

## Manifesto

The Democratic Party of Japan's Platform for Government

### Putting People's Lives First

Ozawa's Message: In Order to Achieve "Proper Politics"

What we need now is proper politics.

But what is politics?

There is only one answer to that.

It is enabling people to live their lives free of anxiety.

This is the purpose of politics, and realising this goal is the mission of politicians.

So, does "politics" exist in current day Japan?

In the name of fine sounding phrases such as "free competition" and "reform", the Japanese people have been forced to bear an increasingly heavy burden, and a whole variety of disparities are threatening to destroy our society.

Even pensions, healthcare and nursing care, which are a contract between the people and the state, cannot be relied on.

Putting people's lives first.

Now, let's take this opportunity to return "proper politics" to Japan.

Let's make our nation one where people can live their lives free of anxiety.

This is the only chance we have to rebuild our nation.

I will stake all 38 years of my political career on protecting the interests of the people and ensuring the future of Japan.

I will make "Putting People's Lives First" a reality.

I will do this without fail.

I will put this into practice without fail.

**Ichiro Ozawa**

**President, the Democratic Party of Japan**

"There was no alternative but to create a two-party system"

Japanese politics must change.

I used to be a member of the Liberal Democratic Party.

I was a member of that party from when I was first elected in 1969, at the age of 27, for a period of 24 years. During that time I served as Secretary General of the party for three terms. I also served as a minister. But the more experience I gained, the more I felt a sense of crisis about the way in which politics was run.

The Cold War had ended and the world had started to shift dramatically, but there was not even a hint of a change in Nagata-cho, and politics continued on in the same old way.

If things went on like this, Japan would no longer be able to survive.

Out of this conviction, I tried to bring about political reform, centring on the introduction of single-seat constituencies. But what awaited me was a huge up-swelling of opposition from within, that is from inside the LDP.

Upon seeing this, I made up my mind.

For the sake of Japan's future, there was no alternative but to create a two-party system.

If one power group remains in government of a country for too long, then that country's politics will be doomed for certain.

That is a cast-iron rule of history. The LDP had been in control of the reins of power for far too long.

If we did not realise a genuine change of government, the country's future would be at risk.

Having determined this, I left the LDP.

That was in May of 1993.

Politics exists to protect the lives of the people.

Since then fourteen years have passed.

But can we say that Japanese politics has changed in that time?

Regrettably, the answer is "No".

The true role of politics is to protect the assets and the safety of the people.

However pleasing the ideology and the appeals, if people's lives are not protected, then politics has no meaning and no value.

In other words, politicians are representatives chosen by the people and it is an overarching principle of democracy, simple common sense, that they should think and act by putting the people's lives and safety first.

However, that "commonsense" has long been trampled underfoot in Japan, and the situation continues to worsen.

“I will ready myself for this battle”

People, lifestyles, regions are falling apart.

A symbol of this is the problem of “vanishing pensions”.

It has become clear that the pension premium payments made by the people have been wasted by public officials, and even the basic records of those payments have not been properly administered.

Pensions should be the “last refuge” of people’s lives, and yet the state cannot even administer them properly.

Pensions are, undoubtedly, a contract between the state and the people.

If that contract is not fulfilled, then it cannot be trusted. The same applies to health and nursing care.

Can such a nation truly be described as a nation?

It doesn’t end there. The “reforms” carried out during the past six years by the Koizumi administration and now by the Abe administration amount in the end to nothing more than enabling only the strong to survive, and placing an increasing burden on the weak members of society.

In fact, under the Koizumi and Abe administrations, tax increases and increases in social insurance premiums have been carried out one after the other, and people’s financial burdens have continued to increase.

At the same time, “amakudari” and wastage of taxpayers’ money continue to thrive unabated.

As a result, a whole variety of social disparities have been created around Japan.

Disparities in income, employment, healthcare and nursing care, disparities between the regions and the centre.

Does a politics that allows these kind of disparities to widen and leaves social distortions uncorrected really deserve the name of “politics”.

What Japan needs now is “proper politics”.

There is no time to lose in rebuilding a Japanese society that has been so ravaged. The disparities between the regions and the metropolitan areas in particular are extremely serious.

Since I became DPJ President, I have traveled to every corner of Japan, and this conviction of mine has been reinforced.

However, it is in just such difficult times as these that we should return to the “starting point of politics”.

Protecting the lives of the people and helping them to find happiness.

If we cannot manage to realise such everyday goals as these, Japan may end up reaching a dead end.

In order to avoid this, first of all we will rebuild people’s lives.

We will rebuild the regions, the homelands of the Japanese people. Everything starts from that.

Let’s return “politics” to Japan and make her into a “proper nation”.

To achieve this we will engineer a reversal of fortunes between the ruling and opposition parties in the House of Councillors election and realise a change of power.

The DPJ will take the reins of government. There is no other way to save Japan.

I will ready myself for this battle, placing the convictions of 38 years on the line.

We, the DPJ, ask for your support.

In order to protect your lives, please vote for the DPJ.

We promise “genuine politics”.

## Toward a Two-Party System in which Changes of Government are Possible

Thirty-eight years in pursuit of an ideal. The footprints of that journey are a history of the struggle between the ideal and the reality of Japanese politics. Ichiro Ozawa is embarking on this election with the determination to bring that ideal to fruition.

### Political History

#### A History of Ichiro Ozawa, the Politician

##### 1. The Postwar 55-year System

- 1942 Born in Mizusawa City, Iwate Prefecture (now Oshu City)
- 1967 Graduated with a B.A. from the Department of Economics, Keio University and continued studies in the Graduate School of Law, Nihon University
- 1969 Elected to the House of Representatives for the first time
- 1985 Appointed Minister of Home Affairs and Chairman of the National Safety Commission
- 1987 Appointed Deputy Cabinet Secretary  
Agrees to undertake, single-handedly, bilateral trade negotiations with the United States. The liberalization of the communications field, in particular, opened the way for the current popularization of mobile phones in Japan.
- 1989 Appointed Secretary General of the LDP  
First appointed at the youthful age of 47. Served for three terms.
- 1992 Leaves the largest faction in the LDP “Keiseikai” splitting it apart.  
Aims for two-party politics under the banner of the “Reform Forum 21”.

### Political History

##### 2. Toward the era of a two-party system

- May 1993 Leaves the LDP. Publishes “Blueprint for a New Japan”, which sells 72, 5000 copies in a year, becoming a best seller, exceptional for a book by a politician. This book later becomes a “prototype” for all kinds of “reform”, such as decentralisation, the single-seat constituency system, and deregulation.
- June 1993 Forms the Japan Renewal Party. Appointed Secretary General

- Aug 1993 Start of the Hosogawa administration. After 38 years of LDP rule, the first non-LDP administration is established.
- 1994 Introduction of the single-seat and proportional representation system. This fundamentally changes the Japanese electoral system, opening the way for an era of two-party politics.
- Dec 1994 Forms the New Frontier Party. Appointed as Secretary General (later President)
- 1998 Forms the Liberal Party. Appointed as President.
- 1999 Participates in the LDP/Liberal Party coalition government  
Realises various Diet reforms such as the abolition of the system of having government bureaucrats speak in Diet debate instead of ministers, initiating Prime Minister’s Question Time, and reducing the number of Diet members.
- 2003 The DPJ and the Liberal Party merge.  
Appointed Acting President
- 2006 Appointed DPJ President

Ozawa is staking all 38 years of his long political career on this election. Look forward to it.

**The Democratic Party of Japan: Our Three Pledges and Seven Proposals to Achieve Our Policy of “Putting People’s Lives First”**

*Pledge 1: To issue “pension passbooks” to ensure pensions do not “vanish.”*

**The state will take it upon itself to pay in full the benefits due.**

*Pledge 2: To create a society where families can feel secure in childrearing.*

**The state will issue a per capita child allowance of 26,000 yen per month.**

*Pledge 3: To revive the regions through a dynamic agricultural industry.*

**The state will adopt an “individual (household) income support system” for agriculture.**

**Proposal 1: Protect jobs and rectify disparities.**

**Proposal 2: Rectify the shortage of doctors and create healthcare that inspires peace of mind.**

**Proposal 3: Eliminate all administrative waste.**

**Proposal 4: Create a “decentralized nation” where regional affairs are decided by the regions.**

**Proposal 5: Reinvigorate the Japanese economy by revitalizing SMEs.**

**Proposal 6: Lead the world in global environmental protection.**

**Proposal 7: Build proactive foreign relations.**

**The Democratic Party of Japan**

**Our Three Pledges**

Japan is already experiencing an extreme aging of society along with a declining birthrate, a phenomenon unparalleled elsewhere in the world. But proper policies are nowhere in sight. On the contrary, the Japanese people cannot have confidence even in their pensions which is something the nation is supposed to have promised to its people. Our local communities have also almost collapsed beyond remedy. That is why the Democratic Party of Japan will initiate politics for “Putting People’s Lives First” drawing on our Three Pledges regarding pensions, childrearing, and agriculture.

*Pledge 1: To issue “pension passbooks” to ensure pensions do not “vanish.”*

**The state will take it upon itself to pay in full the benefits due.**

People depend on their pensions as their “last refuge” for livelihood security. The Democratic Party of Japan will take the initiative to resolve the issue of “vanishing pensions” and will protect your pension. To ensure that such irresponsible pension administration does not happen again, we will unify all pension programs into a single system, transforming it into a system in which the state takes full responsibility for providing all people with “trustworthy pensions”. We will dissolve the Social Insurance Agency, an organization that has been unable to properly keep track of the people’s pension premium payments and has wasted pension premiums.

We will radically revise pension revenue sources. The base portion of pensions will be fully financed through tax revenues, and consumption tax revenues will be wholly committed to finance pensions. Above all, by implementing thorough administrative reform and eliminating waste of taxpayers’ money, we will keep the consumption tax at its current rate. We will not place more financial pressure on the people.

The Democratic Party of Japan will build a stable pension system where the current level of pension benefits is maintained so that the Japanese people can enjoy secure lives.

Prior to the dissolution of the Social Insurance Agency, the state will take responsibility for creating correct pension records and protecting your pension by collating old microfilm and paper ledger data against computerized data.

- The state will take it upon itself to deliver premium payment data to all of the

approximately 100 million public pension program subscribers so that each individual can confirm the record of his or her premium payments.

