Agreement for a Three-Party Coalition Government

The Democratic Party of Japan (DPJ), the Social Democratic Party (SDP) and the People's New Party (PNP), in response to the decision in favour of a change of government made by the Japanese people at the 45th general election for the House of Representatives, have decided to establish a new coalition government and have agreed upon the following in this regard.

- 1. The three-party coalition government will abide by the will of the people calling for a change of government, and confirms its intention of responding to the responsibilities invested in it by the people.
- 2. In establishing a coalition government, the three parties confirm they will abide by the terms of the attached policy agreement.
- 3. We confirm that policies for which consultation is needed will be discussed in a basic policy committee within the cabinet formed of representatives of a rank equivalent to party leader, the results of those discussions will be submitted to the cabinet and a decision made.

Yukio Hatoyama, President, the Democratic Party of Japan Mizuho Fukushima, Leader, the Social Democratic Party Shizuka Kamei, President, the People's New Party

September 9 2009

Policy Agreement upon the Establishment of a Coalition Government

The Democratic Party of Japan The Social Democratic Party The People's New Party

At this general election, the Japanese people have made the historic decision to call for a new government.

Their choice calls for a fundamental shift from LDP-style politics, which has long been supported by a structure of vested interests, and has allowed the bureaucracy to gain control, and for a comprehensive revision of policy.

On the occasion of the establishment of a coalition government, and taking into account the "Joint Policies for the House of Representatives Election" released on August 14, the Democratic Party of Japan, the Social Democratic Party and the People's New Party confirm their intention of exerting all their strength to implement the policies detailed below.

As a result of successive policy blunders by the LDP-Komeito government, beginning with the competitive supremism initiated by the Koizumi cabinet, people's lives and local economies have been impoverished, anxieties over employment have grown, and the inadequacies in the social security and educational safety nets have been exposed.

The mission entrusted in us by the people calls for us to eliminate the waste of tax money, and implement policies that contribute to the stability and growth of our nation's economic society, through supporting people's livelihoods.

The coalition government will place the ultimate priority on supporting households, increase the disposable income of the people and use this to expand consumption. Furthermore, we will strengthen the economic foundations of the regions, such as small and medium-sized businesses (SMEs) and agriculture, and transform the social security system, including pensions, medical and nursing care, and the employment system into sustainable systems which can be trusted. In addition, as global warming countermeasures, we will proceed with reform of the social system to create a low-carbon society, and nurture new industries, thereby working to secure employment. Through implementing such measures, we will transform the Japanese economy into a domestic-demand led economy, realise stable economic growth and work to restore people's lives.

Specific Policies

1. Implementing prompt influenza measures, disaster measures and emergency employment measures

*Influenza is likely to be a matter of concern for the foreseeable future. We will push forward strongly with measures for countering the disease, while disclosing information to the public regarding prevention (of infection), prevention of the spread of infection, and medical care.

*We will respond promptly to deal with the effects of torrential rains, earthquake and unseasonable weather conditions nationwide.

*Considering the worsening employment situation, we will consider speedy implementation of emergency employment measures.

2. Leaving the consumption tax rate unchanged

*We will leave consumption tax unchanged at the current rate of 5%, and during the term of office invested in us at this general election, we will do our utmost to undertake a spending review and will not increase the tax rate.

3. Comprehensive review of the postal services

*We will carry out a comprehensive review of the postal services with the aim of preserving people's livelihoods, and revitalising local communities.

We will speedily enact legislation to freeze the sale of shares in "Japan Post", "Japan Post Bank", and "Japan Post Insurance". We will scrutinize the services and administration of each of the companies in the Japan Post group, review the "division of postal services into four companies", and rebuild a structure that will ensure that universal postal services are available nationwide and enable people to use such services in a fair and convenient customer-centred way.

We will ensure that general services such as postal services, savings and insurance can be received at post offices.

We will review the position of the companies in the Japan Post group including share holdings, and increase convenience for the public.

*Based on the above, we will discuss concrete measures for a comprehensive review of postal services, speedily draft a postal services reform basic law, and work to enact it.

4. Support for childrearing and making working compatible with family life

We will create an environment that enables people to give birth to and bring up children free of anxiety as well as making working compatible with family life.

*We will reduce the economic burden of giving birth, and establish a child allowance (tentative name). We will endeavour to increase the number of daycare facilities, ensure high quality daycare, and work to eliminate waiting lists for public daycare facilities. We will also work to enhance after-school childcare provisions.

*We will endeavour to eradicate "poverty among children", and restore the additional living support allowance paid to single-mothers that was abolished from fiscal 2009. We will pay a dependent child allowance to households headed by single fathers in the same way as to those headed by single mothers.

*We will make high school education free in real terms.

5. Enhancing the social security system, including pensions, medical and nursing care

*We will abolish the "Basic Plan for Economic and Fiscal Administration" that states "natural increases in social security payments should be limited to 220 billion yen per year".

