

Key Points of the Basic Policy on Economic and Fiscal Management and Reform, 2017

- Increasing productivity through investment in human resources -

Provisional Translation

Work Style Reform

- **Equal pay for equal work**
 - ➔ Eliminate the irrational gap between regular and non-regular workers
- **Clarify the limits on overtime**
 - ➔ Correct practice of long working hours
- **Establish rules for teleworking and side jobs/multiple jobs**
 - ➔ Promote flexible work styles
- **Prepare arrangements for child care and nursing care**
 - ➔ Balance between child care/nursing care and work
- **Support employment of women, young people, the elderly and disabled people**
 - ➔ Society where everyone can be actively engaged
- **Actively accept high-level foreign workers**
 - ➔ Use high level skills and knowledge for innovation



Human Resource Investment & Education

- **Drastic reinforcement of investment in human resources**
 - In order to quickly realize free preschool education/nurseries and to eliminate childcare waiting lists quickly, consider how to proceed to secure stable financial resources including promotion of fiscal efficiency, taxes and new social insurance system, and reach a conclusion by the end of the year. Also hold urgent discussions on how to implement reforms to drastically strengthen investment in human resources across the entire society including higher education
- **Improve the quality of university education**
 - Visualize the outcomes of education
 - Take measures to enhance management by promoting the employment of external human resources and governance reform
 - Establish Professional Universities which provide practical vocational training
- **Support of reinstatement and re-employment of female workers and reeducation of working adults**
 - Currently, it is difficult both technically and financially to develop human resources only within a company. Provide recurrent education to help women who intend to return to work or want to be re-employed as well as working adults who want to study again.



Productivity Improvement

- **National movement to improve productivity**
 - Based on “Kaizen improvement activities” in the manufacturing industry during the high economic growth period, develop the specific know-how and best practices of SMEs and service industries nationwide



Innovation

- **Promotion of investment in R&D to realize Society 5.0**
 - “Public-Private Investment Promotion Fund for Science and Technology Innovation (tentative name)” (to guide measures for each ministry/agency in fields that can effectively stimulate private R&D investments)

Revitalization of Consumption

- **Create a new growth market/stimulate demand**
 - A Cultural and Artistic Nation
 - A Sports Nation
 - Tourism and travel consumption
 - The 2020 Tokyo Olympic and Paralympic Games
- **Increase disposable income**
 - Raise the minimum wage at an annual rate of approximately 3%, aiming for the national weighted average to reach 1,000 yen.



Social Capital Development

- **For effective utilization of lands without a readily-identifiable owner, aim to submit the necessary bill to the next ordinary Diet session. Furthermore, start reviewing mid- and long-term issues (such as the registration system)**
 - Clarify requirements for agreement on managing for common properties
 - Establish a new system that enables a wide range of public use in response to local needs through the involvement of public bodies
 - Measures to reduce lands of which inheritance registration has not been made in the long term.
- <Survey of non-registered lands in the real-estate register>
- | | Over 90 years passed since last registration | Over 70 years passed since last registration | Over 50 years passed since last registration |
|---|--|--|--|
| Large city
(No. of ownerships: 24,360) | 0.4% | 1.1% | 6.6% |
| Mid- and small towns/mountain area
(No. of ownerships: 93,986) | 7.0% | 12.0% | 26.6% |
- * No. of ownerships by natural persons subject to the survey: 118,346, accumulated percentage.
(Source) The Ministry of Justice
- ➔ Facilitate public works and the consolidation of agricultural lands/forest lands, and encourage proper utilization and management depending on the actual conditions of each local community.

Social Security

- **FY 2018 is the turning point**
 - Simultaneous revision of medical fees and nursing care fees
 - Conduct medical care plan
 - Start fiscally managing the National Health Insurance System on a prefectural basis
- ➔ Organic collaboration of reforms
- **Thorough reform of the drug price system**
 - Conduct a reform pursuant to the Basic Policy on the complete reform of the National Health Insurance drug price system (in December 2016).
 - Clearly distinguish between innovative new drugs and new drugs with poor innovation and usability compared with other similar drugs in terms of drug prices, and create a system to further reduce drug prices. While highly evaluating innovative new drugs, further reduce the price of long-term listed drugs.
 - Transform the industrial structure of the medical industry to one with higher capabilities of creating new drugs
- ➔ Maintain both “Sustainability of universal healthcare” and “Promotion of innovation”, and achieve “Reduction of national burden” and “Improvement of medical treatment quality”



Visualization

- **Indicators that enable comparison between regions (visualization)**
 - e.g. Incidence rate (SCR) of gastrostomy claim receipts

Region	Incidence Rate (SCR)
Okinawa	185
Tokyo	174
Oita	166
Shiga	72
Yamanashi	72
Shizuoka	69

Local disparities are approximately 3-fold!
(National average = 100)
 - e.g. Unit operation cost for nursing care business

City	Unit Operation Cost (Yen/No. of cases of examination)
City Z	3,247
City Y	5,989

Difference is nearly double!
- ➔ Allows sharing an understanding of issues and leads to behavioral changes by comparing between regions!

(Source) Based on material prepared by Member Fujimori at the Evaluation/Analysis Working Group of the Committee for Promoting Integrated Economic and Fiscal Reforms (on April 6, 2017) (Note: adjusted for gender and age)

(Source) Based on material on the Public Service Innovation Platform that was used for the explanatory meeting with Machida City (on April 5, 2017)