- We will issue pension passbooks to all pension program subscribers. These bankbook-like passbooks will have a full record of the subscriber's pension premium payments so that subscribers can confirm their records whenever they would like.
- We will dissolve the Social Insurance Agency and merge it with the National Tax Agency, strictly managing pension premiums. In this way, we will prevent recurrence of "vanishing pensions" and create a waste-free operating system.
- Pension premiums will only be used for the payment of pension benefits. We will abolish the present system that allows the use of pension premiums for purposes other than the payment of pension benefits.
- We will create a transparent and fair system by unifying all pension programs into a single system and making a framework where all people subscribe to the same pension.
- We will thoroughly eliminate waste of taxpayers' money and keep the consumption tax at its current rate, with consumption tax revenues totally committed to finance pensions. In these ways, we will maintain the current level of pension benefits.
- We will create a solid and stable system by fully financing the base (minimum guaranteed) portion of pensions through tax revenues and eliminating non-payment of premiums.

***Pledge 2: To create a society where families feel secure in childrearing.***

**The state will issue a per capita child allowance of 26,000 yen per month.**

Our children are precious treasures that will lead Japan into the future. The Democratic Party of Japan will create a framework where the responsibility of childrearing is not placed solely on parents alone; it will be a framework where childrearing and education are supported by all of society.

First, in order that all people can feel secure in bearing and raising children, we will create a per capita child allowance of 26,000 yen per month that will be paid until the child completes compulsory education. Subsequent high school education will also be made free, and the scholarship system for university, vocational schools, and other institutions will be expanded to lighten the burden on parents.

The national and local governments, schools, parents, and the local communities will pool their strength and take mutual responsibility to guarantee equal educational opportunities for Japan's children and thus eliminate the "education disparities".

- A per capita "child allowance" of 26,000 yen per month will be set up and paid until the child graduates from junior high school.
- Tuition, etc. at public high schools will be made free, and scholarship programs will be expanded.
- Japan's government expenditure for education is among the lowest of industrialized nations. We will strive to increase the current level by 50 percent.
- Improvements will be made in educating and training teachers, including increasing licensing requirement for teachers to six years of education, and an environment will be created in which teachers can concentrate on teaching. In these ways, we will raise the quality of education.
- We will clarify the state's responsibility in compulsory education and shift to a framework where local governments are responsible for school administration. As part of that, "School Boards" will be created where parents and community residents can participate in school administration and other school affairs.

***Pledge 3: To revive the regions through a dynamic agricultural industry.***

**The state will adopt an “individual (household) income support system” for agriculture.**

Food is a staple of our lives. So that the Japanese people feel secure about their food and enjoy a high-quality diet, we will create a framework for the stable supply of safe agricultural products that are domestically grown wherever possible. To achieve this, an “individual (household) income support system” will be established so that our farmers can feel secure about engaging in agriculture.

Through this, we will raise Japan’s food self-sufficiency ratio, which is the lowest of industrialized nations. Moreover, we will rectify “regional disparities” by stabilizing the management of agriculture and thereby revitalizing regional communities, which are the Japanese people’s hometowns. The revitalization of agriculture is indispensable for the preservation of Japan’s beautiful natural environment.

In addition, by promoting self-reliance in the forestry and lumber industries, we will achieve both the expansion of employment and the preservation of the environment.

- So that farmers can feel secure about engaging in agriculture, we will establish an “individual (household) income support system” under which income support is disbursed directly to farmers. With this, we will supply safe domestically produced agricultural products and raise Japan’s food self-sufficiency ratio.
- By having the “individual (household) income support system” take firm root, we will promote the revitalization and stability of regional communities and the preservation of the natural environment.
- We will require that all food products carry labels indicating the place of origin of their ingredients.
- We will expand support for self-reliance in the forestry and lumber industries, raise Japan’s self-sufficiency ratio in lumber, and aim to create one million new jobs.

## **Our Seven Proposals**

The Democratic Party of Japan’s “proper politics” will start from the rebuilding of trust between the people and politicians. Our goal is to build a society of coexistence where all kinds of people can support each other and to create a Japan that does its utmost for the global community. Our Seven Proposals are specific measures to achieve that.

### **Proposal 1: Protect jobs and rectify income disparities.**

- We will implement fiscal and financial measures related to small- and medium-sized enterprises (SMEs) totalling 210 billion yen. Minimum wage levels will be increased over a target period of three years, culminating with a national average minimum wage of 1,000 yen per hour.
- Part-time and contract employees will be given equal treatment to full-time employees.
- We will support the employment of permanent part-timers and NEET (young people Not in Education, Employment or Training) by introducing individual employment counsellors and work support allowances.
- We will reduce the burden on seniors by calling a halt to both the reduction of the deduction for public pensions and the abolishment of the exemption for the elderly, which are causing the rapid increase in the tax and premium burden on this segment of the population.

### **Proposal 2: Rectify the shortage of doctors and create healthcare that inspires peace of mind.**

- We will resolve the shortage of doctors by formulating an emergency action plan to ensure the appropriate posting of doctors, nurses, and other medical professionals. In particular, the shortage of obstetricians and pediatricians will be rectified as soon as possible.
- By establishing workplace nurseries and by supporting training for returning doctors and nurses, we will endeavour to create an environment where female doctors and nurses will be able to keep working and to return to work.
- We will create a framework that ensures that the best possible cancer treatment and the latest information on cancer are available anywhere in the country.

**Proposal 3: Eliminate all administrative waste.**

- We will completely ban government facilitation of amakudari (golden parachuting) and thoroughly eradicate waste of taxpayers' money, including public officials' involvement in bid rigging.
- Special public corporations, independent administrative institutions, and the special accounts that pertain to these will be abolished in principle.
- By promoting decentralization, we will reduce total personnel expenses for national civil servants by 20 percent.
- We will decrease the number of Diet members by 10 percent.
- We will promote the transparency of political funds by requiring the attachment and disclosure of receipts for expenditures exceeding 10,000 yen made by all political organizations.

**Proposal 4: Create a decentralized nation where regional affairs are decided by the regions.**

- We will achieve true decentralization by radically reforming the division of roles between the national and local governments and creating a framework for entrusting all affairs that can be decided by the regions to the regions.
- All subsidies will be abolished, and funds will be disbursed in a lump sum as discretionary revenues which each local government can use freely.
- Regarding matters closely related to residents' lives, the national government will stop setting detailed expense categories by cabinet or ministerial order and have the local governments decide them by local government ordinance so that administration that is tailored to the needs of local communities can be provided.

**Proposal 5: Reinvigorate the Japanese economy by revitalizing SMEs.**

- We will create an "SME Charter" and go beyond the segmented administration of the central government agencies to establish a framework where the government support SMEs cohesively.
- We will support the R&D activities of local SMEs and the use of local resources through tax and other measures.
- We will ban by law the forcing of SMEs to engage in unfair, low-priced transactions and tie-in sales.
- Personal guarantees of loans will be abolished in lending by government-related

financial institutions to SMEs.

- The SME-related budget will be substantially increased with the expansion of R&D support among others, and we will revise taxation on the continuation of bequeathed businesses and taxation on executive compensations at corporations that are in essence single-person companies.

**Proposal 6: Lead the world in global environmental protection.**

- By 2050, we aim to halve Japan's greenhouse gas emissions compared to 1990 levels. To achieve this, we will establish a domestic emissions trading rights market, vigorously implement energy saving, and promote environmental education.
- We will promote the use of renewable energy, such as wind power, solar power, and biomass, and increase the share of these renewable energy sources to 10 percent of total primary energy supply by 2020.
- We will promote the participation of the United States, China, India, and other countries in the new international framework to prevent global warming.

**Proposal 7: Build proactive foreign relations.**

- A strong and equal Japan-U.S. relationship based on mutual trust will be built as the foundation of Japan's foreign relations.
- Japan will immediately end the dispatch of Self-Defense Forces to Iraq.
- To build world peace initiated by the United Nations, Japan will actively participate in UN peace operations and play a leading role in the reform of the UN.
- We will make the utmost effort to develop relations of mutual trust with China, South Korea, and other Asian countries.

The Democratic Party of Japan will achieve its policy of “Putting People’s Lives First” by eliminating administrative waste.

We will secure the financial resources to realize our “Three Pledges and Seven Proposals” by completely eliminating administrative waste through the issuance of subsidies as lump sums to local governments and the abolishment, in principle, of special public corporations and the special accounts that pertain to them.

#### Funds That Will Be Gained by Eliminating Waste:

1. Elimination of waste by disbursing subsidies in lump sums: 6.4 trillion yen
2. Reduction of administrative expenses by eliminating bid rigging and “amakudari” (golden parachute) re-employment of retiring bureaucrats: 1.3 trillion yen
3. Abolition in principle of special public corporations, independent administrative institutions, and the special accounts that pertain to these: 3.8 trillion yen
4. Reduction of total personnel expenses for national civil servants: 1.1 trillion yen
5. Review of the tax system including income tax: 2.7 trillion yen

#### Achieving Effective Policies by Eliminating a Total of 15.3 Trillion Yen of Waste

##### Expenditure Required for the Key Policies of the Democratic Party of Japan:

1. Commitment of all consumption tax revenues to the base portion of pensions (13.3 trillion yen [tax revenues from 5 percent consumption tax] – 7 trillion yen [current amount of tax revenues allocated to pensions]): 6.3 trillion yen
2. Creation of the child allowance: 4.8 trillion yen
3. Elimination of public high school tuition and expansion of scholarship programs: 0.3 trillion yen
4. Adoption of the “individual (household) income support system” for agriculture: 1.0 trillion yen
5. Elimination of highway tolls: 1.5 trillion yen
6. Implementation of SME-related measures to facilitate the raising of minimum wages: 1.4 trillion yen

Look at all this administrative waste! The Democratic Party of Japan will eliminate it totally.

#### **The Subsidy System Is Absurd**

Miyama Town (today part of Fukui City) in Fukui Prefecture is located in an area that is subject to very heavy snowfall. The town applied to the national government for a subsidy to purchase a snow-melting system for the town roads. But, the Ministry of Land, Infrastructure and Transport responded, “For us to issue a subsidy, you also have to build a ski slope. That’s the way the system is set up.” Although Miyama Town didn’t want a ski slope, the town built one to receive the subsidy. The addition of the ski slope increased total project costs to 250 million yen, raising the cost to the local government to 100 million yen. However, the ski slope was closed this year after not having been used even once in twelve years!

#### **An Unbelievable 6.4 Trillion Yen in Pension Premiums Has Been Diverted!**

The Government Pension Investment Fund diverted pension premiums totalling 370 billion yen to the construction and operation of Greenpia, huge resorts that were to be set up throughout Japan. Due to slipshod management, the resorts were abolished by fiscal 2005. In addition, a total of 1.4 trillion yen was diverted to the construction of hospitals and athletic centres, and most of these are running a deficit. Premiums were also used for golfing and massage equipment for Social Insurance Agency officials. (photo courtesy of Kyodo News)

#### **The National Government Admits It! Improper Accounting Totalled 45.2 Billion Yen! Outrageous!**

The Board of Audit of Japan uncovered 473 cases of improper accounting by central government offices and government-affiliated agencies in fiscal 2005, totalling 45.2 billion yen. Even a report by the Board of Audit, a member of the national government “family,” found a full array of slipshod bureaucratic activities, from raising off-the-book funds and entry-transfer errors in the 100 million yen range to fraudulent claims. In addition to this, more than 4 trillion yen was designated as “questionable.”

