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# OUR RESEARCH PROGRAMS

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THE TOKYO FOUNDATION  
FOR POLICY RESEARCH

## OUR RESEARCH PROGRAMS

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## Message from the CEO



Yuichiro Anzai

CEO, Tokyo Foundation  
for Policy Research

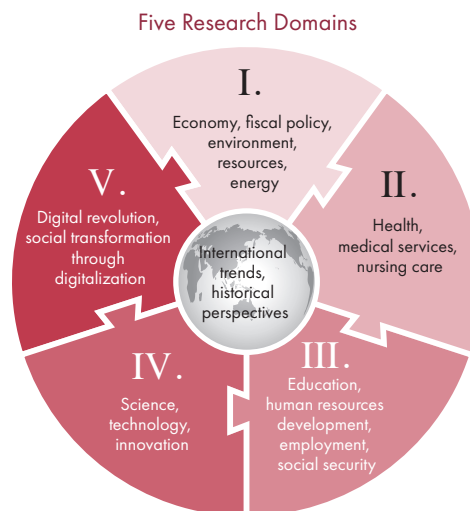
To better meet the challenges of the seismic shifts occurring in society, both at home and abroad, Japan needs to quickly revamp its postwar political, economic, and social systems to give individuals greater freedom to choose their own paths in life, pursue a fuller role in society, have a bigger say in government decisions, and actively participate in the preservation of peace.

Achieving these goals at a time of sweeping change requires an innovative think tank to research and implement new ideas unfettered by the conventions and practices of the postwar years. In October 2021, the Tokyo Foundation for Policy Research transitioned to a restructured system of policy research to analyze issues and identify solutions in innovative, new ways.

Such a policy innovator can no longer rely on the “convoy system” that helped guide Japan’s postwar growth but must articulate the needs of independent-minded individuals and undertake research that can enrich people’s lives and society, revive Japan’s dynamism, and help preserve peace, while at the same time keeping an eye on historical precedents and international trends.

Our experts are now conducting policy research in the following five domains:

- Economy, fiscal policy, environment, resources, and energy
- Health, medical services, and nursing care
- Education, human resources development, employment, and social security
- Science, technology, and innovation
- Digital revolution and social transformation through digitalization.



This publication ([https://www.tokyofoundation.org/news/detail.php?news\\_id=2041](https://www.tokyofoundation.org/news/detail.php?news_id=2041)) introduces the approximately 30 research programs currently underway (as of July 2022) at the Tokyo Foundation for Policy Research and the research fellows engaged in those programs.

Our restructured system of policy research has only just begun, and many aspects of the new setup are still in their formative stages. We have come a long way, though, since our founding in 1997 as the Global Foundation for Research and Scholarship, and we look forward to working with and sharing our insights with all our stakeholders in the months and years ahead.

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## Developing Sustainable and Resilient Health, Nursing, and Long-Term Care Systems in the Post-COVID Era

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In the midst of the COVID-19 pandemic, the failure of existing systems has been revealed in many ways. Japan has enjoyed excellent health indicators, including the world's longest life expectancy, since the 1980s, but in recent years, the sustainability of its health, nursing, and long-term care systems is under threat due to low fertility, population aging, growing burden from non-communicable disease, rising medical and long-term care costs, and political and economic uncertainties. In order to tackle these issues, there is an urgent need for reform efforts to employ a data-driven approach and to propose policy changes on the basis of scientific monitoring and evaluation. In the fields of health, nursing, and long-term care systems, personalization and precision care are under way, and the influence of glo-

balization is inevitable. Simultaneously, in the future, Japanese society where "autonomy, decentralization, and collaboration" will be essential, local governments and the business sector would be required to employ a comprehensive and systematic assessment of policy proposals for outcome-oriented decision-making. In this research, we will make policy proposals and recommendations that contribute to the transformation of health, nursing, and long-term care systems from the perspectives of health metrics, resilience, innovation, and global health and to the development of future policy-oriented leaders.

