

21 National Strategic Projects for Revitalization of Japan for the 21st Century

Growth boost led by demand-side policy measures

Green Innovation

- Rapid increase in renewable energy by introducing feed-in tariff system
- “FutureCity” Initiative
- Forest and forestry revitalization plan



Life Innovation

- Medical institution selection system to promote practical application of new medical care
- Medical interaction (acceptance of foreign patients)



Asia

- Deployment of Integrated Infrastructure Systems
- Reducing the effective corporate tax rate and promotion of Japan as an Asian industrial center
- Fostering global talents and increasing acceptance of highly-skilled personnel
- Strategies for intellectual property and standardization and exporting Cool Japan
- Economic partnership strategy through Free Trade Area of the Asia-Pacific (FTAAP)



Tourism-oriented nation and local revitalization

- Introducing a “comprehensive special zone system” and promoting full open skies
- The “Program to Boost the Annual Foreign Visitor Number to 30 Million” and promotion of staggered holidays
- Doubling the size of the existing housing and remodeling markets
- Opening public facilities to the private sector and promoting projects by using private sector funds



Growth boost led by supply-side policy measures

Science-and-technology- IT oriented nation

- “Leading Graduate School” and other schemes to enhance global competitiveness and foster human resources
- Promoting utilization of information and communication technology
- Enhancement of R&D investment



Employment and human resources

- Integration of kindergartens and nursery schools, etc.
- Introduction of the “Career Grading” system and “Personal Support” system
- New Public Commons



Financial Sector

- Establishment of an integrated exchange (securities, financing and commodities)

1. Introduction of Feed-In Tariff System, etc.

Aim to rapidly expand Japan's renewable energy market through a comprehensive policy package.

Targets to reach by 2020

● Expand the renewable energy-related market to the level of **¥10T**

(Seek to make steady progress in expanding the spread of renewable energies by setting targets for the introduction of renewable energies such as photovoltaic power, wind power (on-shore and off-shore), small-scale hydroelectric power, thermal power, solar heat and biomass power) and drawing up a roadmap for systematic introduction.)

Principal measures

- Expand **the purchase of all renewables-derived electric power** through a feed-in tariff system.
- Infrastructure development: Introduce smart grids, formulate rules for grid management and **make the electric power system more advanced** through measures to expand the volume of renewables-derived power connected to grids.
- Promotion of construction: Implement zoning of locations for wind power farms, **promote off-shore wind power** through collaboration with fishery cooperatives, etc., and strengthen regulatory reforms.
- Financial support: Provide risk money to make up for any shortage and strengthen a **financing mechanism** that contributes to local industries and bring benefits to local communities.
- Creation of heat demand: Promote projects with significant spin-off effects, including use of heat from woody biomass and air heat as well as use of water heated by geothermal and solar thermal power.

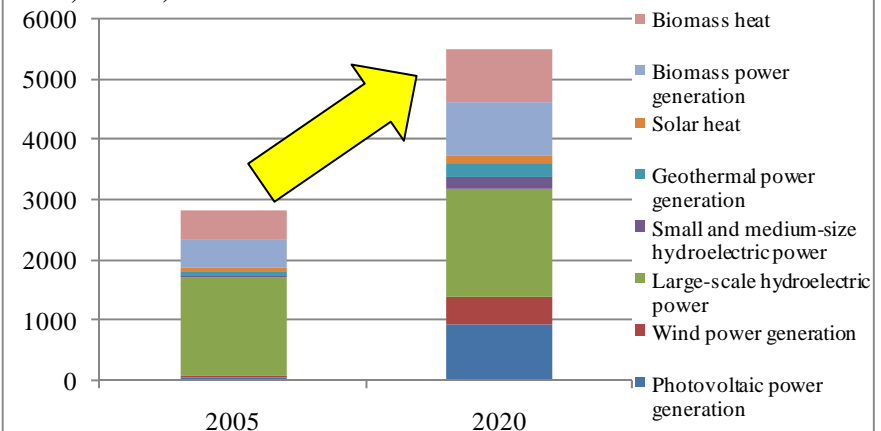
Promotion of renewable energies

* The volume of respective energies to be introduced will vary in accordance with the targets to be set and the measures to be taken in the future.

Feed-in tariff system

Now	<ul style="list-style-type: none"> - Purchase of "only power derived from photovoltaic power," "only surplus power," and "only power for housing use and non-housing use" - Purchase of power for business purpose is not permitted.
Future	<p>Rapidly expand the market by broadening the scope of power to be purchased by designing the purchase scheme from a medium- to long-term perspective, diversifying pricing and the period of purchase, and permitting the purchase of power for business purpose.</p>

Changes in the introduction volume of renewable energies (unit: 10,000 KL)



Source: Materials prepared by the Ministry of Environment

2. “FutureCity” Initiative

To spread the “Future City” Initiative in Japan and abroad by realizing successful cases through focused investment based on a world-leading vision of eco-future

Targets to reach by 2020

- Create a world-leading “FutureCity” through future-oriented technologies, schemes and services.
- Spread the initiative throughout the **Asian market** through inter-governmental cooperation with Asian countries.

Principal measures

“FutureCity Promotion Act” (tentative name)

- Establish a **public-private partnership** for promoting projects efficiently and effectively.
- Create a scheme for selecting regions from the perspectives of “innovative ideas for the future, profitability, ripple effect on other cities,” etc.

Introduction of a comprehensive policy package

- Create demand, promote investment, and expand the use of eco-products and services by **strengthening regulations** (e.g. energy-saving standards) and introducing **special measures** (e.g. green tax system).
- Devote intensive efforts to promote **smart grids, renewable energies and next-generation vehicles, etc.** on a massive scale. Concentrate budgets in “Future Cities.”



3. Forest and Forestry Revitalization Plan

Utilize forest and forestry as a local growth engine

Targets to reach by 2020

- Raise the timber self-sufficiency ratio to over **50%** ⇒ Revitalization of local economy
- ⇒ Promote self-sustained forestry maintenance through industrialization of forestry
- ⇒ Contribute to the creation of low-carbon society

Principal measures

STEP 1

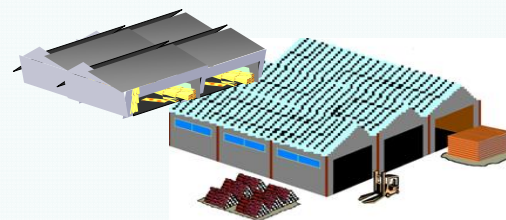
Develop a system to support forest owners

- Training of **professionals** (foresters, planners and engineers)
- **Division of roles** between government, forestry associations and the private sector
- **Forest planning system** for on-site workers
- Establishment of **rules on logging, restoration**, etc.
- Introduction of a “**system of direct subsidy payment**” for forest management and environment protection (tentative name)
- Enforce the **law for promoting the use of wood for public buildings**, etc.

STEP 2 Promote business consolidation, road network improvement and mechanization in a comprehensive manner

STEP 3 Increase demand through the development of a stable supply system and the enforcement of the Act on Promotion of Use of Wood

- Diverse afforestation
- Water source supply
- Improvement of quality of life
- Resort, recreation
- CO2 fixation absorption, etc.



STEP 4 Re-invest

Source: Prepared by the National Policy Unit based on the data of the Forestry Agency

4. Medical Institution Selection System for Promoting Practical Application of New Medical Care

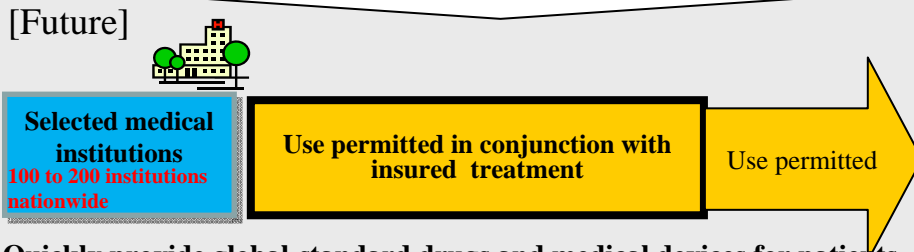
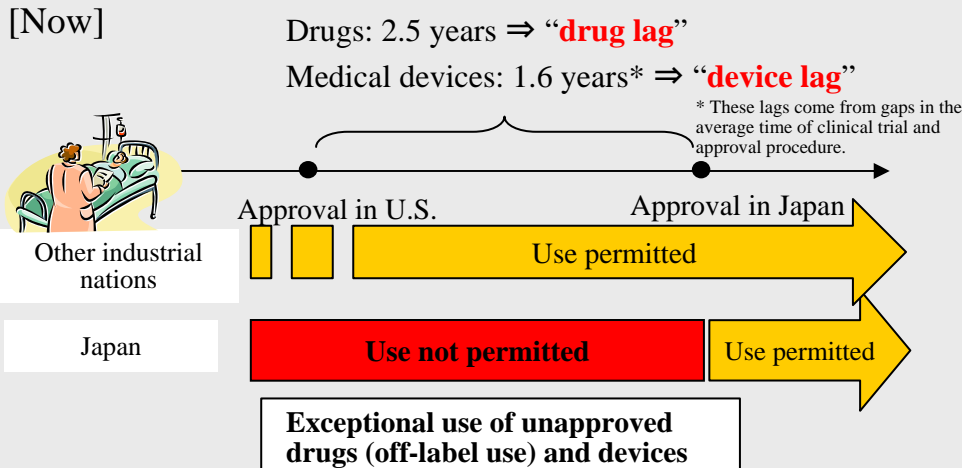
Expand the range of options for patients through development of new technologies and quick provision of drugs and medical devices