#### **Over 6 Trillion Yen Was Given to Corporations That Participate in “Amakudari”**

A total of 27,882 retired central government bureaucrats are reemployed by 4,576 special public corporations, independent administrative institutions, and other corporations. Public funds disbursed to corporations that accept these “amakudari” bureaucrats came to 6 trillion yen in a six-month period. Moreover, improper pay-outs to the bureaucrats themselves continue with no end in sight. One example is the many



past directors-general of the Social Insurance Agency who cross over to various related public service corporations after they retire, in some cases receiving close to 300 million yen in salary and retirement benefits.

## Manifesto: Detailed Policies

In order that everyone can experience in their daily lives the politics and administrative services of “Putting People’s Lives First”, the DPJ will first steadily and speedily implement 50 main policies. The detailed policies contained in this manifesto will eradicate waste of taxpayers’ money and are a detailed prescription that opens the way to the Japan of tomorrow.

### **1. Living (Social Security, Work, Childrearing, Education)**

1. Fundamental pension reform – Compensation for vanishing pensions
2. Resolution of shortages of pediatricians, obstetricians and other medical professionals
3. Stepping up the fight against cancer
4. Investigation of medical accidents and prevention of recurrence
5. Upgrading the framework for long-term care services
6. Fundamental reform of self-support systems for persons with disabilities
7. Support for atomic bomb survivors
8. Tax system revision to rectify disparities
9. Reforming “way of work” through equal treatment and work-life balance
10. Significant increase in minimum wages
11. Employment and career support for younger generations
12. “Child allowance” of 26,000 yen per month, and childbirth subvention payments
13. Improving the educational capacities of schools
14. Free high-school and higher education
15. Establishment of scholarship system covering all applicants, including living expenses

### **2. Food and Agricultural Policies**

1. Ensuring food safety and security
2. Ensuring the supply of domestic agricultural products through income support for all commercial farm households
3. Revitalization plan for forestry and lumber industries
4. Promoting fisheries industry with emphasis on resource management

### **3. Economy and SMEs**

1. SME Charter – Preventing the bullying of small, medium and micro-sized enterprises, and tripling SME-related budget

2. Building a country conducive to entrepreneurship
3. Revitalization of city centres and shopping arcades
4. Elimination of highway tolls
5. Tourism policies founded on local revitalization
6. Establishment of “Financial Products Supervisory Agency” (Japanese version of FSA)
7. Reinforcement of corporate governance

#### **4. Environment**

1. Promoting the Democratic Party of Japan’s “Strategy for Stopping Global Warming”
2. Establishment of “Basic Law for Relief of Victims of Environmental Diseases”
3. Preservation of biodiversity
4. Acquisition of secure energy supplies

#### **5. Safety and Security**

1. Upgrading consumer administration and policies, including disclosure of risk information
2. Ensuring the safety of transportation and homes
3. Rapid response to natural disasters
4. Ensuring public safety and crime prevention, and promoting comprehensive measures for prevention of crimes involving guns
5. Preventing false charges through video recording of interrogations
6. Establishment of “Human Rights Violations Relief Agency”
7. Opposing the introduction of the crime of conspiracy

#### **6. Foreign Relations and Defense**

1. Immediate withdrawal of Self-Defense Forces from Iraq
2. Lack of public engagement in the realignment of U.S. military presence in Japan
3. Proactive diplomacy toward North Korea
4. Japan as a member of Asia

#### **7. Government and the Bureaucracy**

1. Promoting fiscal structural reforms
2. Elimination of “amakudari,” and elimination of public officials involvement in bid rigging
3. Reform of special public corporations and independent administrative institutions

4. Fairness in government contracts (Bill Concerning Transparency in Discretionary Contracts)
5. Fundamental reform of civil service systems
6. Abolition of state subsidies to local government, and promotion of decentralization
7. Revitalization and strengthening of communities, and support for NPO activities
8. Promoting political reform, including transparency of office expenses
9. Reducing the number of Diet members by more than 10 percent

## **1. Living (Social Security, Work, Childrearing, Education)**

### **1. Fundamental pension reform – Compensation for vanishing pensions**

The national pension system is in crisis. To re-establish the system so that it may be maintained into the future, we will move forward on fundamental pension reform based on the following principles.

- (1) All pension programs should be unified into a single system.
- (2) The base (minimum guaranteed) portion of pensions should be fully financed through tax revenues. Benefits to high-income individuals should be partly or wholly suspended.
- (3) Current levels of income-proportionate premium payments and benefits should be maintained.
- (4) Consumption tax revenues should be wholly committed to finance pensions (base portion).

To prevent the sum of taxes and insurance premiums from becoming too burdensome, we will for one review the current deductions on public pension premium payments. We will abolish the present system that allows the use of pension premiums for purposes other than the payment of pension benefits.

We will abolish and dissolve the Social Insurance Agency, which has wasted pension premiums, an important asset of the people and merge its functions with those of the National Tax Agency to create a new Revenues Agency. The personal-income information and know-how of the National Tax Agency will be used to eliminate non-payment of premiums. Similar and related functions will be rationalized to reduce collection costs. One-stop offices will handle payment and consultation on taxes and insurance premiums, thereby improving convenience.

The “vanishing pensions” problem will be handled as follows: (1) Prior to the dissolution of the Social Insurance Agency the old microfilm and paper ledger data in the possession of the Social Insurance Agency and local governments will be collated against the computerized data currently in use to create a full and correct database to be used in the payment of benefits. (2) Records of premium payments received will be posted to all of the approximately 100 million pension program subscribers, and each individual will be asked to confirm the full record of his or her premium payments.

In this way, all lost records of premium payments and underpaid benefits will be thoroughly investigated to re-establish the natural right of the people to “receive pension benefits commensurate with premiums paid.” The statute of limitations will not be applied to past underpayment of benefits, and beneficiaries will be paid the benefits that are due them in full.

### **2. Resolution of shortages of pediatricians, obstetricians and other medical professionals**

Currently in Japan, there are 200 doctors per 100,000 people. To reach the OECD average of 290 doctors, the nation needs an additional 100,000 doctors. The shortage of pediatricians and obstetricians is particularly serious. Every year, the total number of male doctors in their 20s decreases by 100, while the total number of female doctors in their 20s increases by 350. However, approximately one-half of all female pediatricians and obstetricians stop working due to pregnancy, childbirth and childrearing. In Japan, the number of nurses per hospital bed is equal to between one-third and one-fifth the number in Europe and the United States. Because of the extremely demanding work conditions, nearly 10 percent of all newly employed nurses quit their jobs within one year. In light of these facts, top priority must be given to supporting female doctors and nurses so that they will be able to remain on the job. By establishing workplace nurseries and by supporting training for returning doctors and nurses, we will endeavour to create an environment where female doctors and nurses will be able to keep working and to return to work.

In the field of pediatrics, we will further promote cooperative arrangements whereby pediatricians in private practice will take turns treating after-hour patients at regional pediatric centres. Not only is the work environment for obstetricians very demanding, but they are also exposed to high litigation risks. We will promote no-fault compensation systems and will establish “Medical Safety Commissions” to investigate medical accidents.

‘Special function’ hospitals will be used as centres for the development of advanced and pioneering medical treatments, and will contribute to the training of specialist doctors and researchers. Regional cancer treatment hospitals will cooperate with the National Cancer Center in training of specialists in chemotherapy and radiation therapy. Clinical training hospitals will engage in training for developing higher specialized capabilities and to foster superior clinicians.

The student capacities of medical schools, reduced by 10%, purportedly for cost-cutting purposes, will be returned to their previous levels. The restored additional capacity will be used as quotas for regional, undergraduate and transfer students. The total number of doctors needed for each medical specialty will be determined, and numerical goals will be set for each medical area.

To develop high-quality medical teams, the certification systems of various medical associations and other means will be used to support specialized education for nurses and pharmacists.

### **3. Stepping up the fight against cancer**

Under the leadership of the Democratic Party of Japan, the Basic Act on Countermeasures against Cancer was enacted in the 164<sup>th</sup> ordinary session of the Diet in 2006. Under the provisions of this law, cancer patients and their families will join in creating the “Basic Plan for Promotion of Countermeasures against Cancer” that will be formulated in the “Council for the Promotion of Countermeasures against Cancer.” Through the implementation of this plan, the goals of ensuring the “availability of the best possible cancer treatment in all places” and creating “systems for providing cancer patients with the latest information and advisory services” will be realized.

### **4. Investigation of medical accidents and prevention of recurrence**

Patients as well as medical personnel and institutions experiencing medical accidents seek the same answers and responses, which are: “pursuit of the truth,” “a sincere response on the part of medical personnel and institutions,” and “prevention of recurrence.” For the realization of these objectives, the Democratic Party of Japan makes the following three proposals, and will formulate legislation to ensure that these proposals will function organically.

- (1) “Medical mediators” should be trained and posted at all medical facilities exceeding a certain size. The function of such medical mediators will be to present full knowledge and information to patients without delay in the case of medical accidents, to support dialogue between patients and medical institutions, and to provide family members with appropriate psychological care.

- (2) Apart from litigation, an “out-of-court dispute settlement agency” will be established to flexibly handle the needs of victims of medical accidents. An effective system will be developed and established in major cities and localities throughout Japan to perform the following comprehensive functions: to provide advisory and consulting services, and to undertake procedures for dispute settlement by consensus and dispute settlement by arbitration.

- (3) A “Medical Safety Commission” with the following functions will be established as a national agency: to receive complaints concerning accidents that have occurred under the jurisdiction of medical institutions, to determine the causes of medical accidents through independent investigation and medical examination (including the performance of autopsies and other tests and assurance of the integrity of the results), and to propose measures for the prevention of the recurrence of accidents.

### **5. Upgrading the framework for long-term care services**

The Long-Term Care Insurance system is based on the principles of cooperation and solidarity. It is necessary to maintain a system that can provide quality services to persons requiring long-term care without unduly burdening family members and other caregivers. Following the revision of the Long-Term Care Insurance Law in 2005, certain services previously available, particularly in the area of nursing prevention, have become unavailable. The problem does not end with the stoppage of home-help services and of equipment provision. Cuts in compensation for long-term care services have affected the management of related enterprises and have resulted in deteriorating working conditions for long-term caregivers. Due to restructuring of recuperation wards, patients with such medical needs as gastric feeding and aspiration are required to be discharged early from hospital.

