

## What We Expect for the General Election: Policy debate with focus on benefit of future generations

October 12, 2021

Kengo Sakurada, Chairman  
Keizai Doyukai

The COVID-19 pandemic has seriously threatened the economic and social activities worldwide and revealed the vulnerability each community is facing. Meanwhile, there are substantial changes accelerating globally in the sphere of geopolitics, industrial structure, and the environment of our planet. Against this backdrop, we are having a general election of the House of Representatives, which will decide a future direction of Japan in a big watershed brought by the pandemic, and will be an important opportunity for the public to select a government.

We present an agenda that has five specific policy issues below, and request each political party to deepen discussions on these issues through the election campaign, by clarifying pros and cons for each of them as well as their financial resources and the benefit-and-contribution scheme. We, voters, are responsible to give careful thoughts to the differences and practicability in each party's manifesto, and cast valuable ballots to have our opinions reflected in government policies.

Keizai Doyukai will play its role to assist political participation of the public. Practically, it will request its members to take actions for the employees of their companies to take holidays, thereby promoting their voting and of their families.

### 1. Long-term vision for the country and society

Standing at a big crossroads, a political leadership and the trust it earns from the public are both necessary for a stable management of a nation. In this regard, the government must first present its long-term vision to have public interest and understanding.

- A country image to be realized by 2050 and processes toward a goal with a time frame (Each party's goal such as "new capitalism" and digital society as well as a medium-to long-term plan for reaching the goal)
- Optimal system of tax and fiscal management and a long-term vision for the benefit-and-contribution scheme for the public (tax, insurance cost, and benefit) under the aging and shrinking society with fewer children
- Contribution policies for the international community such as further involvement with the creation of world peace

## **2. Assessment of the COVID-19 countermeasures heretofore and the efforts going forward**

For a short term, COVID-19 is in fact the largest threat to the safe and secure living of the public. We must assess the effects of the countermeasures taken up until now, and prepare for the sixth wave before its arrival.

- Disclosure of the latest COVID-19 situation and communication with the public
- Assessment of cost-effectiveness of the countermeasures heretofore
- A concrete path toward restarting economic and social activities including Go To Campaign, by use of measures such as “package of vaccination and testing”
- Division of roles between the government and local municipalities in a state of emergency, and development of rules in relation to restricting human movement
- Ensuring robust and flexible system for providing medical services, whether in a state of emergency or not, and further development/maintenance of availability of therapeutic agents and vaccines

## **3. Growth strategy that generates resources of distribution**

To increase lackluster national income and constantly generate resources of distribution for a long term, we must start with assessment of and reflection on the growth strategy over the past thirty years without sanctuary. We must then necessarily go on to the transition of industrial structures and the enhancement of power of producing added value. By doing so, it will be possible to prevent the widening income gap and the chain of poverty revealed by the pandemic, while reducing the social divide.

- Corporate revitalization measures that promote industrial reorganization and replacement of the old businesses with the new ones, including growth support for startups
- Smooth movements of labor in response to the transformation of industrial structure, and the labor legislation reform that allows for diverse work styles
- Redefinition of the public sector’s roles toward the realization of sustainable growth initiated by the private sector
- Measures to strengthen Japan's industrial competitiveness, including economic security
- Thorough use of digital technology, and regulatory redesigning and institutional reforms that encourage innovation
- R&D investment that supports the development of science and technology with global competitiveness, including investment in and development promotion of technologies applicable to civilian and military projects
- Measures to promote and foster diverse human resources indispensable for creating innovation
- Concrete measures to invest in people, such as for transformation of primary and

secondary education in line with the digital society

- Concrete measures to create a carbon recycling infrastructure that leverages Japan's strengths and contributes to the aspects of environment and growth, including optimization of e-fuel and innovation in CO2 capture and fixation technology

#### **4. Sustainable fiscal management and social security that support affluent lives of the public**

Sustainable fiscal management and social security are the basis for the affluent lives of future generations, as well as for the generations today. We must start discussions now, from a long-term perspective, to prepare for the crisis due to unknown infectious diseases or large-scale natural disasters, in order to ensure smooth financing to meet the needs in a state of emergency.

- Stance on and measures for fiscal consolidation, including fiscal structure of fiscal resources and budget spending for social security, national resilience, and defense
- Outlook for national contribution ratio until 2050, including potential national contribution ratio
- Direction of reform to realize a social security system that supports the living life of the one-hundred-year-old (Refer to the appendix for details.)
- Stance on the Independent Fiscal Institution (IFI) to be created to inform the public of facts and Japan's long-term economic and fiscal outlook in an easy-to-understand manner

#### **5. Stance on climate change and energy policies that strike a balance between environment and economic growth (Impact to the living of the public? How?)**

As the stable supply of electricity and its cost will have a substantial impact on people's lives and industrial competitiveness, various facts and options available should be presented to the public in an easy-to-understand manner.

- Stance on the 2030 greenhouse gas emissions reduction target and the energy mix (nuclear power generation and renewable energy) and concrete measures to reach the target with a picture of the burden on the public
- Stance on and concrete measures for various regulations and incentives that promote transformation of industrial structure and economic/social green policy, such as carbon pricing, toward the "2050 carbon neutral"

## Additional Agenda Issues

## Fiscal management/Social security

- ✓ Stance on the introduction of tax credit with benefits and abolishment of the spouse deduction
- ✓ Redesigning of the roles of income redistribution function (tax) and risk diversification function (insurance)
- ✓ Financial income tax
- ✓ Stance on realizing seamless medical and nursing care
- ✓ Concrete measures to promote regional medical plans such as clarifying the division of roles among medical institutions
- ✓ Stance on task shift and standardization of similar qualifications between medical and nursing care workers
- ✓ Review of the medical service fee and nursing care fee, including the procedures to determine their levels
- ✓ Measures for longer healthy life expectancy
- ✓ Stance on pension system reform (abolishment of nominal lower limit measures for macroeconomic slides, raising the starting age of benefits receipt)
- ✓ Full-fledged measures against declining birthrate, its content, and fiscal resources

## Growth strategy

- ✓ Competition policy with the premise of the shrinking domestic markets
- ✓ Measures to strengthen the innovation promotion system, such as improving the mobility of human resources between industry, government, and academia (social security, green policy, and other fields)
- ✓ Measures to enhance productivity in the service industry

## Creating a digital society

- ✓ A balance between the protection and utilization of personal data
- ✓ A specific timetable for thorough utilization of the My Number System and digitalization of administrative services
- ✓ Preparedness to go through DX indispensable for achieving growth under a declining population

## Politics/Public administration

- ✓ Concrete measures to ensure policy evaluation/EBPM based on scientific verification with data use, and PDCA
- ✓ Reconsideration of the division of roles between both chambers of the Diet
- ✓ Redesigning of the division of roles between national and local governments, and the relevant fiscal resources
- ✓ Management of the framework of ministries and agencies, and the quota of civil servants
- ✓ Stance on constitutional amendment

###