Targets to reach by 2020

- **Expand options for patients suffering from difficult-to-cure diseases**, and effectively resolve “drug lag” and “device lag.”
- Create and Commercialize Japanese-origin drugs and medical devices and put regenerative medicine into practice

Principal measures

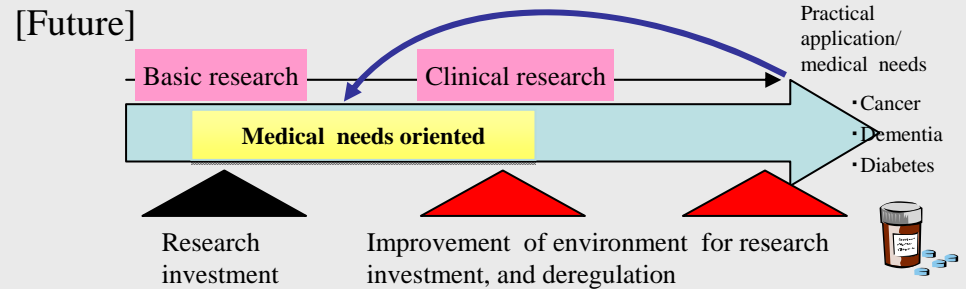
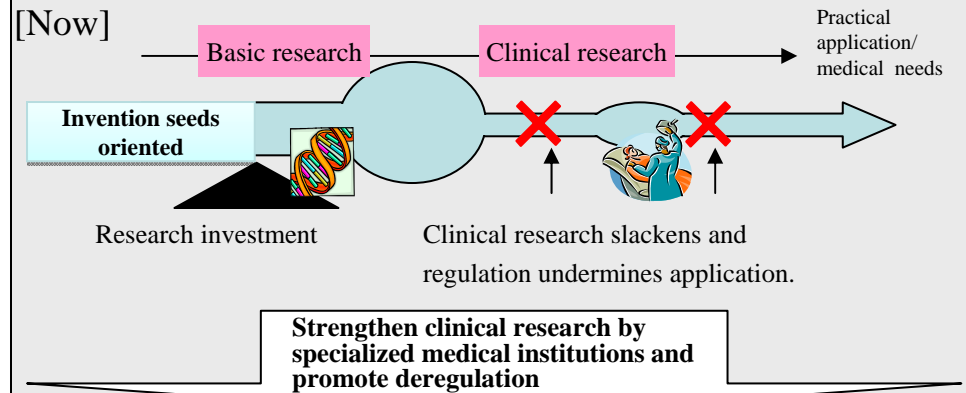
“Quick provision of unapproved drugs and medical devices”



Quickly provide global-standard drugs and medical devices for patients who need them.

⇒ Effectively resolve “drug lag” and “device lag.”

“Promotion of practical application of new medical care”



Promotion of clinical research and promotion of R&D suited to medical needs

⇒ Practical application of new medical care desired by patients

5. Medical Interaction (Acceptance of Foreign Patients)

Actively Accept foreign patients and provide high-quality Japanese medical care globally

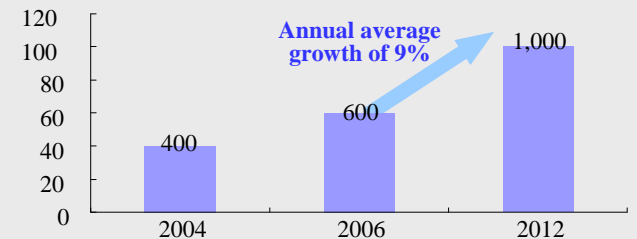
Targets to reach by 2020

- Establish Japan's reputation and position as a provider of the **highest level** of advanced medical care and medical examination **in Asia**.

Principal measures

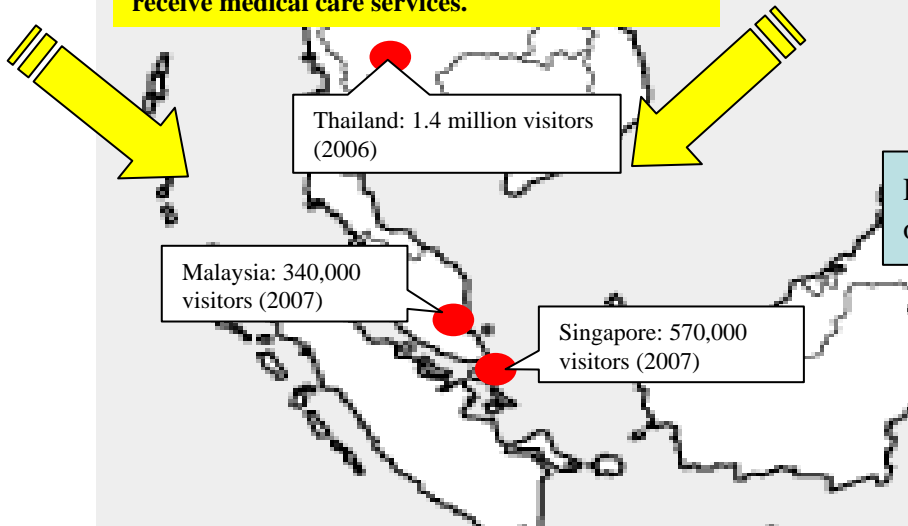
- Regulatory measures
 - **"medical care visa"** (measures regarding the visa and the period of stay, flexible treatment regarding the number of trips, the period of stay and visa issuance to attendants).
 - Ease restrictions on foreign doctors and nurses care workers for providing medical care services in Japan (revision of the clinical training system)
- Develop a **system to promote acceptance** (e.g. business support, overseas promotion activities, development of medical language experts)
- Establish a **system for certification** of medical institutions.
- Promote networking of medical institutions.

Forecast of the size of the market for medical interaction



Medical Tourism: Global Competition in Healthcare (National Center for Policy Analysis)

More than 2 million people visit Asia annually to receive medical care services.



From Asia and other regions

Promote acceptance of foreign patients

Provision of advanced Japanese medical care

Increase awareness in Asia and other regions about the superiority of Japanese medical care.

Make Japanese medical care further advanced and internationalized

- Examples of medical care and diagnosis services provided in Japan
- <Fields with superior treatment results>
 - Cancer, heart disease, stroke, etc.
 - <Medical diagnosis and treatment using advanced equipment>
 - PET-based medical diagnosis
 - Treatment using heavy ion
 - <Long-stay care>
 - Control of chronic diseases, etc.



6. Deployment of Integrated Infrastructure Systems

Contribute to the global market as an “All Japan” team combining overall Japanese technologies and experiences

Targets to reach by 2020

- Establish Japan’s position as a major player in global infrastructure business
- Expand the market to **¥19.7 trillion**

Principal measures

Promote deployment of integrated infrastructure systems through public-private collaboration in response to strong infrastructure demand from Asia and other regions by combining Japan’s world-leading level of technologies and experiences related to environmental protection, energy saving and safety and security and establishing a framework for strenuously supporting private companies’ initiatives in the field of infrastructure with **“one voice and in a united front.”**

Development of a system to implement the national strategic projects



7. Reducing Effective Corporate Tax Rate and Promotion of Japan as an Asian Industrial Center

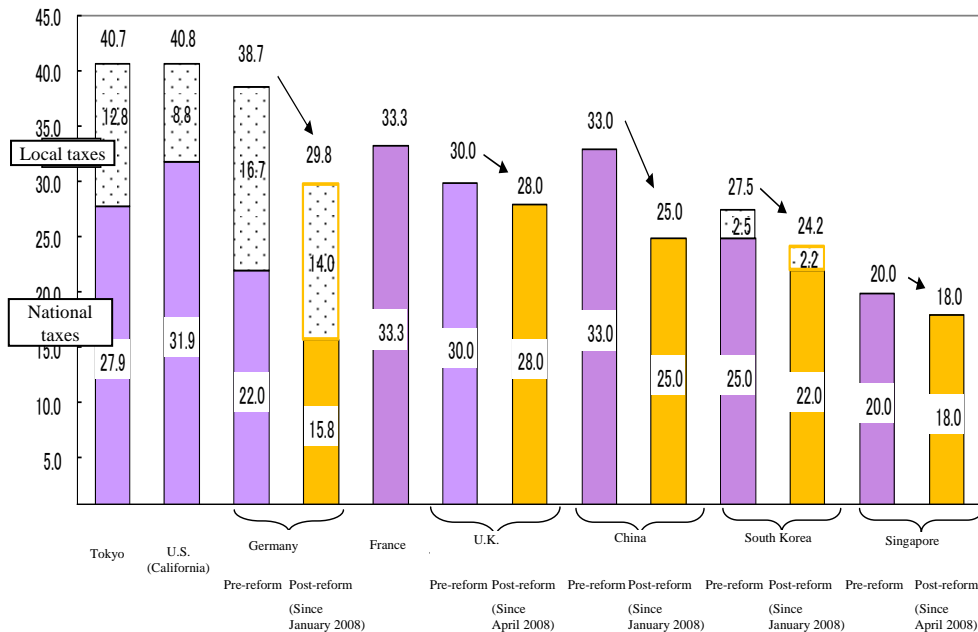
Strengthen Japan's competitiveness as a business base and the international competitiveness of companies operating in Japan