The Democratic Party of Japan will appropriately review compensation for long-term care services and will prevent the early discharge of patients from recuperation wards. We will also speed up the development of nursing facilities to accept patients released from recuperation wards.

Even under conditions of fiscal difficulty, the Democratic Party of Japan will prioritize the development of the long-term care infrastructure to ensure the continued availability of necessary services. To promote at-home care, in particular, the Democratic Party of Japan will implement measures to increase the number of home-

helpers and care managers raise their levels of specialization and improve work conditions, so as to ensure that people requiring care will receive the services they need. We will also build new group homes.

#### **6. Fundamental reform of selfsupport systems for persons with disabilities**

The Law Concerning Self-Support Systems for Persons with Disabilities went into effect in April 2006. The law has sharply increased the financial burden on persons with disabilities through the introduction of a 10 percent flat rate co-payment for services received and self-payment for meals and living. As a result, some disabled persons have been unable to cope with the suddenly increased financial burden and have had to reduce or completely stop their use of services. Having been discharged from facilities and with no access to services, disabled persons living at home are a far cry from leading a self-supporting life, and the present law would be more fairly termed the “Law for the Obstruction of Self-Supported Living for Persons with Disabilities.”

The Democratic Party of Japan will suspend the 10 percent flat rate co-payment for care and training services received. As in the case of support payments, the Democratic Party of Japan will reinstate the ability-to-pay principle and will maintain the standards of welfare services for children and adults with disabilities. To achieve these objectives, we submitted the “Bill for Emergency Revisions to the Law Concerning Self-Supporting Systems for Persons with Disabilities” in January 2007. Many of the same provisions are also contained in the “Bill for Emergency Measures for Rectification of Disparities” that we submitted in March 2007.

Regarding policies for persons with mental disabilities, the Democratic Party of Japan aims to ensure the smooth flow of patients “from hospitals to the community” by raising the levels of both medical and comprehensive welfare services. In particular, we will aim to facilitate the normalization of 72,000 patients undergoing “social hospitalization” by improving related services and enhancing the necessary measures.

Under the present policies and laws concerning people with disabilities, persons with physical, mental and emotional disabilities are each placed under a specific category. Persons with disabilities or rare illnesses that do not come under any of these categories slip through the cracks of the system. The Democratic Party of Japan will fundamentally review these systems and practices and will enact a comprehensive

“Law Concerning the Welfare of Persons with Disabilities.” Parallel to this, we will increase the government budget for the welfare of persons with disabilities.

#### **7. Support for atomic bomb victims**

The Health, Labour and Welfare Ministry’s current “Guidelines for the Certification of Atomic Bomb Disease” should be immediately abolished and replaced by new certification standards that take into account radiation exposure levels. Based on the understanding that “atomic bomb victims are victims wherever they live,” we have sought to establish the full application of the provisions of the Atomic Bomb Victims Support Law to those living abroad. We have already submitted revisions to this law and will endeavour to enact them. As second generation victims become older, ill effects on their health are feared. The Democratic Party of Japan is committed to investigating the conditions and will study various measures that may be implemented. We will also implement a comprehensive package of health, medical and welfare measures designed to meet the needs of atomic bomb victims

#### **8. Tax system revision to rectify disparities**

To rectify the growing disparities in Japanese society, we will make necessary revisions in income tax deductions and introduce a system combining benefits and tax deductions. Given the regressive nature of consumption tax, relief measures will be taken through “tax returns.” The funds made available through revisions made in deductions for dependents, deductions for spouse, and special deductions for spouse will be used to finance social security expenditures including childrearing support. While appropriate tax rates will be applied to asset-based incomes, some consideration will be given to long-term holding of securities to encourage the flow of funds from “savings to investment,” and efforts will be made to ensure sound market development.

#### **9. Reforming “way of work” through equal treatment and work-life balance**

Currently, there are more than 12 million part-time employees in Japan. These workers have come to play a key and permanent role in Japan’s workforce. Although many part-timers work the same hours and perform the same functions as full-time employees, their pay and treatment do not accord with their contributions and this is

justified by citing the difference in form of employment. In the past, the Democratic Party of Japan has submitted such legislation as the “Bill for Equal Treatment of Part-Time Workers” and the “Bill Concerning Labour Contracts.” The intent of these bills has been to ban discriminatory treatment of short-term employees and termed employees in terms of their wages and work conditions. We will continue to pursue rational principles that disallow markedly unfavourable wages and work conditions based on “way of work.”

There is a clear link between working hours and health of workers. To prevent deterioration of mental health, *karoshi* (death from overwork) and *karojisatsu* (suicide from overwork), it is important to rigorously manage health and safety requirements, and to control working hours to maintain workers’ health. The Democratic Party of Japan will raise overtime pay allowances to 50 percent from the current level of 25 percent.

The Democratic Party of Japan aims to create a society in which a proper work-life balance is maintained for all workers regardless of gender. This is a society in which work and family life can co-exist, where good health is maintained and all workers can participate in community and self-developing activities as guided by their individual needs and interests. In short, this is a society in which both men and women are able to harmonize work and personal life, and to stay healthy and remain engaged in fulfilling work. We will endeavour to enact the “Bill for Supporting the Compatibility of Work and Family Life” (submitted to the Diet in 2004), and the “Bill for Gender Equality in Employment” (submitted to the Diet in 2006).

The Democratic Party of Japan advocates the establishment of a “Re-employment Scholarship Fund” to support the re-entry into the workforce of those who have left their jobs for childrearing and long-term care of family members. We will promote diversity in working styles and will endeavour to fully realize the nation’s potentialities through a series of measures that will include the assignment of quotas in government procurement to companies managed by women, promotion of entrepreneurship by NPOs and other organizations, and promoting an increase in the number of female corporate managers.

## 10. Significant increase in minimum wages

Under the current system, minimum wages are increased by only one to five yen per year. In some regions, the minimum wage level is so low that persons working a full load still cannot rise above the livelihood assistance level. Low minimum wages are one of the causes of the phenomenon of the working poor. The Democratic Party of Japan will significantly raise minimum wage levels so that all diligent workers will be able to earn a living. For this purpose, we have already submitted the “Bill to Revise the Minimum Wages Law” to the Diet. The main features of the bill are: (1) the basic principle for minimum wages is “enough to maintain the living expenses of the worker and his/her family; (2) the introduction of a “national minimum wage” applicable to all workers (800 yen per hour); (3) the introduction of “regional minimum wages” that exceed the national minimum wage; and, (4) the implementation of fiscal and financial measures to facilitate adoption of the new minimum wages by small- and medium-sized enterprises. The bill provides for a gradual increase in minimum wage levels over a period of three years, culminating with a national average minimum wage of 1,000 yen per hour.

## 11. Employment and career support for younger generations

During the long period of economic stagnation that followed the collapse of Japan’s bubble economy, young people faced difficult employment conditions. Many new graduates were unable to find work, or could not find regular employment. Even now that the economy is improving, people who joined the workforce during the severely depressed “employment ice age” and who are now in their 30s or younger cannot make an easy transition to regular employment. Due to limited opportunities for job training, the income gap between these people and those with regular employment is growing. The Democratic Party of Japan has submitted a “Bill for Special Measures for Stabilizing the Employment of Young People”. The bill contains the following provisions for promoting stable employment for young people seeking to be independent: (1) the provision of employment support by “employment counsellors for young people” posted at public employment bureaus; (2) career guidance through the formulation of “individual employment support plans;” and, (3) the preparation of work training programs in private companies and the payment of work support allowances (1,000 yen day and 30,000 yen per month) as needed. Public employment bureaus will be outfitted with an area for young people to gather and to receive peer counselling and other services. Work experience programs will be established for 8<sup>th</sup> grade students throughout Japan covering a period of no less than five days.

## **12. “Child allowance” of 26,000 yen per month, and childbirth subvention payments**

As part of an overall program for childrearing support, childrearing allowances will be increased. This will be financed through revisions made in tax deductions for dependents and spouse and special deductions for spouse, and through implementation of administrative and fiscal reforms. From the standpoint that the basic expenses for childrearing (clothing, education and other expenses) should be guaranteed, a per capita child allowance of 26,000 yen per month will be paid until graduation from junior high school

In addition to the current payment of insurance lump-sum benefits at childbirth (approximately 350,000 yen), a subsidy of 200,000 yen per child will be paid at birth, to be financed by the national treasury. The introduction of this subsidy will mean that almost all expenses related to childbirth will be covered.

## **13. Improving the educational capacities of schools**

All schools established by local governments will be governed by a “School Board” whose membership will be drawn from among parents and guardians, community residents, school officials and experts in education. By managing schools through the cooperation of parents and local communities, relations of trust with schools can be strengthened. This will allow speedy responses to such problems as bullying and dropping out. This will facilitate the development of organic ties and cooperative relations with schools, and will also contribute to the revitalization and strengthening of local communities. In addition, the following measures will be taken to improve the quality and quantity of teachers.

- (1) To allow teachers to fulfil their high mission and to meet their professional obligations, a sufficient number of teachers will be hired, and improvements will be made in educating and training teachers. To be licensed, teachers will undergo six years of education (acquisition of master’s degree).
- (2) The central government will be responsible for certification of teachers, and for guaranteeing respect for the status of teachers and their proper treatment.
- (3) To free teachers from troublesome tasks and to create an environment in which teachers can concentrate on education, the system of educational

administration will be simplified and greater respect will be paid to the initiatives undertaken on the frontlines of education.

## **14. Free high-school and higher education**

Anyone wishing to go to high school will be admitted, and high school education will be made free. To enable all people to receive higher education according to their desire and capability to do so regardless of the environment in which they are born, we will progressively introduce free higher education and scholarship programs and related systems will be dramatically expanded, based on the principles enunciated in the International Covenant on Economic, Social and Cultural Rights

## **15. Establishment of scholarship system covering all applicants, including living expenses**

A scholarship system will be established allowing all applying students, graduate or undergraduate, to borrow the funds needed to cover their educational and minimum living expenses (estimated maximum loan of 3 million yen per year). This will enable young people to receive university education with zero parental support, and will also permit people with work experience to return to university to further their education. By freeing parents and guardians in their 40s and 50s from the heavy burden of educational cost, this system will dramatically increase the disposable income of such households and contribute to growth in personal spending and economic recovery.

## **2. Food and Agricultural Policies**

### **1. Ensuring food safety and security**

In light of developments related to BSE and avian flu, food safety and security is one of the most urgent concerns of the public. As the first step toward ensuring food safety and security, a fully integrated food safety administration will be created to replace today’s highly segmented system that consists of the Cabinet Office, the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Health, Labour and Welfare. All processed and prepared foods will be required to indicate place of origin, and

foodstuff traceability systems will be expanded and made more thorough. Programs for local production for local consumption and seasonal consumption of food in season will be promoted throughout the country. In particular, the principles of local production for local consumption and seasonal consumption of food in season will be implemented in school lunches to teach children about local agriculture, forestry and fisheries and their importance.

