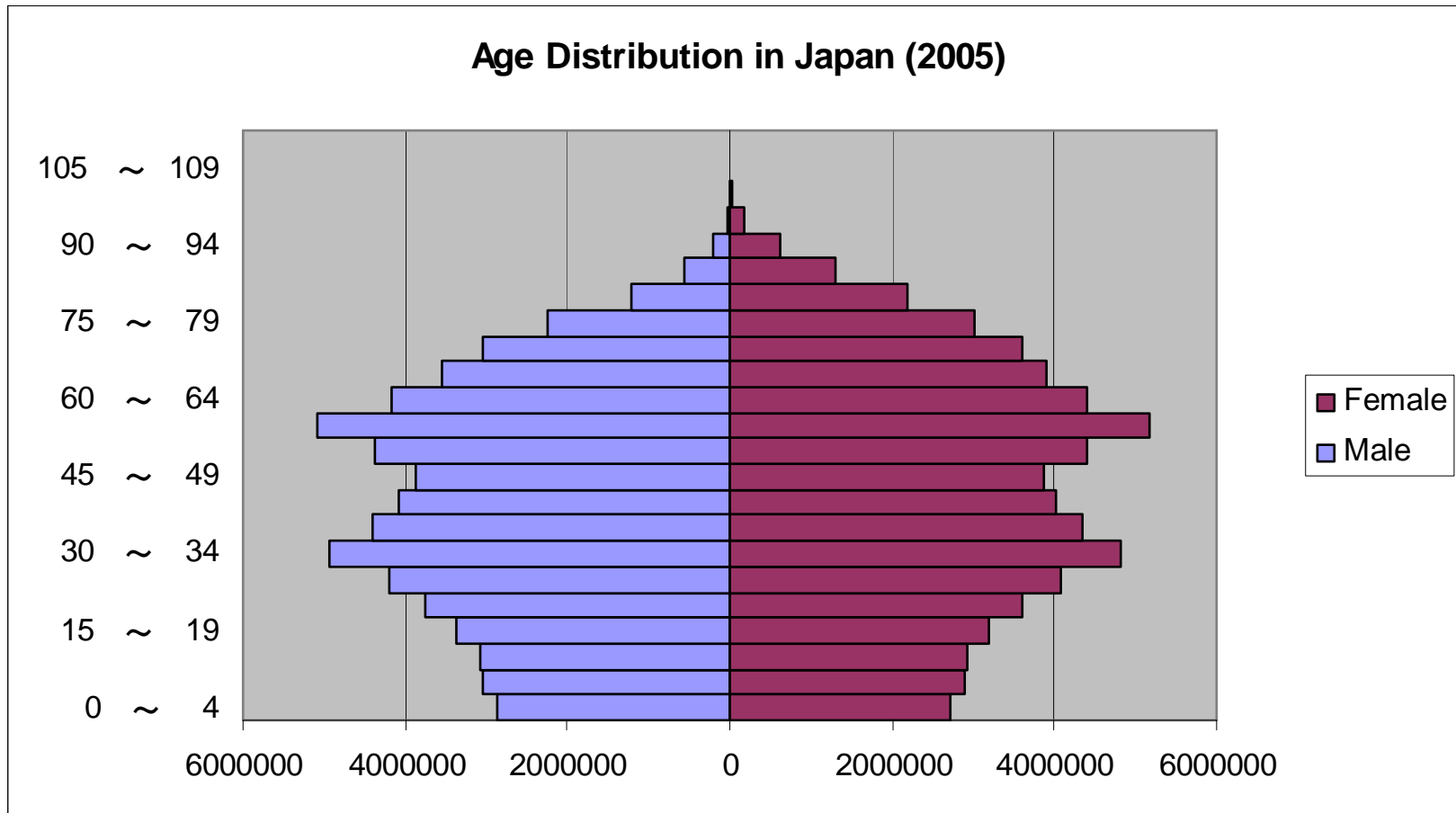
Country	Gini Coefficient	Year
Japan	42	2004
US	45	2007
UK	34	2005
Germany	27	2006
France	33	2008
China	47	2007

Japan source: Organization for Economic Cooperation and Development

All other countries: CIA World Factbook



Demography



Source: Statistics Bureau of the Ministry of Internal Affairs and Communications



Organisation for Economic Co-operation and Development (OECD)