Targets to reach by 2020

- Increase the competitiveness of companies operating in Japan and secure domestic employment.
 - Invite foreign firms that bring high value-added products and services into Japan and double employment by foreign firms
- ➔ **Toward self-sustaining economic growth**

Principal measures

- Reduce the effective corporate tax rate to levels seen in other major countries gradually.
- Consider an incentive system including **taxation measures** to invite foreign firms to set up their Asian head offices and R&D bases in Japan, aiming to implement the system from **fiscal 2011**, in order to enable Japan to revive as an Asian industrial center.
- Draw up a "Program for promoting Japan as Asian industrial center and direct investment into Japan" (tentative name), which will contain system reforms and other measures to ensure smooth flows of people, goods and money, and enhance the promotion system



<Evaluation of Japan as a business center of foreign firms>

	FY2007				FY2009			
	JP	CN	IN	SG	JP	CN	IN	SG
No. of general bases in Asia	1st					1st		2nd
No. of production bases		1st	2nd			1st	2nd	
No. of R&D bases	1st	2nd			2nd	1st	*	
Back offices	2nd	1st	2nd			1st	2nd	
Logistic bases		1st				1st		2nd

* Almost on par with the 2nd

<Incentive systems in South Korea and Singapore>

Corporate tax reduction and exemption for operating or R&D center or foreign firms in strategic areas, subsidies for campaigns to invite foreign firms, special treatment in the immigration procedures, etc.

METI, Report by the Subcommittee on Industrial Competitiveness at the Industrial Structure Council: Vision of Industrial Structure 2010

- The international standard level of the nominal effective corporate tax rate declined to 25-30% over the past 10 years (Japan 40.7%)
- There are moves among Asian countries to further reduce the corporate tax rate in 2010 and beyond. Singapore: from 18% to 17%; Taiwan: from 25% to 17%

8. Fostering Global Talents and Increased Acceptance of Highly-Skilled Personnel

Share abundant wisdom and human resources globally.

Targets to reach by 2020

- Expand the pool of foreign talents and **double** the number of highly-skilled foreign personnel.
 - Dispatch **300,000** Japanese youngsters abroad and accept **300,000** foreign students for study and training.
- Foster global talents by globalizing universities, etc. and giving more international experiences to students and workers.

Principal measures

- **Introduce a point system** related to the acceptance of highly-skilled foreign personnel, etc.
- Promote globalization of higher education, enhance international exchange with foreign students, and foster **business talents adapted to globalization.**

Increased acceptance of highly-skilled foreign personnel

Introduction of a point system, etc.

- Provision of preferential treatment in terms of immigration/emigration control based on a point system
- * Examples of highly-skilled personnel: Applicable to researchers, doctors, lawyers, business managers, etc.
- Study on and implementation of acceptance of a broad range of personnel through a point system
- Extension of the maximum period of stay and relaxation of the re-entry system

Fostering of global talents

Globalization of higher education

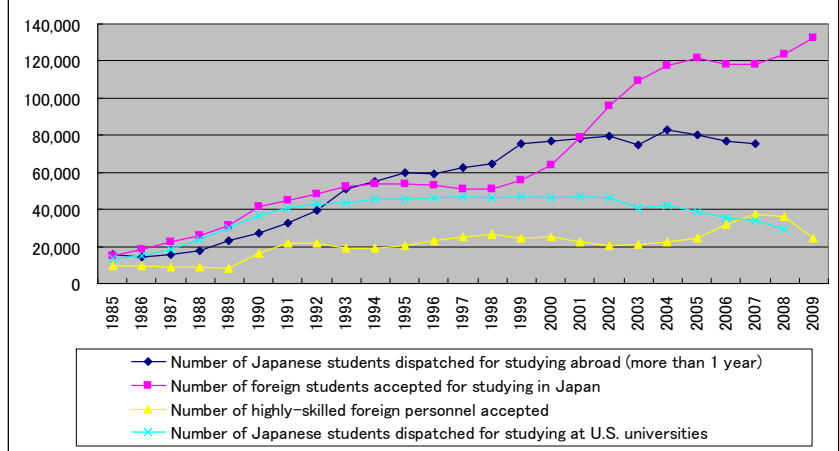
- Support for foreign language education and globalization efforts by universities and establishment of hubs

Promotion of international exchange of Japanese youngsters and strategic acceptance of foreign students

- Expansion of exchanges between Japanese and foreign universities and the system of mutual recognition of credits
- Expansion of support for the overseas dispatch of university and senior high school students
- Promotion of strategic acceptance of foreign teaching staff and students

Fostering of business talents adapted to globalization

- Support for foreign students to get employed by Japanese companies
- Enhancement of fostering and employment of global business talents



(Sources)
 Number of Japanese students dispatched for studying abroad: MEXT JASSO
 Number of foreign students accepted for studying in Japan: OECD, IIE, UNESCO Statistical Yearbook
 Number of Japanese students dispatched for studying at U.S. universities: Open Doors (IIE)
 Number of highly-skilled foreign personnel accepted: MOJ Immigration Bureau

9. Strategies for Intellectual Property Utilization and Standardization and Exporting Cool Japan

Strengthen initiatives that take advantage of Japan's strengths to achieve growth

Targets to reach 2020

- Strengthen the international competitiveness of Japanese companies by **establishing Japanese standards as international ones in designated strategic fields.**
- Establish Japan's position as a leading global content provider and **generate annual content-related revenue of ¥1 trillion in Asia.**

Principal measures

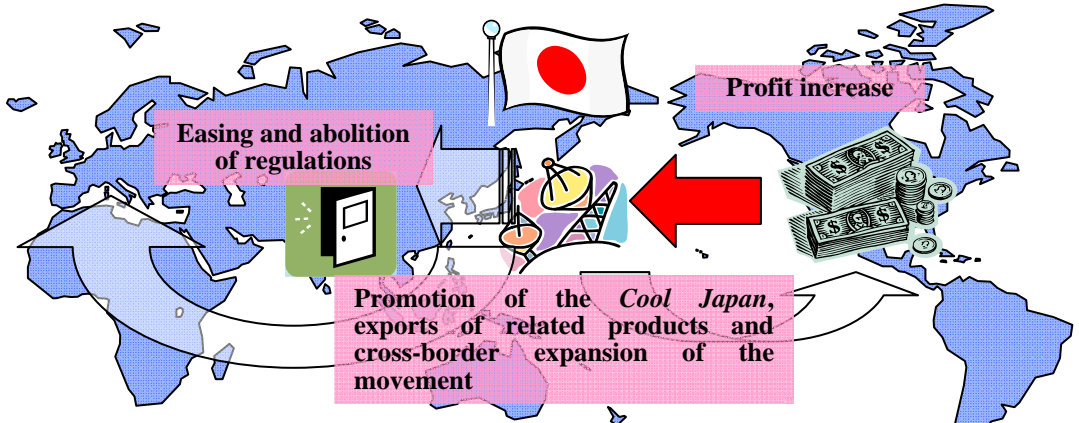
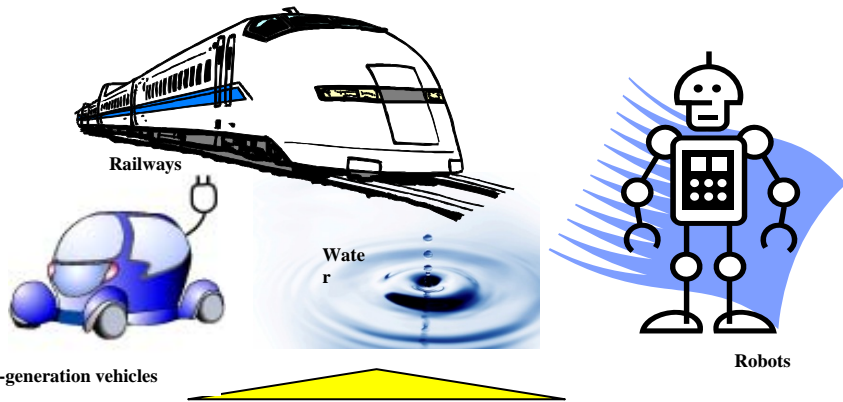
Pursue strategies for intellectual property utilization and standardization as an "all-Japan" team and develop a system to promote the Cool Japan.