Japan depends on imports for 60 percent of its food consumption. Importation will be conditioned on the ability and willingness of exporters to comply with Japanese standards of food safety and plant and animal quarantine. “International food inspectors” will be posted in all major exporting countries to inspect food products from the perspective of the importing country. Japan currently operates 31 quarantine stations throughout the country with a combined staff of only 300 inspectors. Japan’s border foodstuff inspection and quarantine system is capable of monitoring and inspecting merely 5 percent of the nation’s imports. The Democratic Party of Japan will significantly enlarge and strengthen this system.

Currently, suspicions remain concerning the effective control of cattle age, regulation of cattlefeed and compliance with Beef Export Verification Program rules in the United States. At this point, the resumption of beef imports from the United States ignores the public’s concern for food safety and security, and we will continue to call for a halt to US beef imports. To ensure food safety and security and to reserve the consumer’s right to choose, beef and processed beef products will be required to carry labels indicating place of origin and that the product has been tested for BSE. Furthermore, to subject imported beef to the same traceability requirements as domestic beef, the Democratic Party of Japan will work toward early enactment of the following bills that it has submitted to the Diet: “Bill for the Revision of the Law on Special Measures against Bovine Spongiform Encephalopathy (BSE Measures Law),” and “Bill for Law for Special Measures Concerning the Management and Transmission of Information for Individual Identification of Cattle (Beef Traceability Law).”

## **2. Ensuring the supply of domestic agricultural products through income support for all commercial farm households**

The Democratic Party of Japan will work toward maintaining and expanding domestic agricultural output while moving forward on World Trade Organization (WTO) negotiations for trade liberalization and promoting the conclusion of free trade

agreements (FTAs) with individual countries. To achieve these purposes, an “individual (household) income support system” will be established to ensure that the agricultural environment will be maintained and farming will remain viable while the food needed for supporting the population will be produced.

The government’s proposed “direct payment system” will only benefit a certain number of large-scale farms. The proposed program will jeopardize stable food supplies and will make it difficult to improve Japan’s self-sufficiency ratio. To fundamentally transform this situation and to revitalize Japanese agriculture and the agricultural areas of the country, the Democratic Party of Japan will adopt the “individual (household) income support system” as the main pillar of its agricultural policies. Under this system, in principle, all commercial farm households would be eligible to receive income support. The total amount of income support payments would come to around 1 trillion yen and would be applicable to strategically important crops, such as rice, wheat, soy beans, millet, rapeseed and feed crops. Additional payments would be made for scale of operation to encourage farmers to integrate their farmlands, for quality of product to avoid discarding of produce, and for environmental preservation, including the maintenance of terraced paddy fields and the promotion of organic farming.

This program would facilitate the attainment of the following objectives: maintaining the present total area of farmland at 4.67 million hectares; advancing toward total self-sufficiency in food; ensuring food safety and security; maintaining the diverse functions of farming; promoting regional economic activity to achieve balanced development of the country; and, maintaining conditions conducive to the continuation of farming by farming households.

## **3. Revitalization plan for forestry and lumber industries**

Japan’s self-sufficiency in lumber had previously fallen to as low as 18 percent. However, in recent years, import volumes have decreased due to rising prices of foreign lumber. As a result, self-sufficiency in lumber rose to 20 percent in 2005. From the perspective of promoting sustainable forestry management, the Democratic Party of Japan created a “Revitalisation Plan for Forestry and Lumber Industries” in June of 2007. Specifically, the plan would leverage the excellent business opportunities provided by growing demand for domestic lumber to revitalize forestry-based local economies throughout Japan. To achieve this goal the domestic output of lumber over



the next ten years would be increased to nearly 50 million cubic meters, the level of Japanese production during the 1960s, raising Japan's self-sufficiency in lumber to 50 percent.

To promote the re-development of abandoned forests, large forest tracts must be created through forestry cooperatives, and lumbering costs must be lowered through the development of service roads and the introduction of high-performance equipment. In addition, foresters will be trained to take on the tasks of forest management and control. Sustainable use of forestry resources will be ensured by mandating thinning and reforestation, and by promoting longer periods between harvesting.

Due to the bulkiness of wood products, forestry-related industries are typically location-based industries that flourish in close proximity to forests. For this reason, forestry-related industries can become core industries for mountainous regions. Various measures will be taken to promote the use of domestic lumber in wood processing, home construction and paper and pulp industries. These measures will include the efficient operation of sawmills to correspond with demand, significant reductions in distribution costs through the development of lumber distribution networks, and prioritizing the use of domestic lumber by revising the regulations and restrictions contained in the Building Standard Law and other related laws.

The establishment of integrated lumber production systems will yield many benefits, including the following: expansion of "green jobs" in forestry development; revitalization of wood-processing industries; the expansion of employment in the construction industry, which has been adversely affected by the reduction in public works; and, promotion of the tourist industry through "green tourism" and "eco tourism."

Furthermore, the following initiatives will also be mounted. High value-added services designed to support lumber production systems will be developed. The development of natural energy industries centred on wood biomass, and forestry and environmental businesses targeting global warming will be promoted. Public works projects aimed at preserving the public welfare functions of forests (such as the construction of "green dams") will be actively pursued. Through these undertakings, one million new jobs will be created in employment-starved mountainous regions, thereby putting a stop to depopulation and drawing back young people to these regions.

#### **4. Promoting fisheries industry with emphasis on resource management**

Japan is the world's top importer of marine products, and its self-sufficiency in this area has dropped to 57 percent. From the perspective of implementing rigorous resource management and revitalizing the fisheries industry, an individualized TAC (total allowable catch) system will be adopted, defining the maximum catch that any fisherman or enterprise may harvest. Persons adversely affected by this system will be compensated through an "individual (household) income support system."

Public works projects will be undertaken to develop "underwater forests of seaweed" to serve as spawning grounds for marine life and to promote marine resource recovery. To revitalize fishing villages and communities, individual (household) income support will be provided for participation in community resource replenishment projects, such as sea cleanup and fry stocking. In addition to these measures, reasonable restrictions will be placed on importation of marine products from countries operating in waters that compete with Japan, and systems will be introduced to stabilize the price of marine products.

### **3. Economy and SMEs**

#### **1. SME Charter – Preventing the bullying of small, medium and micro-sized enterprises, and tripling SME-related budget**

The Democratic Party of Japan will adopt an "SME Charter" with the goal of creating an environment in which small- and medium-sized enterprises (SMEs) are able to flourish and shine, and which will facilitate the realization of stable and sound livelihoods for the people. The SME Charter will contain the following action guidelines: (1) upgrading human resources development and job training for the next generation; (2) creating a fair market environment and promoting disclosure; (3) facilitating SME financing; (4) development and improvement of technological capabilities; and, (5) creating mechanisms whereby the voice of SMEs can be heard. Unlike the present Small and Medium Enterprise Basic Law, the proposed SME Charter will comprise the basic policy for pursuing SME measures as a core element in the nation's economic policies. It will not only be supported by the Ministry of Economy, Trade and Industry and the Small and Medium Enterprise Agency, but will

be pushed forward by all sectors of government, including the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Internal Affairs and Communications and the Ministry of Health, Labour and Welfare.

To prevent “bullying of subcontractors” through unfair pricing and abuse of superior market position, a new “Law for Preventing Bullying of SMEs” will be enacted. This law would prohibit such unfair practices as unreasonable demands by major corporations for price reduction, purchases of goods and the provision of gratis services. Parallel to this, the Antimonopoly Act will be reviewed and more rigorously applied. Furthermore, the functions and capabilities of the Fair Trade Commission will be strengthened and expanded. The government’s SME-related budget will be approximately tripled from present levels to provide financial and tax support to cope with the increase in minimum wages. SME corporate tax rates will be cut in half and the tax burden on the continuation of bequeathed businesses will be reduced.

## **2. Building a country conducive to entrepreneurship**

Steps will be taken to facilitate the establishment of start-up companies and to promote the transfer of technologies (improving the Japanese version of SBIR and the introduction of Japanese-style STTR systems\*). Angel taxes will be reviewed to increase support to R&D type start-ups, which are conspicuously short of funding. Tax exemptions on certain portions of investments made in purchasing shares in start-ups will be introduced, and support will be provided to the establishment and management of angel networks. Comprehensive measures for supporting entrepreneurship will be implemented, including the adoption of “special credit lines” for spin-outs (new enterprises formed in the process of restructuring) from major corporations. These initiatives will be pursued to achieve “one million start-ups.”

Fund procurement schemes will be developed to avoid undue dependence on real estate collateral and personal guarantees of loans. Diverse financing channels will be established to ensure a stable supply of funds. Personal guarantees of loans will be abolished in all lending by government-related financial institutions. The “Law for Facilitating Local Financing” will be enacted mandating financial institutions to disclose information concerning contribution to local communities, terms of loans to SMEs and outstanding balances of loans.

\* Japanese version of SBIR/STTR systems: Subsidization programs for hi-tech SME start-ups.

## **3. Revitalization of city centres and shopping arcades**

The Democratic Party of Japan will promote the concept of “integration of housing and businesses.” For instance, multi-purpose buildings will be constructed featuring shopping arcades on the ground level combined with rental homes with in-house care for the elderly in the upper floors. Shopping arcades will be rendered more attractive to consumers by adding childcare centres, and car and bicycle parking facilities. SOHO buildings (small offices for at-home work) for entrepreneurs will be utilized, and the utilization of vacant shops and land will be promoted by establishing responsible government offices. Other initiatives will be pursued, including the improvement of the urban landscape, development of disaster-response facilities and information and communication infrastructure, the transition to underground power cables, and the development of attractive barrier-free shopping arcades.

## **4. Elimination of highway tolls**

With the exception of certain major urban areas, all highway tolls will be eliminated. Although enormous amounts of money have been invested in building Japan’s highway systems, there remain underutilized highways. Local communities will be revitalized and distribution costs reduced through more effective utilization of these highways. The opaque Special Highway Account and public officials-led bid rigging will be investigated. A concrete plan for the elimination of tolls will be formulated, while taking into consideration environmental requirements and our vision of a comprehensive traffic system. The elimination of tolls will reduce costs. In addition, by allowing the number of on and off ramps to be increased, toll-free local highways will be reborn as traffic arteries that are integrated into the community life. Other expected benefits include an increase in job opportunities, an expansion in commuting range and a reduction in the time and cost of transportation of agricultural, animal and marine products to consumer markets, which will lead to the reinforcement of the business foundations of producers of agricultural, forestry and fishery products. To achieve this policy goal, the Democratic Party of Japan submitted the “Bill for the Basic Law Concerning the Reform of Highway Projects” to the 159<sup>th</sup> ordinary session of the Diet in 2004. This bill outlines the basic guidelines for the elimination of highway tolls in

principle, and maps out the path to a toll-free highway system. Appropriate measures will be taken to ensure employment through the creation of several corporations to be charged with responsibilities for road and highway maintenance and management.