Peer Review: Japan

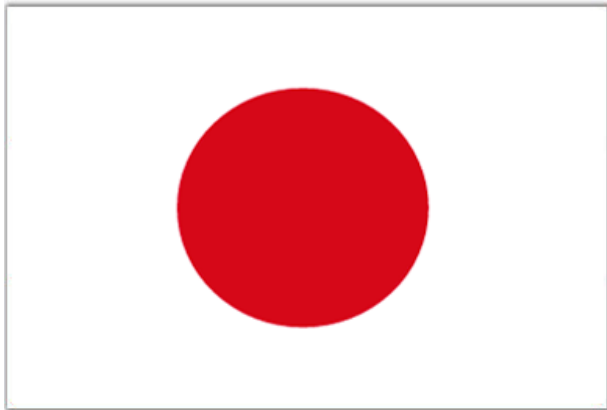


- Boost domestic demand through economic reforms, esp. in the labor market and the non-manufacturing sector
- Improve efficiency of the banking sector and increase transparency
- Broad based tax reform
- Health-care reform: control costs, improve quality and ensure equality
- Improve policy framework to address climate change



New DPJ Coalition Government

- Japan as a Bridge -



- Response to the global economic crisis
- Climate change
- Nuclear disarmament and non-proliferation
- Peacebuilding, development and poverty
- East Asian community



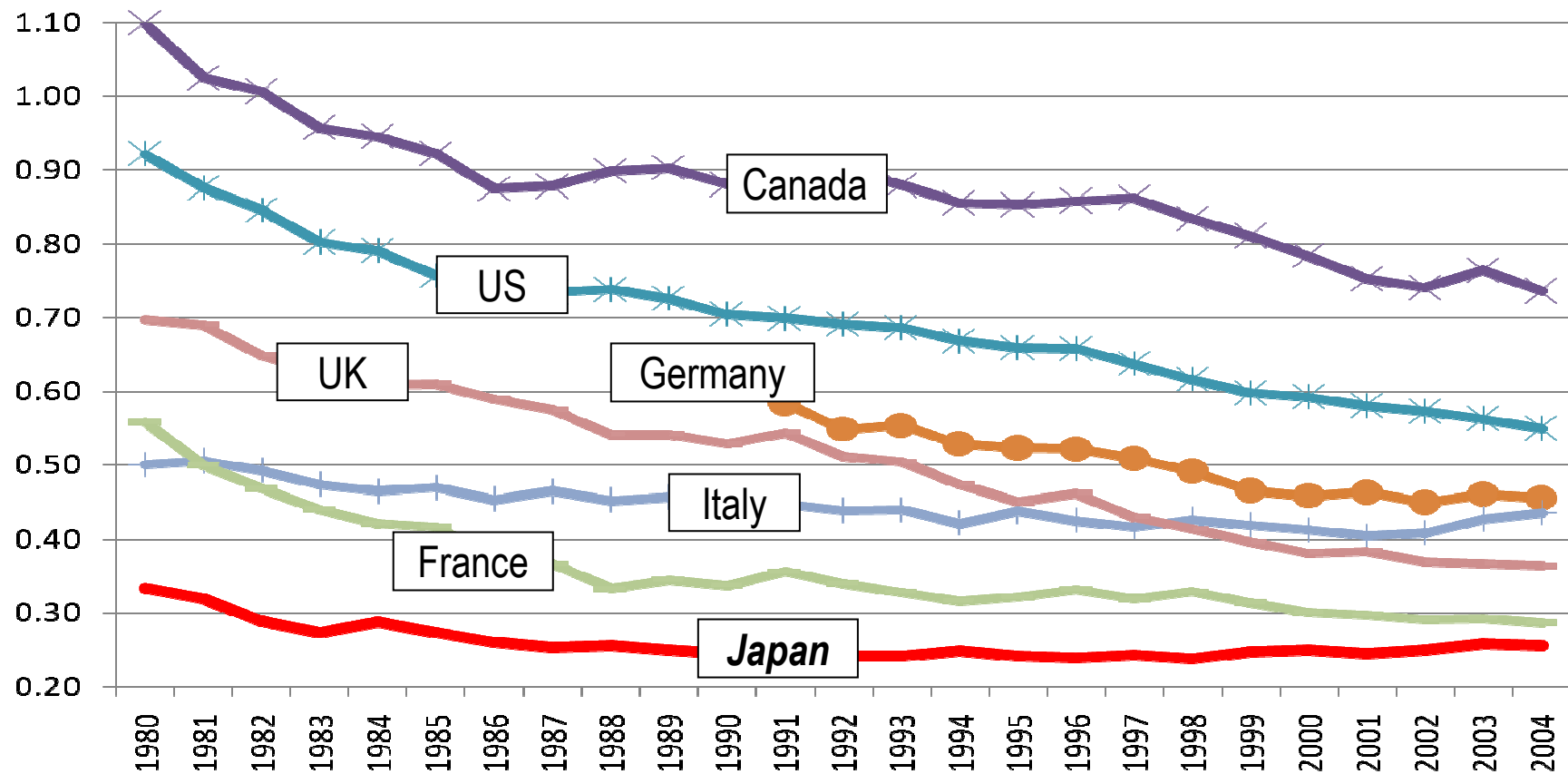
New DPJ Coalition Government

- Climate Change -

- 25% emissions reduction from 1990 level by 2020 (Previous target of 15% is 8% from 1990)
- Collective effort needed
- Developed must aid developing
- Sharing of technology will benefit all



