

Micro-economic perspective on Regulatory Reform in Japan

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- Council for Regulatory Reform has proposed 900 items in 2001-2003, which are to be implemented in the Three-Year Program for Promoting Regulatory Reform
- Effects of the liberalization of economic regulation in the past are estimated to increase the consumers surplus by Y14 trillion (3% of GDP) in 2002.
- Expanding regulatory reform toward social services, particularly on government regulated markets.
- Active use of Special Zones for Structural Reform

1

Regulatory reform in the labor market

- Flexible fixed-term employment contracts
- Liberalizing business for job-matching and temporary workers in various occupations.



2

Major items for structural reform creating new demand and employment

- Opening up the quasi-market for nursing and child care for firms to increase the supply.
- Allowing the mixed use of public health insurance with private ones to stimulate demand for health services.
- Flexibility in constructing apartment buildings in the city-center area for urban development
- Free establishment of professional schools
- Free entry of corporate firms in farming business
- Use of private funds in constructing social infrastructures
- Establishment of Special Zones for Structural Reform in 2003.