Draw up a roadmap for active acquisition and utilization of intellectual properties and establishing Japanese standards as international ones in designated strategic fields and strengthen the development of a necessary system.

Achieve growth by taking advantage of the potential of the Cool Japan as represented by contents, fashion, foods, culture, tradition, and music as well as products and services incorporating them.

Seven "designated strategic fields for global standard-setting"
 Advanced medical care, water, next-generation vehicles, railways, energy management, contents media and robots

<Contributions to export of packaged infrastructure systems>



- | Examples of measures |
|---|
| <ul style="list-style-type: none"> •Purchase of foreign TV programs •Enhancement of digital distribution •Speeding up of the procedures of program rights •Sales campaigns by teams led by the private sector •Easing and abolition of regulation on foreign distribution <ul style="list-style-type: none"> •Prevention of piracy •Strengthening of human resource development •Easing of requirements for immigration in order to invite foreign personnel engaging in creative work |

Establish and utilize "Science, Technology and Innovation Strategy Headquarters" (tentative name)
 (Reorganization of the Council for Science and Technology Policy and review of the Intellectual Property Strategy Headquarters)
Vigorously implement a strategy for international standardization as an "All-Japan" team.

10. Economic Partnership Strategy through the Free Trade Area of the Asia-Pacific (FTAAP)

Promote comprehensive economic partnerships and domestic institutional reforms in an integrated manner

Targets to reach by 2020

- Promote economic partnerships including the establishment of the Free Trade Area of the Asia-Pacific (FTAAP).
- Develop favorable playing fields for Japanese firms' activities overseas (doubling the volume of flows of people, goods and money).

Principal measures

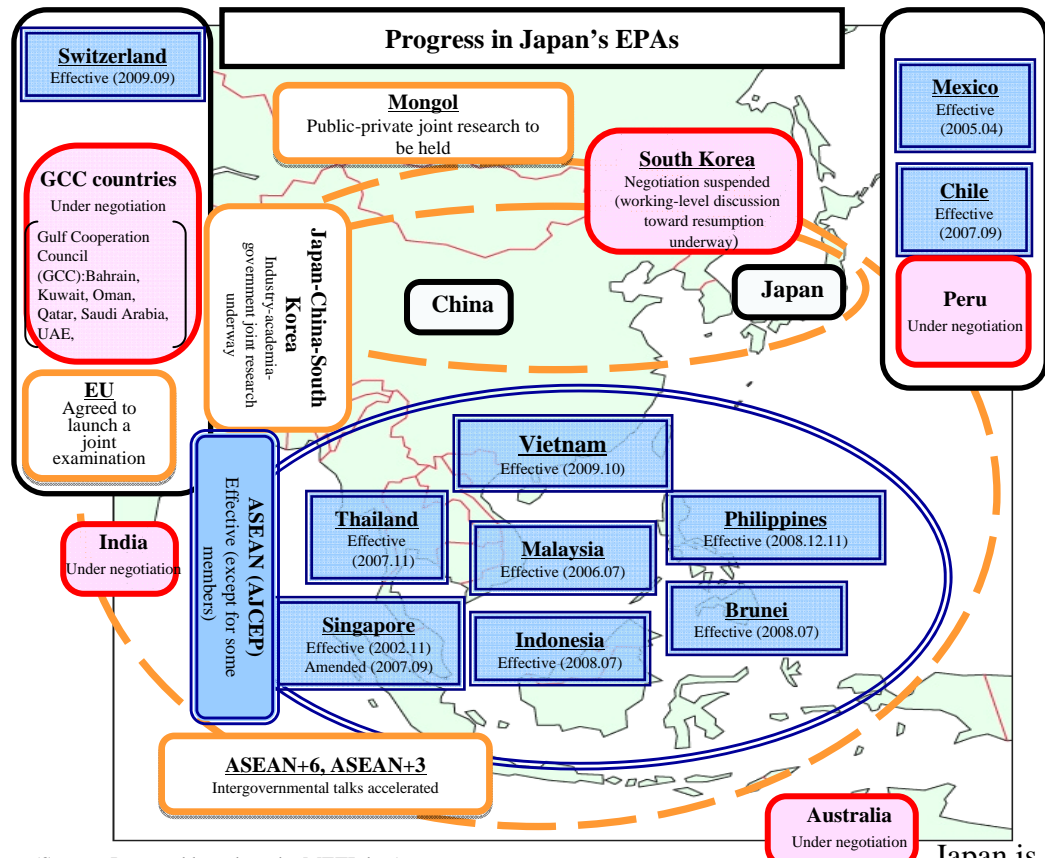
Draw up a "Basic Policy for Comprehensive Economic Partnership" by autumn of 2010

Promotion of economic partnerships with major countries and regions

- Draw up a "Basic Policy"
- While aiming to ensure coexistence with domestic industry, accelerate a high-quality economic partnership by reviewing tariff and other trade measures as well as non-tariff measures
- Accelerate talks on FTAAP in APEC

Implementation of domestic institutional reforms, etc.

- Consider and implement necessary institutional reforms (e.g. tariffs, restrictions on the movement of persons, restrictions on investment (service industry, etc.))
- Strengthen protection of intellectual property rights, reinforce the quarantine procedures, further facilitate trade-related procedures, enhance safety nets, implement domestic measures, etc.



Promotion of acceptance of human resources under EPAs

- Ensure smooth acceptance under EPAs of foreign candidates of qualified nurses and nursing care workers



(Source: Prepared based on the METI data)

Japan is the APEC chair in 2010.

Significant contributions to be made to the establishment of an East Asian Community

11. Introducing “Comprehensive Special Zone System” and Promotion of Full Open Skies, etc.

Implement special regulatory measures and tax, fiscal and financial support measures in a comprehensive manner.
Open Japan’s skies to Asia and the world through a drastic change in aviation policy.

Targets to reach by 2020

- **Improve international competitiveness, etc.** by establishing comprehensive global strategic special zones and forming bases.
- Make Haneda a **24-hour airport and promote full open skies** involving airports in the Tokyo metropolitan area.
- Make Japan’s ports be **chosen as major ports in East Asia**

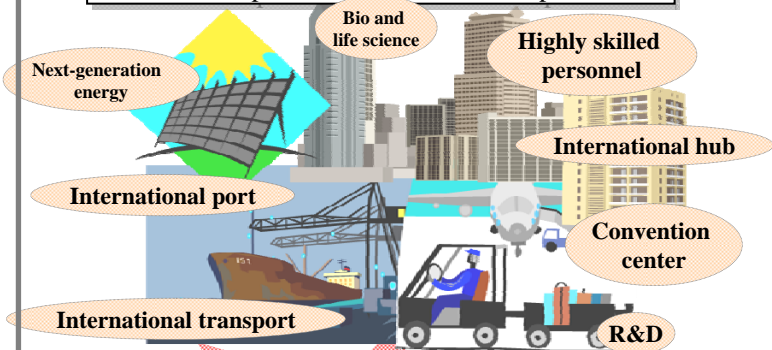
Principal measures

- Establish a **“comprehensive global strategic special zone” system (tentative name)** intended to promote **“selection and focus”** (designate areas with potential international competitiveness).
 - Establish a **“local revitalization special zone system” (tentative name)** intended to support local efforts to achieve self-sustenance (designate regions with unique traits).
- Promote **full open skies** involving airports in the Tokyo metropolitan areas.
- Increase landing and take-off slots at Haneda and Narita airports and develop a favorable environment for the acceptance of **LCCs (low-cost carriers)**.
 - Drastically improve the efficiency of airport management using **“private-sector wisdom and financing”** and review the policy for maintaining the aviation network.
 - Advance **“selection and focusing”** of ports and harbors, so as to realize **management thereof with the use of know-how and financial resources of the private sector.**

*Open skies” refers to an arrangement for lifting restrictions on routes, number of flights, etc., thereby enabling air carriers to operate flights at their own discretion.