#### **5. Tourism policies founded on local revitalization**

We will devise measures for revitalizing local communities by attracting tourists and creating other forms of population flows. The growing number of Asian and other foreign visitors to Japan in recent years has sparked renewed interest in promoting international tourism. It is hoped that these foreign visitors can be instrumental in furthering mutual international understanding, and in stimulating economic and consumption activities in local economies. The Democratic Party of Japan will promote the creation of more attractive towns and cities, the development of tourist and natural sites, and mountain farming villages and community forests, and support the various initiatives and undertakings of local governments and communities. Parallel to this, we will encourage the preservation and optimal utilization of local histories, traditions, cultures and natural beauty. At the same time, educational opportunities will be created for local residents to learn about them. Vacations and national holidays will be reviewed to create possibilities for more flexible vacation schedules. The staggering of holidays and the development of comprehensive traffic systems will be pursued. Furthermore, tourism policies will be promoted from the perspective of domestic and international tourists with an emphasis on developing towns and transportation facilities that contribute to preserving the natural beauty and scenery of the land.

#### **6. Establishment of “Financial Products Supervisory Agency” (Japanese version of FSA)**

To revitalize the Japanese economy, it is important to accelerate the flow of funds from savings to investment. This requires the development of reliable and sound markets. The Democratic Party of Japan will establish a Financial Products Supervisory Agency (Japanese version of FSA) as an independent and powerful agency responsible for overseeing transactions in a broad range of financial products. Due efforts will also be made in developing the necessary human resources.

#### **7. Reinforcement of corporate governance**

The market demands corporate disclosure and rigorous implementation of corporate audits. To ensure a system of sound corporate governance that will produce these results, enactment of a special law concerning publicly-traded companies will be considered.

### **4. Environment**

#### **1. Promoting the Democratic Party of Japan’s “Strategy for Stopping Global Warming”**

To counter global warming, domestic and international emissions of greenhouse gases must be reduced.

In addition to the medium- to long-term global goal of reducing emissions by 50 percent by 2050, Japan must certainly meet its Kyoto Protocol commitment of reducing its emissions by 6 percent. But Japan must also adopt the following medium- to long-term goals. In the medium term, Japan should reduce its emissions of greenhouse gases by 20 percent compared to 1990. For the long term, Japan should reduce its emissions by 50 percent before 2050. In this reduction process, priority will be given to emissions from human activities. The Democratic Party of Japan has formulated its “Strategy for Stopping Global Warming: End Warming for Coexistence of People and the Earth,” and will do its best to realize the following objectives of this program: (1) establishment of medium- and long-term goals; (2) achievement of Japan’s Kyoto Protocol commitments through the establishment of a domestic emission rights trading market based on the cap and trade approach; (3) vigorous promotion of the introduction of renewable energy; (4) adoption of global warming taxes; (5) vigorous implementation of energy saving; (6) promotion of forests and other emissions absorbing resources; (7) development of environmental technologies and promotion of the spread of technologies and products that reduce environmental burden; (8) promotion of environmental diplomacy; (9) further promotion of the abandonment of the use of Freon; (10) promotion of making carbon dioxide “visible”; and, (11) prevention of urban heating.

The 2008 G-8 Summit Meeting will be held in Japan. In light of this fact, Japan must play a leadership role in an initiative to create a post-Kyoto Protocol international

framework for emissions reduction that would include the United States, China, India and the developing countries. Mindful of the importance of improving energy efficiency, this initiative would promote the transfer of technologies for improving energy efficiency, and would bolster Japan's environmental diplomacy through such measures as the concentration of ODA in environmental fields. At the same time, Japan's environmental diplomacy will also be strengthened from the perspective of ensuring Japan's environmental security and coping more effectively with cross-border environmental damage, such as acid rain and yellow sand.

## **2. Establishment of "Basic Law for Relief of Victims of Environmental Diseases"**

Many victims of environmental diseases are excluded from government relief programs because the certification criteria are determined by the government and depend excessively on scientific judgments. Lawsuits for certification take many years to complete and victims are not able to gain speedy compensation and relief.

The Democratic Party of Japan has submitted the "Basic Law for Relief of Victims of Environmental Diseases" with the purpose of speeding up the recovery and amelioration process of health-related damages suffered by victims of environmental degradation. The bill contains the following provisions: (1) formulation of basic policies and measures concerning the relief of victims of environmental diseases; (2) mandating the national government and its agencies to undertake investigations and research to determine the cause of environmental diseases; (3) easing of certification criteria; (4) establishment of "Commission for Formulation of Certification Criteria for Environmental Diseases" as a certification body functioning independently of the government; (5) development of support systems for legal action (mandating the government to provide consulting services and referrals to medical experts, scientists, and international views and opinions); and, (6) development of relief payment systems (covering medical, recuperation and travel expenses). Enactment of this legislation will allow the great majority of people who in the past have been denied relief in various environmental health cases to receive speedy relief. In particular, representative environmental health cases, such as the Minamata disease, asbestos-related cases, and the Tokyo air pollution case, will be subjected to exhaustive research and examination for the development of comprehensive solutions.

## **3. Preservation of biodiversity**

Recent years have seen the accumulation of complex problems involving the preservation of biodiversity, including the increase in the number of endangered species, the protection and control of wildlife affecting agricultural crops and countermeasures against non-indigenous flora and fauna. The Democratic Party of Japan advocates the concept of "coexistence of people and wild life." We will fully realise the principles of the Basic Environment Law and draw up a new "Basic Law for Protection of Wild Flora and Fauna" (tentative name), which will include the following goals: (1) formulation of basic plan (five year plan) for the protection of wild flora and fauna; (2) development of systems for the preservation of biodiversity (wild flora and fauna); (3) mandatory environmental impact assessment; (4) improvement of education on biodiversity; (5) public education and public information initiatives; (6) collaboration among government ministries and agencies; (7) legal and fiscal measures; and, (8) participation of the people.

Contributions to a fund for international protection of natural environments conducive to the development of diverse ecosystems will be promoted, and active support will be given to international projects for investigation and research on biodiversity through cooperation with NGOs.

## **4. Acquisition of secure energy supplies**

The government must be responsible for establishing "energy security" by ensuring access to stable energy supplies. An agency will be created to develop long-term national strategies and to implement related measures in an integrated manner.

Harmonization with the global environment and the development of environmental technologies will be promoted. Comprehensive programs for the achievement of best-mix policies in energy use will be established based on energy-saving technologies and the diversification of energy sources. To complement natural gas, oil, coal and nuclear power, the development and use of such renewable energy sources as wind power, solar power, biomass and marine energy will be promoted. In addition, various future generation energy sources will be developed centred on hydrogen and fuel cell technologies. Particular importance will be placed on renewable energies, such as wind power, solar power and biomass. In light of the numerical goals adopted by the EU, the share of these renewable energy sources in total primary energy supply will be dramatically increased with an aim of reaching the 10 percent level by 2020. Today,

Japan's energy self-sufficiency amounts to only 16 percent, even including nuclear power. This is the lowest among all developed countries. A goal will be adopted to increase Japan's energy self-sufficiency to 30 percent by 2030 and 50 percent by 2100.

## **5. Safety and Security**

### **1. Upgrading consumer administration and policies, including disclosure of risk information**

Since its founding, the Democratic Party of Japan has committed itself to representing the "citizen," the "taxpayer" and the "consumer." We have always worked to achieve our policy objectives from the perspective of the consumer. In recent years, there have been dynamic developments in the process of the diversification and globalization of services, which has resulted in a sharp increase in consumer-related disputes. It is undeniable that major disparities in access to information and bargaining power exist between consumers and enterprises. The Consumer Contract Act was revised in 2006 to create a "consumer class action lawsuit system" enabling consumer organizations to file suits on behalf of individual consumers. The Democratic Party of Japan was instrumental in making a number of revisions, including extending the scope of adjudicating courts to include courts located in the place of violation.

The Consumer Product Safety Law was revised in 2006, obligating enterprises to report serious accidents pertaining to consumer products. The Democratic Party of Japan has already submitted the "Bill for the Disclosure of Risk Information," which gives more weight to the position of the consumer, extending mandatory reporting of serious accidents to all products and commodities that may cause injury to consumers, including automobiles, revolving doors and playground equipment. Continued efforts will be made for the enactment of this bill.

Many cases are being reported of consumers falling into dire straits due to credit purchases and loans from consumer financing institutions that exceed the consumer's ability for repayment. The Democratic Party of Japan will act to counter problems related to unethical door-to-door sales and excessive extension of credit. We will also promote policies aimed at furthering consumer education in such areas as consumer contracts and credit card usage.

## **2. Ensuring the safety of transportation and homes**

Serious accidents and breakdowns are frequently occurring in public transportation, including railways, airlines, buses and taxis. These accidents have left many victims in various parts of Japan. Among these are the 2005 train derailment accident that occurred on the JR Fukuchiyama Line taking 107 lives, and passenger airlines crash landings. The Democratic Party of Japan will fundamentally alter transportation policies that overemphasize deregulation, intensify competition, neglect safety and create severe working conditions in the pursuit of profit. Accidents and breakdowns that occur will be investigated from a fair and impartial position, and the lessons learned will be put to effective use in preventing the recurrence of accidents. In this regard, the following course of action will be taken: (1) transportation safety regulations will be made more stringent, including regulations concerning labour conditions; (2) surveillance and inspection systems will be developed to ensure full compliance with such social regulations; and, (3) a "Transportation Safety Commission" will be created to investigate accidents and breakdowns and to issue related recommendations. The functions of the "Transportation Safety Commission" will consist of the following: surveillance of operations and working conditions; investigation of accidents and breakdowns and the issuance of related recommendations; providing support and relief to victims; accumulation of data and experiences and formulation of accident-prevention measures based on them. Its jurisdiction will extend to railways, airlines, buses, taxis and vessels (transportation businesses that transport passengers and cargo in exchange for fare).

In cases involving falsification of earthquake-resistant building specifications, new violations continue to be uncovered and have become a serious cause of public concern and insecurity. To prevent recurrences and to provide relief to victims, the Democratic Party of Japan has submitted a bill that includes the following provisions: (1) final inspection and confirmation of newly constructed buildings must be conducted by the government; (2) the names of all persons involved in the construction of a building must be disclosed; and, (3) advertising and marketing materials must indicate whether the building is insured. Furthermore, actions will be taken to rid the housing industry of unethical and dishonest businesses, including countermeasures to be taken against fraudulent home remodelling.