### Principal Investigator



Kenji Shibuya  
RESEARCH DIRECTOR

### Co-Investigators



Shuhei Nomura  
SENIOR FELLOW



Kohei Onozaki  
RESEARCH DIRECTOR



Haruka Sakamoto  
SENIOR FELLOW



Kiyoski Taniguchi  
RESEARCH DIRECTOR

(alphabetical order)

## Using Health Metrics to Monitor and Evaluate the Impact of Health Policies

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In recent years, the sustainability of Japan's health, nursing, and long-term care systems is under threat due to low fertility, population aging, growing burden from non-communicable disease, rising medical and long-term care costs, and political and economic uncertainties. In order to tackle these issues, there is an urgent need for reform efforts to employ a data-driven approach using comprehensive population health metrics and to propose policy changes on the basis of scientific monitoring and evaluation. The future system of "community-oriented health care that enhances the value of patients by focusing on outcomes," presented in Health Care 2035, requires empirical, policy-oriented research in order to tackle major health policy challenges. The COVID-19 pandemic has also confounded

health and long-term care needs and their provision systems. In close collaboration with other sub-theme research units, this study will establish a monitoring and evaluation framework; contribute to the transformation of health, nursing, and long-term care systems in Japan; and make effective policy proposals and recommendations.

### Principal Investigator



Shuhei Nomura  
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### Co-Investigators



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Haruyo Nakamura  
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Erika Ota  
RESEARCH DIRECTOR



Takahiro Tabuchi  
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Daisuke Yoneoka  
SENIOR FELLOW

## Health System Innovation in the Post-COVID Era

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### Principal Investigator



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SENIOR FELLOW

Health care system reforms have been often discussed in a short-sighted and patchwork manner, which has exacerbated system failures. However, reform without a vision does not open up future prospects and may not facilitate a national debate that is essential for major reforms. In particular, In the midst of the global COVID-19 pandemic, the failure of the existing health and social systems has been revealed in many ways. It exposed the fundamental challenges and inequalities in the health, nursing, and long-term care systems. On the other hand, digital transformation has advanced various system innovations, enabling scientific knowledge to be immediately shared across the world. In response to these trends, new solutions and business models are being proposed and tested globally. The present research

will present a future vision of system innovation in the fields of health, nursing, and long-term care systems, and make policy proposals and recommendations that contribute to the system transformations.

## Rethinking Global Health Policy in the Post-COVID Era

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### Principal Investigator



Haruka Sakamoto  
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Mitsuru Mukaigawara  
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Haruyo Nakamura  
RESEARCH FELLOW

Japan has considered global health as an essential element of "human security" and one of its diplomatic strategies. However, global health is facing a major transformation due to the COVID-19 pandemic. In particular, the division of multilateral cooperation and unscientific responses, which reflected the global political sentiment, accelerated the worsening of the pandemic and exposed the fundamental governance challenges in global health. Furthermore, with the decline in the WHO's financial and political capacity, the influence of public-private partnerships, private foundations, and, in recent years, the private sector has increased. Global health is no longer a traditional public health matter but should be interdisciplinary and cross-cutting in close collaboration with related fields, such as na-

tional security, fiscal policy, economic policy, and science and technology. The objectives of this study are three-fold: (1) to make policy recommendations for Japan's global health strategy from the perspectives of public-private partnerships, innovative technologies, and impact investment; (2) to enhance Japan's domestic health sector reform through learning from system innovations in developing countries; and (3) to develop future leaders in global health policy.

# Establishing Health System Resilience to Tackle the Health Security Crisis

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In recent years, the term “resilience” has been defined as “the ability to adapt, bounce, and survive stress from the external environment and forces,” which is applicable to both individuals and organizations. It is receiving widespread attention. The COVID-19 pandemic has revealed fundamental system failures at the national level, demonstrating the need for local governments and the business sector to transform themselves into resilient and sustainable systems. In the present research, we employ “human security,” that is, “protecting the vital core of all human lives in a way that enhances human freedoms, fulfilment, and capabilities” as a basic concept; examine the health crisis that threatens “human security” using an interdisciplinary and systematic approach; and establish a policy framework for re-

silient health and social systems.

## Principal Investigator



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# The Impact of Quality of Education on Children's Cognitive and Noncognitive Skills

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Although evidence-based policy making (EBPM) is the standard in US and European countries, Japan lags behind, especially in the fields of education. In this study, researchers will closely work with policy makers from central- and local governments, international organizations, and other stakeholders and conduct the rigorous impact evaluations of education policies. Through this research project, we seek to create concrete examples of EBPM in education and promote EBPM in Japan.