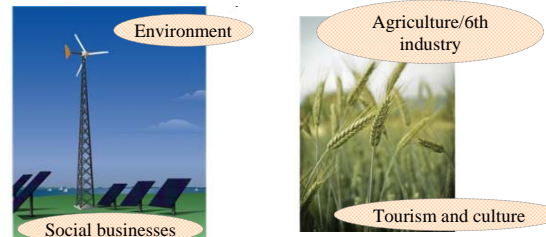
Concept of a comprehensive global strategic special zone

“Selection and focusing” of resources on areas with potential international competitiveness



Special regulatory measures and tax, financial and fiscal support measures, including corporate tax breaks
⇒ Stimulate private-sector vitality

Concept of a comprehensive special local revitalization zone



In regions where pioneering and pilot projects are implemented regarding the above fields:

Special regulatory measures and tax, financial and fiscal support measures
⇒ Local revitalization

Make Haneda a 24-hour airport



[Projection of airport capacity expansion]

- By October 2010: 331,000 landings and take-offs during daytime + 40,000 during late night and early morning hours
- By April 2011: 350,000 landings and take-offs during daytime + 40,000 during late night and early morning hours
- By the end of FY2013: 407,000 landings and take-offs during daytime + 40,000 during late night and early morning hours
⇒ 60,000 landings and take-offs during daytime and 30,000 during late night and early morning hours will be allotted for international flights

※The above projections represent the fastest timetable based on the assumption of the time necessary for getting used to the management of new airport operations, including Runway D, and the understanding of local parties concerned.

12. Program to Boost the Annual Foreign Visitor Number to 30 Million and Promotion of Staggered Holidays

Pursue strategic tourism policy to turn Japan into a tourism-oriented nation

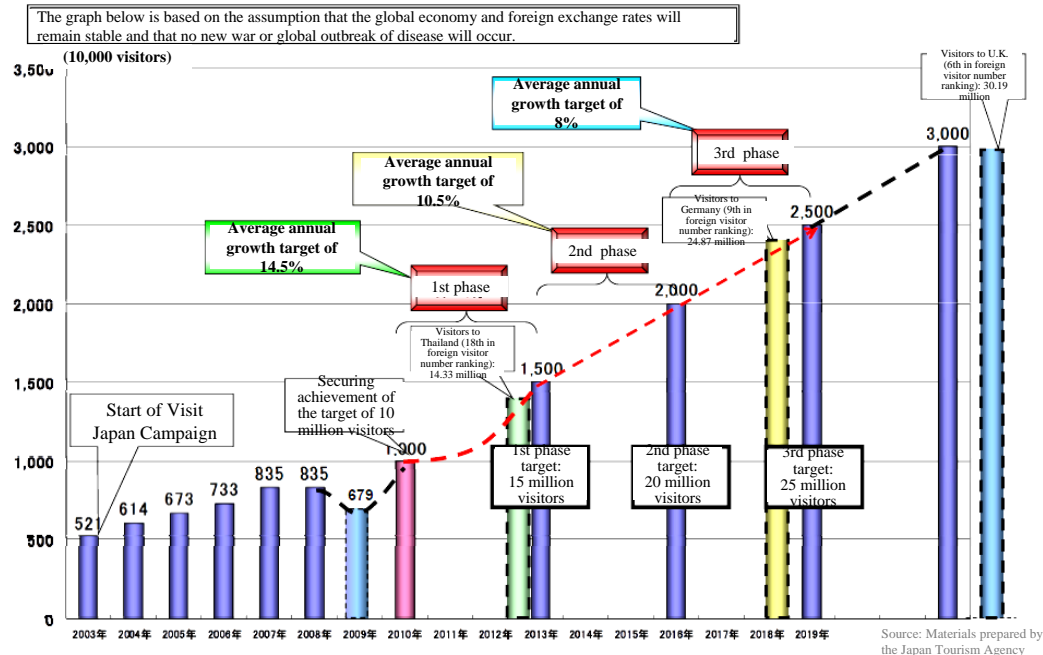
Targets to reach by 2020

- Generate economic ripple effects worth **¥10 trillion** and create **560,000 jobs** by increasing the annual number of foreign visitors to Japan to **25 million** by 2020 (up from approx. 6.8 million in fiscal 2009)*
- Create demand worth **¥1 trillion** through the **promotion of staggered holidays**.

Principal measures

- Simplify the procedures for **tourist visa issuance for Chinese individuals**.
(Ease the visa requirements and increase access to diplomatic establishments and tourist agencies to apply for visas.)
- **Submit to the Diet, within 2010, a bill to revise the Act on National Holidays** to promote staggered holidays, with a view to **start implementation in fiscal 2012 at the earliest**.

◆ Roadmap for increasing the number of foreign visitors to 30 million



* The figure obtained by deducting the employment effect in 2008 from the expected employment effect in 2019.

◆ Example of arrangement of staggered holidays

(specific design of the staggered holiday system is to be considered in the future).

Introduction of staggered long holidays in spring

Combine the dates of Green Day (May 4), Children's Day (May 5) and Coming-of-Age Day (the second Sunday of January) into one spell of holidays, and stagger those holidays from region to region.
* The existing national holidays will remain as memorial days.

[Concept of the staggered Golden Week] Example of a spell of holidays in May and June

	Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.
May	2	3 Constitution Day	4 Existing holidays	5 Existing holidays	6	7	8
	9	10 Holidays for Kyushu, Okinawa, Chugoku and Shikoku	11	12	13	14	15
June	16	17 Holidays for Kinki	18	19	20	21	22
	23	24 Holidays for Chubu and Hokuriku-Shinetsu	25	26	27	28	29
	30	31 Holidays for southern Kanto	1	2	3	4	5
	6	7 Holidays for Hokkaido, Tohoku and northern Kanto	8	9	10	11	12

※ Also under consideration is a plan to set the duration of the whole period of staggered holidays at 2.5 weeks.

Source: Materials prepared by the Japan Tourism Agency

13. Doubling the Size of Existing Housing and Remodeling Markets

Revitalize housing investment as a pillar of domestic demand that supports stable economic growth

Targets to reach by 2020

- **Double** the size of the existing housing and remodeling markets (to **¥20 trillion**)
- **Invigorate housing investment** through such measures as securing housing in which elderly people can live comfortably, developing eco-friendly houses and buildings and making **95%** of all houses earthquake-resistance.

Principal measures

Shift to the stock-oriented housing policy

- Draw up a **comprehensive plan** for developing the existing housing and remodeling markets

Safety/secure

- **Promote supply of houses for the elderly** incorporating living support and medical and nursing care services.
- Promote **housing reconstruction/remodeling** for earthquake resistance (lower the ratio of houses with inadequate earthquake resistance from 21% in 2008 to 5% in 2020).

Revitalize housing and real estate markets

- **Revise the Building Standards Act**

Build eco-friendly houses

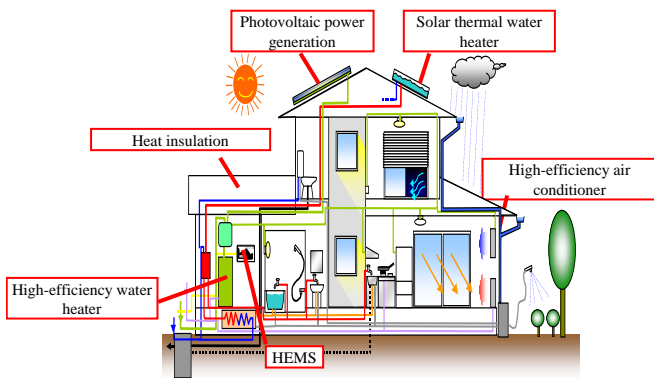
- **Establish new energy-saving standards** and promotion of visualization of energy-saving performance
- Promote **building of new eco-houses and eco-friendly remodeling** through use of the eco-point system.

Promote supply of new quality houses

- Promote **long-term, high-quality housing**

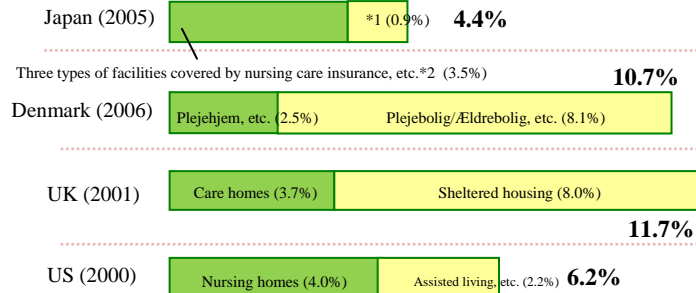
◆ Build eco-friendly houses

[Pioneering eco-housing project (concept)]



◆ Secure housing for the elderly

[Ratio of the quota of nursing care facilities and houses for the elderly to the elderly population]

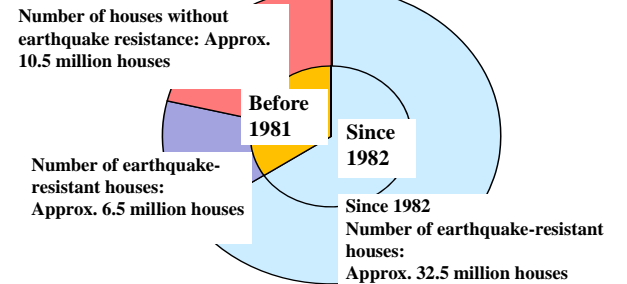


*1 Silver housing, high-quality housing for rent for the elderly, fee-charging homes for the elderly, and low-cost homes for the elderly (low-cost homes for the elderly first included in data in 2004)
*2 Three types of facilities covered by nursing care insurance, and group homes

Raise the ratio of the number of houses for the elderly to the elderly population to levels seen in the US and European countries (by 2020).