*We will focus our energies on resolving the issues of "vanishing pensions" and "eradicated pensions", and establish an integrated and fair pension system that can be trusted by the public. By combining an "income-proportionate pension" with a "basic guaranteed pension" we will prevent people from ending up with small pensions or no pension at all, and create a system that is responsive to career changes.

*We will abolish the Health Insurance Scheme for People Aged 75 and over, increase public trust in the medical care system, and protect the universal insurance system.

We will aim to ensure that the amount of government money spent on health care (in terms of GDP) is equivalent to levels in other OECD nations.

*We will improve conditions for care workers and thus secure personnel for that sector, and establish a reliable nursing care system.

6. Strengthening employment measures: comprehensive revision of the legislation covering the dispatch of temporary workers

*We will not simply ban the dispatch of day labourers and spot dispatch, but place a comprehensive ban on all "registered dispatch" work. We will also ban, in principle, the dispatch of temporary workers to manufacturing jobs. We will transform the "temporary workers industry law" into a "law protecting temporary workers" by for example, establishing a "deemed direct employment system" and implementing disclosure of margin ratios.

*We will establish a "job seekers support system" to pay an allowance to job seekers undergoing job

skills training.

*We will extend employment insurance coverage to all workers and proceed with raising the minimum wage.

*We will work to realise equal treatment for men and women, and regular and irregular employees.

7. Revitalising the regions

*We will establish a legal framework for discussions between the central government and local governments, and while listening to opinions from the regions and on-the-ground, consider the roles of central government and the regions, and transfer the great majority of powers to the regions.

*We will increase the amount of money that can be used freely by the regions, and enable local authorities to respond appropriately to the needs of their respective region.

*We will implement provision of an individual household income support system to commercial farming households based on the difference between production costs and market price, and regenerate the agricultural industry.

*We will strengthen assistance to SMEs, revise legal provisions to prohibit unfair trading, such as the harassment of subcontractors by large corporations, and improve the loan system and credit guarantee system employed by government-related financial institutions.

*We will enact a "Law for Preventing Credit Crunch and Credit Withdrawal" (tentative name), and make it possible to extend the allotted period for repayment of loans, and the conditions under which loans take place. We will make it possible to extend the loan period and change the loan conditions for home loans also.

8. Promoting measures to prevent global warming

*We will call for the participation of major emitter nations in the international framework for limiting greenhouse gas emissions, review the government's medium-term targets for emissions, and fulfil Japan's role in the international community.

*We will include the construction of a low-carbon society in our national strategy, and work for the speedy enactment of a global warming countermeasures basic law.

*We will promote domestic global warming countermeasures, proceed with the research and development as well as the practical application of environmental technologies, create a framework that will enable such technologies, including existing technologies, to spread into popular use, and work to nourish new industries that will create employment.

*We will actively engage in the development and spread of new energies, and the promotion of energy conservation, obtaining broad support from the general public.

9. Making a contribution to the world via an autonomous foreign policy

*We will reaffirm our awareness of the position occupied by our nation in the international community, and while clearly demonstrating a proactive international contribution, proceed with international contributions in cooperation with nations around the world. Specifically, Japan will play a proactive role in United Nations PKO activities, international disaster relief efforts, environmental diplomacy such as that related to global warming and biological diversity, liberalization of trade and investment and measures to combat infectious diseases.

*We will create an autonomous foreign policy strategy, and form a close and equal alliance between Japan and the United States. By promoting cooperation between Japan and the United States we will create a future-orientated relationship, thereby realising a stronger bond of mutual trust. On this basis, from the perspective of reducing the burden placed on the residents of Okinawa prefecture, we will propose a revision of the Japan Status of Forces Agreement, and move in the direction of re-examining the realignment of US forces and the role of US bases in Japan.

*We will establish relations of trust and a cooperative framework with the Asian-Pacific region, particularly China and the Republic of Korea, and aim to create an East-Asian Community (tentative name).

*Under an international cooperation framework, we will put an end to the development of nuclear weapons and missiles by North Korea, and make every effort to resolve the abduction issue.

*We will take the lead in calling for nuclear armament reductions and the abolition of nuclear weapons, working toward the early entry into force of the Comprehensive Nuclear Test-Ban Treaty, and the early realisation of a Fissile Material Cut-off Treaty, and playing a leadership role in the review conference on the Treaty on the Non-Proliferation of Nuclear Weapons.

*In order to eradicate breeding grounds for terrorism, we will study assistance strategies for Afghanistan that take into account the situation on the ground, and fulfil a proactive role in "eradicating poverty" and "reconstruction of nation states".

10. The Constitution

As the only country to have suffered the affects of the atomic bomb, we affirm our intention to uphold the three principles of the Japanese Constitution, namely "pacifism", "the sovereignty of the people" and "respect for fundamental human rights", and will make every effort to rebuild the lives of the Japanese people, prioritising the various rights guaranteed in the Constitution.