## Principal Investigator



Makiko Nakamuro  
RESEARCH DIRECTOR

## Co-Investigators



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RESEARCH DIRECTOR



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RESEARCH FELLOW



Chihiro Inoue  
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Soichiro Sugita  
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Shintaro Yamaguchi  
RESEARCH DIRECTOR

## Future Vision for Sustainable Water Management

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### Principal Investigator



**Taikan Oki**  
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### Co-Investigators



**Junji Hashimoto**  
RESEARCH DIRECTOR



**Shinichiro Nakamura**  
SENIOR FELLOW



**Michiru Sasagawa**  
SENIOR FELLOW

In this research project, we aim to articulate a future vision for water in a broader, social context, focusing on such issues as water and regional revitalization, water and sustainable development, and the passing on of Japan's abundant water resources to future generations. Further, we will clarify and prioritize the risks associated with water in Japan that are currently overlooked and will publicize policy briefs to the national government, local governments, politicians, and companies addressing the long-term efforts needed to manage the risks.

Through expert hearings and civic workshops, we will articulate a vision for Japan's sustainable management of water in 2050 and 2100 and at the same time conduct literature surveys, aggregate statistical information, conduct on-site reconnaissance,

and investigate issues of concern toward its realization, using numerical simulations, if necessary.

## The Impact of Digital Transformation on Japanese Social Structure

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### Principal Investigator



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### Co-Investigators



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**Kazutaka Matsuzaki**  
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**Takuho Mitsunaga**  
SENIOR FELLOW

The Council for Science, Technology, and Innovation (CSTI) points to the need to build a digital social infrastructure that fuses cyberspace and physical space to address serious social issues, such as aging, environmental degradation, and pandemics, and construct a new, all-inclusive society. This is the core of DX (digital transformation).

However, Japan has been noticeably slow to embrace DX compared to other developed countries. Compared to advanced IT countries, investments in the cloud infrastructure that forms the basis of DX has not been increasing. While investigating the strategies, policy trends, and available data of each country, we will clarify the structural issues peculiar to Japanese society that are hindering DX. In order to overcome these issues, this project plans

both empirical experiments and questionnaire surveys and will propose a DX policy roadmap to realize Society 5.0.

In this research, we will conduct empirical experiments on data standardization, cloud infrastructure, open APIs, and loosely coupled architectures. Based on this, we propose security policies and personal data policies. Also, we consider how to contract agile digital governance and foster the next-generation of IT human resource. Furthermore, we intend to contribute to the achievement of the SDGs and the improvement of people's lives in local communities.



# Reconstructing the Science and Technology Policy System

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Modern science and technology policies do not only target research and development in a narrow sense but also require close coordination with social transformation in various fields. In such a context, major decisions in science and technology policy require coordination with various stakeholders, including diverse ministries and agencies with field presence. Responses to COVID-19, digitalization, and climate change are accelerating these changes. In addition, geopolitical factors, such as US-China confrontation, are becoming more important in science and technology policy, and the need to enhance resilience in international supply chains is being recognized. Japan's science and technology innovation ecosystem need to be placed in this international context. Furthermore, compared to

other OECD countries, Japan has less government involvement in R&D investment, and the utilization of private R&D investment and collaboration with the private sector are becoming more important. In this context, it is also important to take into accounts the inherent challenges of R&D in the private sector and provide appropriate direction. In the light of these changes, this study examines how the science and technology policy system, which consists of the division of roles among various actors involved in science and technology policy, the way they interact with each other, and the policy instruments used, needs to be reconstructed, based on the analysis of case studies, including comparisons among fields and countries.

## Principal Investigator



Hideaki Shiroyama  
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## Co-Investigators



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Tohru Yoshioka-Kobayashi  
SENIOR FELLOW

# Strategies for Technological Innovation and Economic Revitalization in the New Era of Global Competition

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This project examines strategies for Japan to compete in the next round of economic competition in the coming decades. Having succeeded in the manufacturing era, Japan entered the 1990s as an economic superpower. However, the subsequent lost decades saw the Japanese economy in decline while the U.S. economy regained its dominance led by innovative businesses coming out of Silicon Valley. What enabled these successes in Silicon Valley and elsewhere and what can Japan learn from these models? We will examine policies, business environments, human resource developments, and other key aspects of successful regions such as Silicon Valley and explore what policy tools could be adopted in Japan, as it seeks to stimulate more innovations and revitalize its economy. We focus on the follow-

ing four areas and make policy recommendations toward a more innovative and dynamic Japan that encourages new challenges and innovations that would increase the productivity of a shrinking population and contribute to the enhanced well-being of the people: (1) education reform and human capital development; (2) a more fluid labor market that effectively utilizes human capital; (3) reconfiguration of the capital market and investment environment; and (4) corporate governance and philosophy.