◆ Promote reconstruction/remodeling for earthquake resistance

[Status of housing earthquake resistance (estimate)]



Total number of houses: Approx. 49.5 million houses
Number of earthquake-resistant houses: Approx. 39 million houses
Number of houses without earthquake resistance: Approx. 10.5 million houses
*Estimated numbers for 2008.
The earthquake resistance ratio: Approx. 79%.

Target (2020)
95%

14. Opening Public Facilities to the Private Sector and Promoting Projects Using Private Sector Funds

Thorough risk management for social capital and private finance initiative system expansion to promote utilization of private sector vitality

Targets to reach by 2020

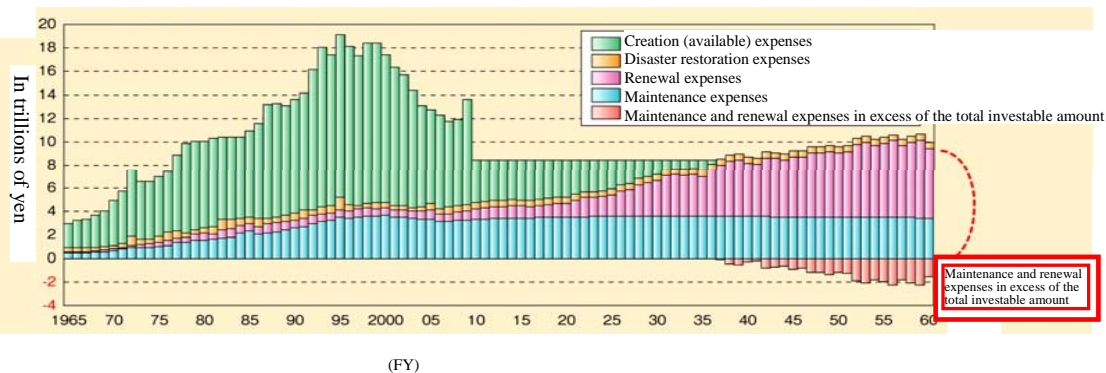
- Realize efficient and **strategic creation and maintenance** of social capital stock
- **Double PFI to more than 10 trillion yen**

Principal measures

- Implement a PFI system expansion, including **the introduction of the concession system (*)**, (in 2011) to partially open public goods management to the private sector and promote the aggressive utilization of the PFI system
- * The concession system gives private businesses public facility infrastructure management and development rights without transferring their ownership
- Promote the preparation of plans for central and local governments' social capital management including maintenance and renewal investment

◆ Projected Maintenance and Renewal Investment for Social Capital Stock

(For social capital under control by the Ministry of Land, Infrastructure, Transport and Tourism)



※ Projected maintenance and renewal investment for social capital stock under control by the Ministry of Land, Infrastructure, Transport and Tourism
Data by MLIT (FY2009)

Under the severe fiscal circumstances in the near future, a number of public infrastructure assets will need to be renewed.

The utilization of private sector vitality is indispensable for the efficient and strategic creation and maintenance of public infrastructure under severe fiscal conditions in the future .

- Open public facilities to the private sector.
- Facilitate the dispatch of public officials to the private sector.
- Develop necessary systems for introducing private funds.
- Consider a system to give first priority to the PFI method in developing public facilities.

15. “Leading Graduate School” and Other Schemes to Enhance International Competitiveness and Foster Human Resources

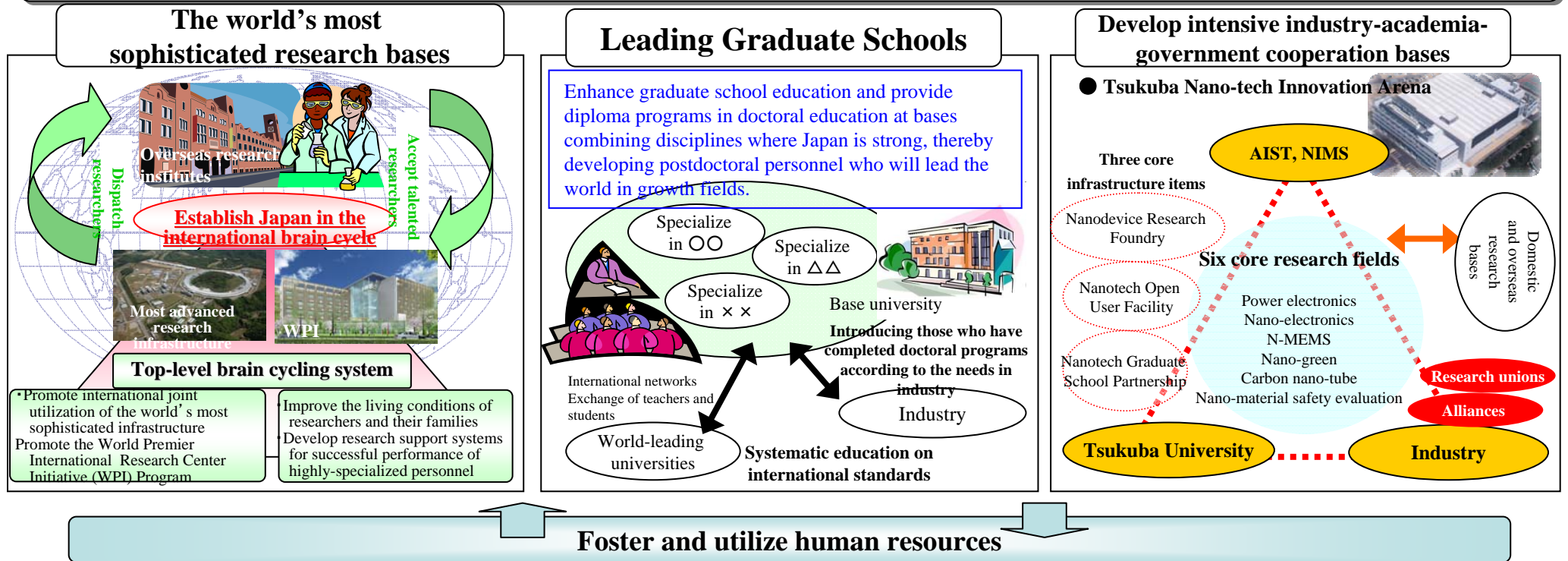
Intensify investment in cutting-edge universities and research institutes to enhance international competitiveness in R&D and human resources development and create the core of international brain cycling

Targets to reach by 2020

- Develop an innovation creation environment by creating **more than 100** research and education cores in the world’s **Top 50** lists in specified fields
- Realize complete employment of PhD course graduates and their utilization in society

Principal measures

- Develop education, research, and industry-academia-government cooperation bases, and consider a **national R&D organization (tentative name)**
- Develop researchers, engineers, and experts in research management and other related areas, and diversify **career paths for people specialized in science and technology.**



- Enhance science-course curriculums
- Tenure track system
- Special incentive system for researchers (tentative name)
- Training programs for research management and other experts

16. Promoting Utilization of Information and Communication Technology

Implement the ICT revolution thoroughly within the government for the sake of “popular sovereignty”

Targets to reach by 2020

- **Realize electronic administration that truly focuses on the people**
 - Realize fair and highly convenient electronic administration at **more than 50% of local governments by 2020** (the central government should realize such administration by 2013)
 - Allow more than 50% of the people to use terminals at convenience stores or the like to take application procedures or obtain certificates in one stop seven days a week, 24 hours a day