## **3. Rapid response to natural disasters**

The following actions will be taken to facilitate emergency response, information transmission, traffic regulation and emergency recovery in the event of natural disasters. The government's crisis management systems will be strengthened through such measures as the development of information transmission systems and a cooperative framework defining the individual tasks and responsibilities of the central and local governments, police and firefighting authorities, the Self-Defense Forces, private companies, volunteers, NPOs and other organizations in case of a natural disaster. Additionally, powerful support will be provided to various activities of the private sector. The strengthening of backup systems for urban functions in case of large-scale disasters will be considered. To ensure rapid response to large-scale disasters, the powers of the prime minister will be augmented and the "Crisis Management Agency" (Japanese version of FEMA) will be mobilized.

Recovery of lifelines and infrastructure is essential in helping victims recover as soon as possible from physical and emotional damages suffered. The Act Concerning Support for Reconstructing Livelihoods of Disaster Victims will be revised to provide assistance payments for the main dwelling, to increase the maximum assistance payments, and to ease eligibility conditions.

Various parts of Japan are exposed to the threat of major earthquakes. In particular we will promote measures to ensure that public elementary and junior high schools, which serve as evacuation centres in the event of a disaster, meet anti-earthquake standards. Extreme levels of destruction can be anticipated in densely populated major cities where fires and collapsing buildings will raise the scale of damage. To reduce the threat of such damage, the refitting of existing buildings that do not meet anti-earthquake requirements will be promoted.

#### **4. Ensuring public safety and crime prevention, and promoting comprehensive measures for prevention of crimes involving guns**

An increasing percentage of crimes in Japan are remaining unsolved. To cope with this problem, local police forces will be bolstered, and police functions related to "community, crime and public safety" will be expanded. Assistance will be provided to strengthen the crime-prevention functions of local communities. To ensure "public safety and crime prevention," the investigating capabilities of police authorities must be improved, including the introduction of new investigative methods. On other hand, it is feared that the unprincipled expansion of police powers may lead to the abuse of

investigate powers and the infringement of privacy. By generating a lack of public trust and cooperation with police investigations, these sentiments can ultimately have a negative impact on public safety. When introducing new investigative methods, due attention will be paid to human rights and clear rules will be established to prevent activities that counter the true aims of civil society. The issue of crime-preventing monitor cameras, N-systems (automatic reading devices for automobile license numbers) and the use of DNA in investigations will be carefully examined from the perspective of personal information protection, including the enactment of laws on their installation and operation.

Serious crimes involving the use of guns are increasing, including a hostage-taking incident in Aichi Prefecture and the shooting death of the mayor of Nagasaki. Comprehensive measures will be mounted to counter crimes involving the use of guns. To act against illegal possession of firearms and their use in crimes that pose a threat to Japan's peaceful living environment, members and persons related to organized crime will be subjected to rigorous arrest and indictment policies. Additionally, border measures will be bolstered to prevent the smuggling of guns. Procedures for licensing and possession of firearms used for hunting and competitive sports will be reviewed.

#### **5. Preventing false charges through video recording of interrogations**

The criminal justice system will be reformed for increased fairness and transparency. As part of these reforms, measures will be taken to prevent forced confessions under interrogation and the filing of false charges. The Democratic Party of Japan has submitted the "Bill Concerning the Revision of Code of Criminal Procedure" mandating that interrogation processes be made visible through such means as video recording and establishing the right of counsel during interrogation. Continued efforts will be made to enact this bill. Laws will also be enacted for thorough disclosure of evidence in criminal court cases.

#### **6. Establishment of Human Rights Violations Relief Agency**

The Democratic Party of Japan previously submitted the "Bill Concerning Prevention and Relief of Human Rights Violations." However, deliberations on this bill have been stalled because of the government's refusal to submit the "Bill for the Protection of Human Rights." The main features of the bill submitted by the Democratic Party of

Japan are the following: the establishment of a Central Human Rights Commission as an extra-ministerial agency of the Cabinet Office; the establishment of Local Human Rights Commissions in all prefectures; the specification of intermediation and arbitration procedures in human rights violation cases; and, the exclusion of media organizations from the application of special relief procedures. Continued efforts will be made for the enactment of this bill.

## **7. Opposing the introduction of the crime of conspiracy**

In preparation for ratification of the United Nations Convention against Transnational Organized Crime, the government has submitted a bill to the Diet for establishing acts of conspiracy as a punishable crime. The crime of conspiracy is intended to punish persons who have conspired to commit crimes in connection with the activities of an organization. However, this revision threatens to completely overturn Japan's criminal justice system for the following reasons. Mere discussion of a criminal act constitutes a crime even if no preparations and no actions have been initiated to commit the crime. Conspiracy charges may be attached to a total of 619 crimes, many of which are crimes with no international implication or not even categorized as serious crimes. In reality, the Convention goes no further than to require its signatories to "take the necessary measures ... in accordance with fundamental principles of its domestic law." Moreover, almost all of the serious crimes specified in the Convention are already defined as punishable crimes under the provisions against preliminary acts, preparatory acts, aiding and abetting, and acting as co-principal in the crime of conspiracy contained in existing Japanese laws. It can be concluded that Japan can ratify the Convention without enacting any new legislation whatsoever. Therefore, the Democratic Party of Japan strongly opposes the enactment of the government bill.

## **6. Foreign Relations and Defense**

### **1. Immediate withdrawal of Self-Defense Forces from Iraq**

The use of force in Iraq by the multinational forces lacks justification, and the concept of "non-combat area" that defines the scope of the activities of the Self-Defense Forces is a fiction. Therefore, the legal framework of the Law Concerning the Special Measures on Humanitarian and Reconstruction Assistance in Iraq (Iraq Special

Measures Law) is completely bankrupt. The Democratic Party of Japan has re-submitted the "Bill for the Revision of the Iraq Special Measures Law" for the immediate withdrawal of Self-Defense Forces from Iraq, that we have submitted twice in the past.

The Democratic Party of Japan opposed the government bill for the extension of the Iraq Special Measures Law on the following grounds: it is highly suspect whether the activities being undertaken by the Air Self-Defense Forces in Iraq comply with the aim of contributing to the reconstruction of Iraq; and, the information disclosed by the government has been extremely inadequate.

Iraqi weapons of mass destruction, which were cited as providing a just cause for the war, have never been found. Neither was the existence of any relation between the Hussein regime and terrorist organizations proven. The Japanese government decided to support the United States in the war in Iraq on the basis of arbitrary and inaccurate information. The Democratic Party of Japan believes that this decision must be examined and verified without delay, and that a full account must be given. After this task is completed, Japan should once again consider how it can participate, in a way befitting itself, in assisting the reconstruction of Iraq within the framework of international cooperation.

### **2. Lack of public engagement in the realignment of U.S. military in Japan**

The realignment of the U.S. military forces in Japan will entail massive costs to be shouldered by the people. For this reason, it is essential to gain the understanding of the people, and in particular the understanding of communities affected by military bases. However, the ruling parties have ignored the strong demands made by the Diet, local governments and local residents asking for a full explanation by the government, and have instead prioritized the agreement between the Japanese and U.S. governments. This approach taken by the Liberal Democratic Party and New Komeito coalition government threatens to undermine the trust of the people, which constitutes the most essential foundation for maintaining the Japan-U.S. alliance.

The Democratic Party of Japan has argued that the various problems related to the realignment of the U.S. military presence in Japan must be effectively resolved. The unresolved problems include: the total cost of the realignment; the payment of realignment subsidies to local governments in exchange for a declaration that the

locality will accept the transfer of U.S. military forces; and, the payment by Japanese taxpayers of the cost of transferring the U.S. Marine Corps in Okinawa to Guam. The government has refused to provide any serious answers on these matters. The Democratic Party of Japan will rigorously pursue these problems so that money will not be paid as demanded by the United States without the involvement of the Diet. Furthermore, the Democratic Party of Japan will re-examine the role of the U.S. military in the security of the Asia-Pacific region and the significance of U.S. military bases in Japan. This re-examination will be undertaken from the perspective of taxpayers and in consideration of the principle of civilian control and the need to reduce the burden of U.S. military bases on specific regions and communities.

### **3. Proactive diplomacy toward North Korea**

The Joint Statement adopted in the six-party talks of February 2007 promises the provision of energy assistance to North Korea in exchange for the shut down of North Korea's nuclear facilities. However, since the conclusion of the U.S.-North Korea Framework Agreement of 1994, North Korea has on several occasions violated its international agreements to pursue its nuclear development program. Therefore, the implementation of this most recent agreement must be very carefully monitored. There is no country that is more seriously threatened by North Korea's nuclear weapons and missiles than Japan, and for now Japan should maintain its economic sanctions against North Korea. For Japan, the resolution of the problem of abductees is absolutely essential. Japan must endeavour to establish a common understanding of this problem among various countries, and must pursue proactive diplomacy.

### **4. Japan as a member of Asia**

Japan is a member of Asia. As such, the Democratic Party of Japan will make the greatest possible effort to develop relations of mutual trust with China, South Korea and other Asian nations, and to strengthen the bonds of solidarity with Asian countries within the framework of the international community. In particular, we will endeavour to establish cooperative mechanisms in the Asia-Pacific region in such areas as energy, trade and the environment.

## **7. Government and the Bureaucracy**

### **1. Promoting fiscal structural reforms**

The Democratic Party of Japan will take the following actions to thoroughly eradicate the waste of taxpayers' money: (1) reduction of the cost of public works projects through rectification of contracting procedures and the elimination of bid rigging and "amakudari" (golden parachuting) re-employment of retiring bureaucrats; (2) efficient utilization of taxes through the implementation of a rigorous decentralization program (3) the reduction of total personnel expenses for national civil servants; and, (4) the abolition, in principle, of all special public corporations and independent administrative institutions. Furthermore, waste shall be eradicated through the general abolition of all special accounts or their integration into the government's general account. All surplus funds contained in the special accounts will be used to promote fiscal reconstruction.

One of the obstacles to the achievement of sound fiscal conditions is the central bureaucracy's budget system that features such practices as "sectionalism" and "previous-year-based budgeting." The Democratic Party of Japan will change the budget process as follows. The Prime Minister's Office will establish basic budgetary policies, including priority spending areas, the general framework of the budgets for individual ministries and agencies, and decisions on the abolition of unnecessary projects. Based on these policies, politicians will form groups corresponding to individual ministries and agencies to formulate their budgets.

A "Debt Management Agency" will be created to manage and to steadily reduce the government's enormous debt.