## Research Representative



Kiyoteru Tsutsui  
SENIOR FELLOW

## Co-Investigators



Charles Crabtree  
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Kenji Kushida  
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Hiroaki Kuwajima  
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Yasumasa Yamamoto  
SENIOR FELLOW

## Plans for Sustainable and Politically Acceptable Fiscal Consolidation and Social Insurance Reform from the Perspectives of Behavioral Economics and Political Science

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This research considers pathways to a sustainable fiscal and social security system in the post-COVID era. We will present multiple reform options and their anticipated social benefits and tax burdens, and then make recommendations to the government, local authorities, and the public. Because any proposed reform needs to have both “economic feasibility” and “political feasibility,” we will seek to offer economically rational fiscal consolidation plans that are based on robust evidence and logic while also striving for communication and dialogue with the voting public. Specifically, we will make long-term public finance and social security estimates based on data available from such government sources as the Ministry of Finance; Ministry of Health, Labor, and Welfare; and Cabinet Office and offer scenar-

ios according to growth rate and benefit level. The consumption tax rate will be a key measure for this purpose. At the same time, we will make estimates of benefits and tax levels according to different attributes, such as households with full-time homemakers, young-generation households, single-person households, and future-generation households. In making these estimates, certain assumptions will be made based on household surveys and current trends. Furthermore, our reform proposal will be applicable to both the central and local level governments through adjustments in the parameters.

### Principal Investigator



Motohiro Sato  
RESEARCH DIRECTOR

### Co-Investigators



Sota Kato  
RESEARCH DIRECTOR



Keiichiro Kobayashi  
RESEARCH DIRECTOR



Yukio Maeda  
RESEARCH DIRECTOR



Fumio Ohtake  
RESEARCH DIRECTOR

## Redefining the Teacher as a High-Level Professional: With a View to Ensuring Both Quantity and Quality

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Japan's system of teacher education has undergone rapid change in recent years. We see more and more courses for those who want to become a teacher, but we do not actually know how they affect teacher education. Many who participate in teacher education courses do not even know how to pose questions to their teachers because of the kind of education they have received. If the teachers themselves are unable to ask questions, what kind of students will they raise?

In 2018, the education ministry attempted to re-examine teacher education by conducting an in-depth survey of the current state of teacher education. Without publishing what problems the survey revealed, the ministry nonetheless initiated another round of reforms in teacher education.

Can the changes being implemented actually address current needs? To answer this, it is essential to first ascertain what is going on. This project, therefore, will examine the kind of teacher education that is currently being offered at universities and publicize the results. This will be the first step in launching broad public debate on this issue and identifying potential solutions.

### Principal Investigator



Mina Matsumoto  
RESEARCH DIRECTOR

### Co-Investigator



Shigeki Kaizuka  
RESEARCH DIRECTOR

## Evidence-Based Policy Research Leading to the Promotion of a Gender-Equal Society

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This research program focuses on the field of gender, which is rapidly accumulating new research results in various fields of social science. In addition to effectively communicating the latest academic findings to the press, policymakers, and the general public, we will conduct original research and present the policy implications and applicability of the findings to Japan in order to stimulate policy debate. We also aim to contribute to the promotion of a gender-equal society.

### Principal Investigator



Yoshikuni Ono  
RESEARCH DIRECTOR

### Co-Investigators



Yuko Kasuya  
RESEARCH DIRECTOR



Yuri Miyamoto  
RESEARCH DIRECTOR



Yoko Okuyama  
SENIOR FELLOW



Hirohisa Takenoshita  
RESEARCH DIRECTOR

## Economic Data and Evidence-Based Policymaking

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The importance of evidence-based policymaking (EBPM) has been increasingly recognized. We, however, are subject to the constraint of economic data availability to make policy more evidence based. In this project, we not only conduct research on evidence-based policy evaluation but also develop databases for EBPM. Here are the five agendas. First, we develop and use real-time data, which are sets of information at the time policy decisions are made, to evaluate economic policies. Second, as well as developing economic indicators that can be used to judge the current business climate early and accurately, we nowcast GDP, in other words, we compute a running estimate of GDP by using available data. Third, we grasp economic trends at an early stage that cannot be done by government

statistics. In so doing, we study “alternative data”—non-traditional data generated by the business activities of private firms. Fourth, we examine and evaluate the government’s reforms of national statistics and make recommendations. Fifth, we forecast the medium- to long-term macroeconomic outlook for the Japanese economy by working with a group of professional forecasters.