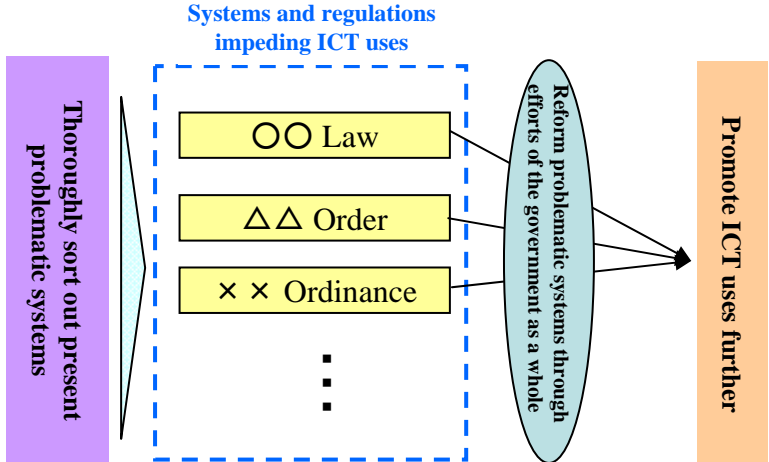
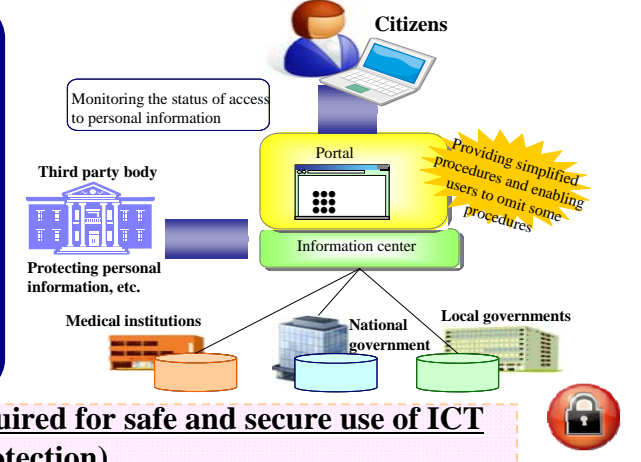
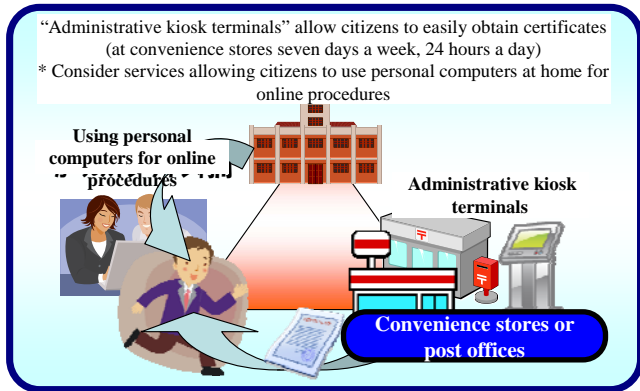
Principal Measures

- **Develop the national ID system** as the foundation of electronic administration, while ensuring **protection of personal information**
- **Immediately sort out systems and regulations that impede ICT uses**
- **Realize the “Initiative of Optical Fiber Highways”** (providing broadband services to all households) by around 2015)

Administrative services allowing citizens to take principal application procedures or obtain certificates in one stop seven days a week, 24 hours

Develop a "national ID system" as a common platform for electronic administration

Thoroughly sort out systems and regulations impeding ICT uses



Develop security measures and systems required for safe and secure use of ICT (e.g. privacy protection)

17. Enhancing R&D Investment

Promote R&D investment, i.e. investment in the future, and lead the world in the fields of science, technology and innovation

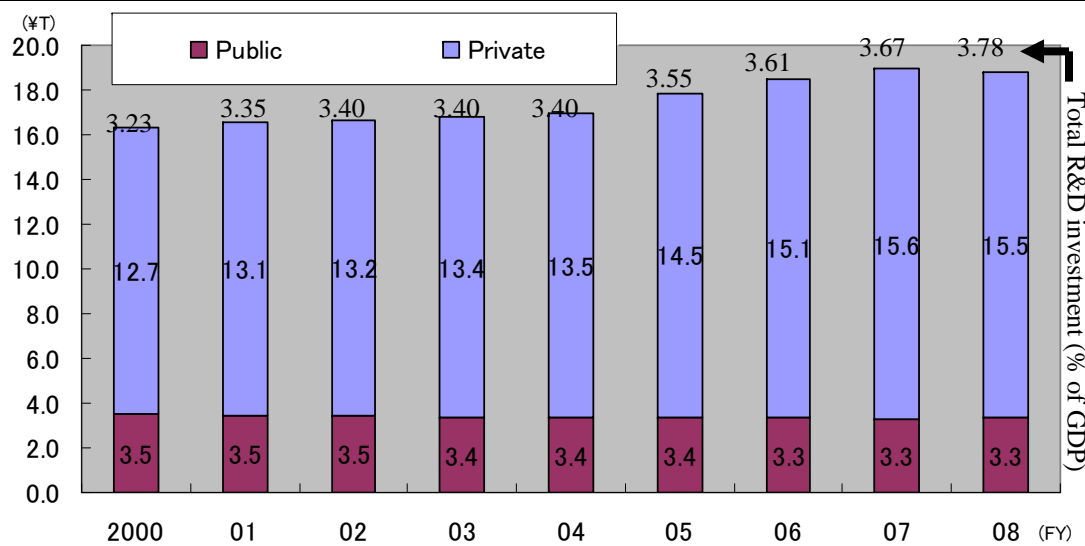
Target to reach by 2020

- Achieve R&D investment in private and public sectors accounting for 4% or more of GDP

Principal measures

- ◆ Enhance government-involved R&D investment according to the Fourth Science and Technology Basic Plan.
- ◆ Consider and implement various measures to promote research and development investment, such as giving tax benefits to the private sector.
- ◆ Proceed with system reforms including a drastic reform of the science and technology-related budget drafting.

Transition of Japan's R&D investment as a percentage of GDP



International comparison of national R&D investment

	Japan (2008)	US (2008)	UK (2008)	France (2008)	South Korea (2007)	China (2007)
GDP (¥T)	494	1,485	276	295	124	398
Total R&D (¥T) (% of GDP)	18.8 (3.78)	41.1 (2.77)	5.2 (1.88)	6.0 (2.02)	4.0 (3.21)	5.7 (1.44)
Government funds (¥T) (% of GDP)	3.3 (0.68)	11.1 (0.75)	1.5 (0.56)	2.4 (0.80)	1.0 (0.80)	1.4 (0.36)
Government funds (excl. national defense research) (¥T) (% of GDP)	3.2 (0.64)	2.8 (0.19)	1.1 (0.42)	1.7 (0.59)	0.8 (0.65)	— (—)
Number of researchers (unit: 10,000)	68.3 (Note 2)	142.6 (Note 3)	26.1	21.6 (Note 3)	22.2	142.3

Source: (R&D investment amount) MIC, *Statistics Bureau, Science and Technology Research Survey Report* (GDP) Cabinet Office, *National Accounts*

Note: 1) Based on the IMF exchange rate (annual average)
 2) The number of researchers in Japan includes full-time equivalent (FTE).
 3) The data of the US is of 2006, France is of 2007.
 Source: Japan: MIC, *Statistics Bureau, Science and Technology Research Survey Report*
 Other countries: OECD, *Main Science and Technology Indicators Vol 2009/2*

18. Integration of Kindergartens and Nursery Schools, etc.

Human resources development should be based on family, community and society efforts to value, foster and watch children

Targets to reach by 2020

● **Guarantee infant education and care for all children and eliminate classroom waiting lists for preschool and school-age children**

* Develop a quality childcare environment for all children irrespective of parents' working styles and reduce 25,000 children (as of FY 2009) on classroom waiting lists to **zero by 2017**

Principal measures

[Details of integration of kindergartens and nursery schools]

▪ Draw up "Guidelines for Children" (tentative name) (integrate kindergarten education guidelines and nursery school childcare guidelines)

▪ Eliminate facility categories such as kindergartens and nursery schools and integrate these facilities into **children's schools (tentative name)**, which will provide both early-childhood education and child care.

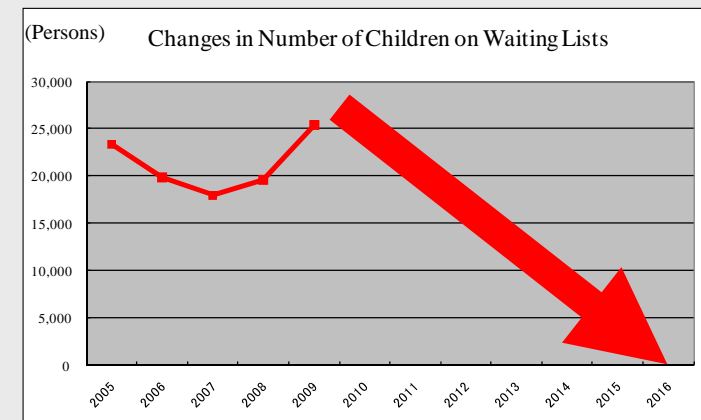
Implement the following measures upon the establishment of "children's schools (tentative name)"

1. Eliminate conditions falling short of childcare services
2. Unify contract systems <user-assistance system wherein users enter into contract with the service providers>
3. Unify pricing methods etc.

▪ Integrate the implementation divisions of central and local governments (Create a "**Ministry of Children and Families (tentative name)**")

[Promote various businesses' participation]

▪ **Introduction of a designated service system** (based on objective standards)



Source: Data for a period to FY 2009 are from the Day Care Division, Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare.