Through the implementation of these reforms, a surplus will be achieved in the basic fiscal balance of the central and local governments by fiscal 2011, and the GDP ratio of the government's outstanding debt will be steadily reduced.

### **2. Elimination of "amakudari," and elimination of public officials involvement in bid rigging**

The Democratic Party of Japan will thoroughly eradicate "amakudari" (golden parachuting) arrangements for retiring public officers, which set the stage for the waste of taxpayers' money through such practices as public officials' involvement in bid



rigging and discretionary contracts. The Democratic Party of Japan submitted the “Bill for the Eradication of Amakudari” to the 166<sup>th</sup> ordinary session of the Diet in 2007, the main features of which are as follows: (1) termination of early retirement practices, and ban on the involvement of central government ministries and agencies in post-retirement placement of officers; which are a cause of “amakudari” (2) extension of the period of the ban on “amakudari” re-employment to five years after retirement; (3) restriction on re-employment in private companies, as well as special public corporations, independent administrative institutions and public service corporations; (4) mandatory reporting of re-employment of government administrators and staff for a ten-year period after retirement; (5) lobbying of current government employees by retired employees to be made a punishable offense; (6) introduction of new restrictions on “amakudari” by directors of special public corporations and other entities paralleling similar bans applicable to national civil servants; and, (7) five-year post-retirement ban on “amakudari” re-employment of local civil servants in private companies with close ties to the administrative entities where the local civil servant was previously working.

The Democratic Party of Japan will fundamentally revise the Act Concerning Elimination and Prevention of Involvement in Bid Rigging Etc. In addition to measures for the prevention of bid rigging, the scope of the application of the law will be extended to include retired civil servants in order to prevent bid rigging activities at corporations and other entities where they have been re-employed. Ministries, agencies and other government bodies served with rectification orders by the Fair Trade Commission will be obligated to report the results of their investigations to the Diet and other bodies. It will be required that an independent investigative committee be formed to investigate each case. To facilitate the discovery of bid rigging, the Antimonopoly Act will be revised to reduce the penalties applicable to enterprises that voluntarily come forward to report their participation in bid rigging.

### **3. Reform of special public corporations and independent administrative institutions**

Special public corporations, independent administrative institutions and other entities pose many problems, such as the fact that they are engaged in inefficient operations while using government subsidies and allocations. They also serve as receptacles for the “amakudari” re-employment of bureaucrats. All special public corporations, independent administrative institutions and the special accounts that pertain to these

will be subjected to a zero-base review on the basic assumption that they will be abolished. Operations that can be handled by the private sector will be privatized, and operations that need to remain in the public sector will be directly undertaken by the government. Public service corporations that enjoy operational monopolies in exchange for accepting “amakudari” bureaucrats and which effectively function as extra-governmental organizations of government ministries and agencies will be abolished. The following actions will be taken to change the structural tendencies of independent administrative institutions to waste taxpayers’ money: (1) the members of ministerial and agency committees that evaluate independent administrative institutions and the officers of independent administrative institutions will be given greater autonomy (the number of members who are former civil servants will be restricted); (2) appointment of heads of independent administrative institutions based on an open application system; (3) extension of the scope of independent administrative institutions subject to audit by accounting auditors; and, (4) mandatory assessment of the assets of independent administrative institutions undergoing mergers and integration.

### **4. Fairness in government contracts**

It was revealed in 2006 that discretionary contracts accounted for more than 90 percent of all contracts concluded between the government and those corporations that accepted the “amakudari” re-employment of retired executive bureaucrats of the central government ministries and agencies, and which received more than 10 million yen in government allocations during fiscal 2004. As seen in these figures, “amakudari” provides the backdrop for the abuse of discretionary contracts. This situation is made possible by the fact that the government is not obligated to explain the “amakudari” status of its counterparties, nor the reasons for choosing to use discretionary contracts and designated bidding. The Democratic Party of Japan has submitted the “Bill Concerning Transparency in Discretionary Contracts” with the purpose of rectifying the contracts entered into by the government and its agencies. The main features of the bill are as follows: (1) mandatory full disclosure concerning discretionary contracts and designated bidding; (2) application of rigorous rules to discretionary contracts and designated bidding; and, (3) exclusion of the procurement of IT products from long-term standing contracts.

### **5. Fundamental reform of the civil service**

To achieve true administrative reform, the present system of national and local governments must be thoroughly reviewed and the process of decentralization pushed forward. The Democratic Party of Japan will establish an "Administrative Reform Council" empowered to order ministries, agencies and local governments to submit necessary information on related matters. The Administrative Reform Council will undertake an intensive review of administrative functions from the perspective of dramatically reducing the functions of the central government and transferring a majority of the administrative functions to local governments. The structure and personnel of central government agencies will be fundamentally revised based on the recommendations of the Administrative Reform Meeting. Following a bold program for decentralization, the total number of national civil servants will be significantly reduced. This will allow total personnel expenses for national civil servants to be reduced by more than 20 percent within three years. To gain the support and understanding of the people as taxpayers, information regarding the personnel expenses of adjunct national civil servants and the actual state of their employment will be disclosed.

Fundamental labour rights comprise the essential rights of workers, and important matters pertaining to terms of employment must not be determined in the absence of the workers affected. However, Japanese laws and practices effectively limit the fundamental labour rights of civil servants. Since 1965, the International Labour Organization (ILO) has repeatedly issued strongly worded recommendations indicating that the conditions prevailing in Japan are in violation of the ILO Treaty. The Democratic Party of Japan will restore the fundamental labour rights of civil servants, allowing for exceptions only in cases requiring special treatment in light of the specific characteristics of the work performed by civil servants. As a result of these changes, the terms of employment of civil servants will be determined through negotiations, as in the case of private sector employees. Subsequently, a guaranteed employment system based on the Labour Standards Law and its legal precedents will be introduced for civil servants occupying general positions.

A cabinet minister will be appointed to be in charge of unified personnel management for the entire government, and to function as the employer. This minister will be given the responsibility to negotiate with labour unions. Furthermore, a personnel management system will be adopted to facilitate merit and achievement based remuneration of civil servants.

## **6. Abolition of state subsidies to local government, and promotion of decentralization**

The specific subsidies that flow from the central government to local governments provide the means by which the central bureaucracy rules the outlying regions of the country. These subsidies are also the hotbed for various vested interests. As the first step toward the realization of true local autonomy, all specific subsidies will be abolished in principle and direct local access to fiscal resources will be ensured. The personnel expenses and other expenses of national and local civil servants working on subsidies and subsidy programs will be drastically reduced, contributing to the recovery of fiscal soundness.

The authority and fiscal resources needed for local administration will be fully transferred to local governments. Consequently, members of the Diet and national civil servants will be able to concentrate on national-level work and functions. Basic autonomous government units will be made the foundation of a thoroughly decentralized nation. In the future, the country will be divided into a total of about 300 highly diverse basic autonomous government units. All administrative services related to the daily life of citizens, and all other possible administrative functions will be transferred to these basic autonomous government units. The authority and fiscal resources needed to carry out these functions will also be extensively delegated to these basic units.

The role of functions of the central government will be limited to such areas as foreign relations, defense, crisis management, comprehensive national security including public safety, food and energy, final responsibility for education and social security, currency, establishment of market economy, and large-scale national projects.

A massive transfer of administrative functions from the central government to the prefectures will be completed over a period of five to ten years. Additionally, approximately one-half of the administrative functions currently performed by prefectural governments will be transferred to the basic autonomous government unit. As a result, the functions of the central and prefectural governments will be dramatically reduced, while the functions of the basic autonomous government unit will be dramatically increased.

### **7. Revitalization and strengthening of communities, and support for NPO activities**

The age when government was able to satisfy all the needs of residents has ended. To bolster the decentralized society, it will be necessary to activate the functions of communities within the basic autonomous government unit. The Democratic Party of Japan aims to create a society in which residents are not merely the recipients of public services, but instead are active supporters of autonomy and self-government as providers and formulators of public services.

NPOs and other entities of the non-profit sector are fast becoming the core units of activity in local communities. As such, the nurturing and development of the non-profit sector stands today as an urgent and important challenge. Parallel to the reform of the system of public service corporations, the Democratic Party of Japan will continue to work toward firmly establishing the activities of such designated non-profit organizations throughout society. The eligibility requirements of the current system of tax benefits for designated non-profit organizations are too stringent. As a result, only about 60 organizations out of a total 31,000 organizations are currently eligible. The Democratic Party of Japan will significantly ease the eligibility requirements. In addition, tax deductions for contributions will be significantly expanded.

### **8. Promoting political reform, including transparency of office expenses**

The following rules will be applied to office and political activities expenditures exceeding 10,000 yen made by political funds management organizations and political organizations: (1) mandatory collection and filing of receipts covering all such expenditures; attachment of receipts and entry of description of expenditures in political funds report; and, (2) extension of the period during which such receipts must be kept by political organizations to five years from the current three years. The Democratic Party of Japan has submitted a bill for the elimination of political corruption to include provisions against indirect contributions, mediation and influence peddling by politicians, and other wrongful acts.

### **9. Reducing the number of Diet members by more than 10 percent**

In order to have elections that can make a change of government possible, greater emphasis must be placed on single-seat electoral districts. In view of Japan's very severe fiscal conditions, members of Diet should take the lead in achieving greater efficiency. From these perspectives, the Democratic Party of Japan proposes to eliminate 80 seats out of a total of 180 proportional-representation seats in the Lower House. Related provisions are contained in the "Bill for the Revision of the Public Offices Election Law" submitted to the Diet by the Democratic Party of Japan.

- Free and Frank Constitutional Debate by the People

The role of the constitution in modern constitutionalism has been defined as follows. “The constitution comprises the fundamental norms and standards established by those in whom sovereignty resides to limit the exercise of state power.” By no means is the constitution meant to enunciate the social vision or the traditions and values that a government in office at any given time may wish to aspire to. Nor is it a collection of norms and standards that that government may want to use to define the obligations and moral duties of the people. The Democratic Party of Japan believes that the core principles of the Constitution of Japan, which are “popular sovereignty,” “respect for fundamental human rights” and “pacifism,” are firmly supported by the certitude of the people. The Democratic Party of Japan has presented a very responsible position to the people regarding constitutional amendment. That is, from the perspective of establishing true constitutionalism and adhering to the principle that the “Constitution is in the hands of the people,” we have advocated that any deficiencies in the present Constitution should be rectified and that any points requiring revision should be amended. In the autumn of 2005, the Democratic Party of Japan released its “Proposals for the Constitution.” Based on this document, we will continue to engage in free and frank constitutional debate with the people throughout the country. We shall very carefully but actively examine whether a majority of the people support constitutional amendment, and we shall endeavour to identify those points on which a broadly based consensus can be readily forged in the Diet.