

Japan's Economic Structural Reform: Regulatory Reform and Special Zones for Structural Reform

Kenji NOZAKI¹

Abstract

Since mid-80's, Japan's regulatory reform has been done under the context of administration reform. In particular, at the first stage, economic regulations and social regulations were divided in order to focus on the reform of economic regulation such as monopoly and market participation. Year 2001 was a turning point because all regulations started to be reviewed to improve the economic efficiency. At the year, Council for Regulatory Reform was established under the Cabinet Office. The Cabinet Office was newly established in the same year to promote basic economic and fiscal policies.

Although the border between the economic regulations and social regulations was deleted, the deregulation process faced deadlock. Special Zones for Structural Reform was introduced in 2002 to facilitate the regulatory reform. Namely, deregulation measures are implemented in a limited area, and if there is no problem, it will be developed into nationwide deregulation. This experimental trial was generally successful and many measures were developed into nationwide. On the other hand, we can observe main purpose is shifting from nationwide deregulation to regional vitalization, which was considered to be a second purpose at the first stage.

This paper collects information from the policy documents concerning to the policy change. As for the special zones, it gives consideration about the necessary things to success, using the information through case study in Kitakyushu-City.

¹ Professor in Economic Research Center, Graduate School of Economics, Nagoya University, Japan