Least Carbon Intensified Economy for 25 Years



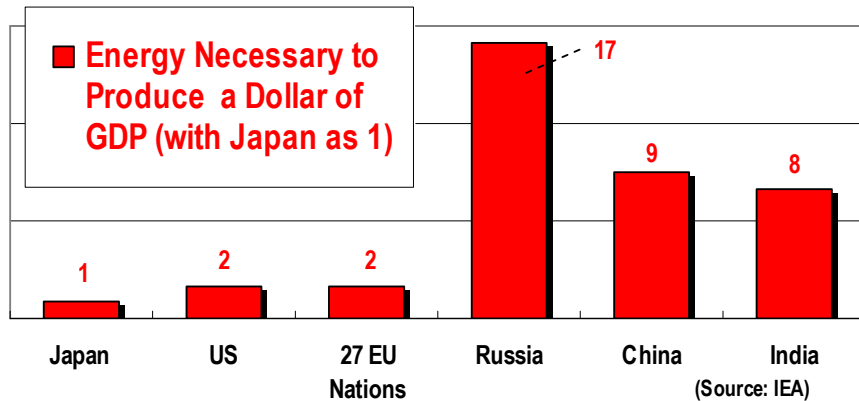
Metric ton Equivalent CO2 Emission per 1,000US\$GDP

Source: US DOE Energy Information Administration



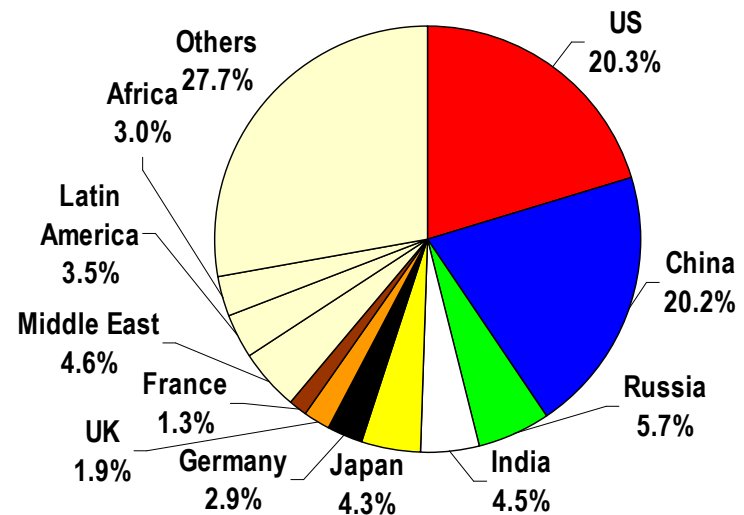
Environmental Aspects

Energy Necessary to Produce a Dollar of GDP (2004)



Primary Energy Supply (Crude Oil Equivalent)/ GDP

CO2 Emissions (2006)



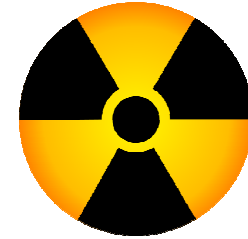
28 Billion tons (Global)



New DPJ Coalition Government

- World Without Nuclear Weapons -

- Reduction of nuclear arsenals
- Comprehensive Nuclear-Test Ban Treaty and Fissile Material Cut-off Treaty
- Active diplomacy in nuclear disarmament and non-proliferation
- Resolute response to nuclear proliferation
- High standards in clear safeguards, security and safety when using nuclear energy



New DPJ Coalition Government

- U.S.-Japan Relations -

- A close and equal U.S.-Japan alliance
- U.S.-Japan alliance still the cornerstone of Japan's foreign policy
- Deepen bilateral relations
- Discussion of the realignment of U.S. forces in Japan



New DPJ Coalition Government

- Afghanistan and Pakistan -



- Support Afghanistan's own efforts towards its stability and reconstruction
- Send aid, such as agricultural assistance, vocational training for former combatants and the reinforcement of police functions
- Refueling mission in the Indian Ocean after January 2010 will be reconsidered



New DPJ Coalition Government

- East Asian Community -

- Build up real trust and advance cooperation
- Increased cultural exchange
- Mutual understanding at the grassroots level
- Second Japan-China-ROK Trilateral Summit Meeting



New DPJ Coalition Government

- North Korea -



- Discuss issues through multilateral approach
- Denuclearization through Six-Party Talks
- Implement measures based on UN Security Council resolutions
- Seek to resolve abduction issue at the earliest possible date



Challenges for the DPJ



- Implementing the campaign manifesto
- Creating attractive and viable budget proposals
- Creating change that pleases the coalition
- 2010 House of Councilors Election (Upper House)



Questions?