19. Introduction of “Career Grading” System and “Personal Support” System

Build a “trampoline society” to support growth

Targets to reach by 2020

- **Creation of Japanese-version NVQ (National Vocational Qualifications)** (National Vocational Qualifications (NVQ): **The system for evaluating people’s vocational abilities**, operated in the UK for more than 20 years ago)
- **Realization of a safety network** that allows people to get new vocational capabilities and skills

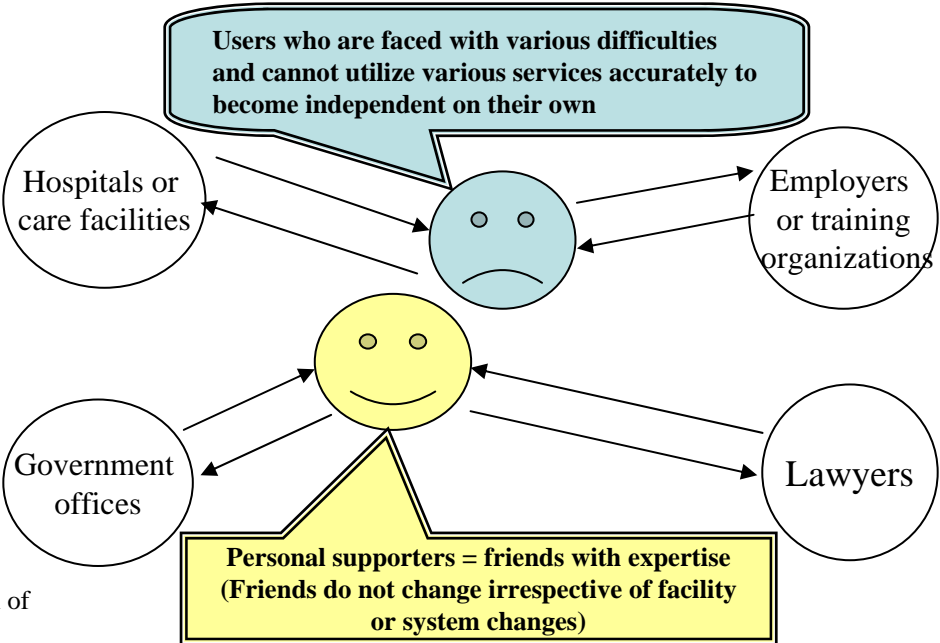
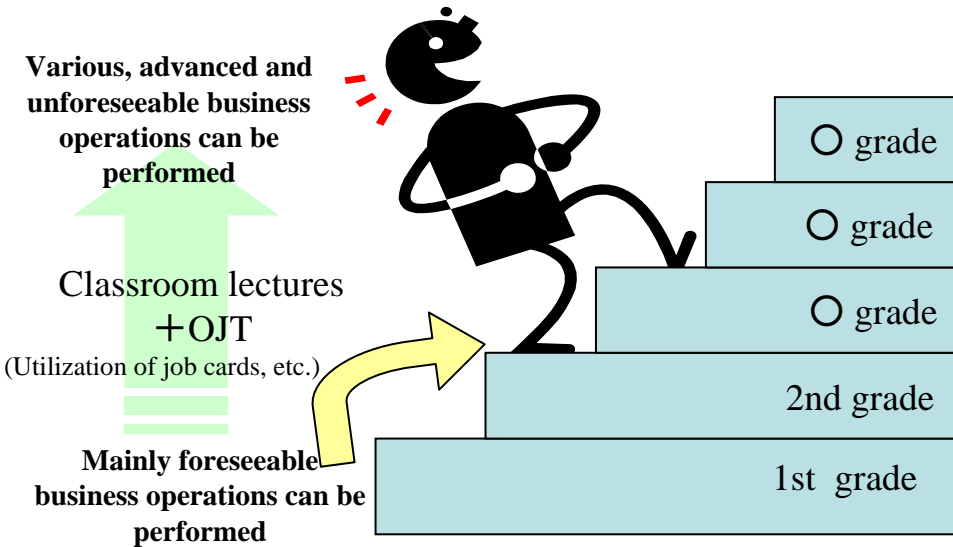
Principal Measures

“Career Grading” System

Promote vocational career development and evaluation mainly in “nursing care,” “childcare,” “agriculture/forestry/fishery,” “tourism” and other new growth sectors, as well as in sectors where human development effects are high.

Personal Support System

- Personal supporters do the following for people wanting support:
- Implement personal and continuous consulting and counseling;
 - Grasp the whole picture of problems faced by supported people;
 - Coordinate necessary services; and
 - Make follow-up efforts to ensure supported people’s independence



(Reference) QCDA website: <http://www.qca.org.uk/index.html>
 The image is based on the British NVQ system in JIL-PT (2003) No. 136 “International Comparison of Education and Training Systems in Germany, France, U.S., Britain and Japan”

20. “New Public Commons”

Realize a society where everyone has his or her role to play and place of his or her own, and values the pleasure of helping others

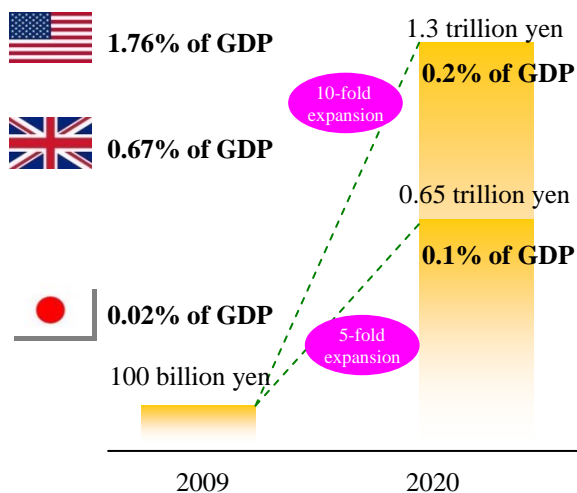
Targets to reach by 2020

- Raise the “New Public Commons” **participation rate** [26% (2010) ⇒ **about 50%**]
- Increase citizens’ voluntary donations by 0.1 – 0.2 % of GDP
- Reduce the percentage of citizens whose well-being is low; improve citizens’ well-being and satisfaction

Principal Measures

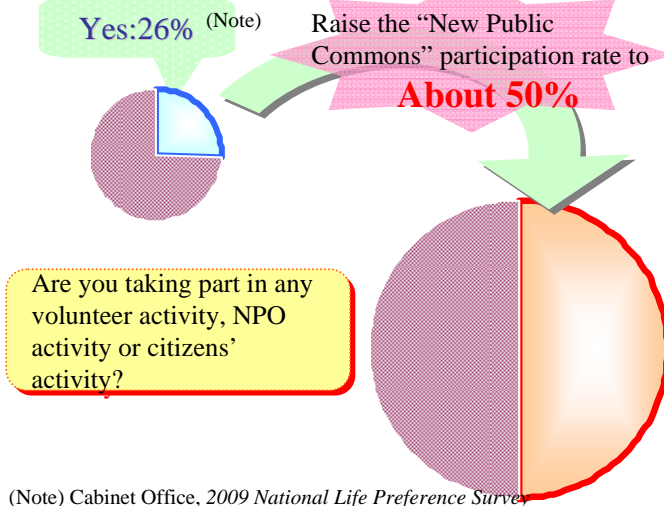
- Implement and promote efforts to build public service supported by the people, based on **proposals** by the New Public Commons Roundtable
- Design a specific **tax system on public interest activities** to be created under a FY 2011 tax reform
- Reform **microfinance systems** to support NPOs and the like
- Promote and support advanced efforts to enhance **social capital** for local communities
- Cooperate with governments of other countries and international organizations in measuring social progress, and promote study on new growth and well-being

Personal contributions as percentage of GDP



Source: NPO White Paper (Center for Nonprofit Research and Information, etc.)

Raise the “New Public Commons” participation rate



Example of a social business

“Irodori” community business by elderly citizens

Local residents collect leaves at nearby mountains and sell them as trimmings for restaurants (annual sales 260 million yen). The number of bedridden aged people is very small. Every citizen has gotten a place of his or her own and roles to play, realizing a vigorous local community.



Source: Irodori

21. Establishment of Integrated Exchange Handling Securities, Financing and Commodities

Seek to build “a financial market-based country,” which will facilitate management of people’s financial assets, as an Asian financial center

Targets to reach by 2020

● Establish Japan's status as a **main market and main player** in Asia

Principal Measures

• In fiscal 2010

Consider systems and measures to promote the establishment of an integrated exchange handling securities, financing and commodities

• By fiscal 2013

Implement systems and measures aimed at the establishment of an integrated exchange handling securities, financing and commodities, as early as possible

At present

Exchanges have been established and operated individually

Securities, financing (shares, bonds)	Tokyo Stock Exchange Osaka Securities Exchange, etc. Tokyo Financial Exchange, etc.	FSA	Financial Instruments and Exchange Act
	Tokyo Commodity Exchange, etc.	MITI	Commodity Exchange Act
Commodities (Crude oil, metals, grains, etc.)	Tokyo Grain Exchange, etc.	MAFF	

Establish a mechanism for treating these exchanges in a cross-sectoral manner without boundaries, placing top priority on convenience for investors and users

Goal

Integrated exchange handling securities,
financing and commodities
Asian financial center
New financial market-based country

Strengthen international
competitiveness of
exchanges