### Principal Investigator



Nobuo Iizuka  
RESEARCH DIRECTOR

### Co-Investigators



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SENIOR FELLOW



Yasuyuki Komaki  
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Yoshihiro Otsuka  
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Satoshi Urasawa  
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Nariyasu Yamasawa  
SENIOR FELLOW

## Assessing the Integrated Reform of Tax and Social Security Systems in Japan

Read Online



### Principal Investigator



Shigeki Morinobu  
RESEARCH DIRECTOR

### Co-Investigator



Naoki Oka  
RESEARCH FELLOW

Japan's biggest challenge is building a secure and vibrant society in spite of a declining birthrate and an aging population. We need redistribution policies to reduce wealth and income inequity and new approaches to building sustainable social security and pension systems. Policies for securing financial resources for such systems and promote economic growth are also needed.

The COVID-19 pandemic has changed the policy agendas of the past. We need to make important new choices, such as how to share the roles of the government and citizens in responding to the pandemic and how the cost of a sustainable social system be shared among citizens, government, and businesses.

Conflicts of interest among stakeholders are un-

avoidable when it comes to tax and fiscal policies. However, public finances, taxes, and social security systems are relevant to all citizens, whether rich or poor, elderly or working-age.

With the participation of Japan's leading researchers in tax and public finance, this program will analyze tax and social security in an integrated manner, examine the need for digital transformation, and make concrete and feasible policy proposals. Furthermore, program members will disseminate their insights and publish recommendations on an ongoing basis to facilitate consideration by policy-makers and present concrete and feasible options to the public.

## Economic Analysis of Personal Income Tax Reform

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### Principal Investigator



Takero Doi  
RESEARCH DIRECTOR

This research program will conduct two economic analyses of personal income tax reform: (1) panel analyses of the effects of personal income tax reform implemented in the 2010s, and (2) microsimulation analyses to explore the reforms required in the 2020s. With respect to the first, we will analyze the effects of personal income tax reform, based on actual household incomes obtained from household panel data in the 2010s. Regarding the second, we will make specific policy recommendations on the personal income tax reforms required in the 2020s, supported by microsimulation analyses, using the suggestions on changes in the deduction and tax rate structure of the personal income tax system obtained from the panel analyses. In the microsimulation analyses, we can numerically analyze the pos-

sible impact on households when a hypothetical tax reform is implemented using real household income data. Based on these analyses, we will analyze the effects of the tax reform and make policy recommendations based on what is included in the tax reform package for each fiscal year to be approved by the cabinet at the end of the calendar year.

## Japan's Response to an Accelerating Global Energy Transition

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### Principal Investigator



Hikaru Hiranuma  
SENIOR FELLOW

### Co-Investigator



Kota Sugimoto  
POSTDOCTORAL FELLOW

In order to achieve the goals of the Paris Agreement, countries around the world are transitioning their energy policies toward renewable energy sources. While many developed countries have set a goal of raising the renewable energy ratio to about 40% to 70% in 2030, Japan's energy transition is lagging behind. Such a delay may not only result in a smaller international presence on climate change issues but also weaken Japan's competitiveness in energy technologies. The purpose of this program is to analyze Japan's challenges and present propos-

als on how to deal with the energy transition accelerating around the world.

### Research Program Members (alphabetical order)



Takeo Kikkawa  
co-leader (Vice President and Graduate School of International Management Professor, International University of Japan)



Miho Kurosaki  
(Climate Change and ESG Specialist, former Head of Japan and Korea Research, Bloomberg NEF)



Hiroshi Segawa  
(Professor, Department of Multi-Disciplinary Sciences, Graduate School of Arts and Sciences, University of Tokyo)



Yukari Takamura  
(Professor, Institute for Future Initiatives, University of Tokyo)



Shin'ichi Tanabe  
(Professor, Department of Architecture, Waseda University)

## Advancing Renewable Energy Initiatives through Local Ownership

Read Online



### Principal Investigator



Hikaru Hiranuma  
SENIOR FELLOW

All renewable energy is essentially locally derived, so securing the understanding and cooperation of local entities is essential for its growth.

This program compares and analyzes the situation in Japan with leading examples in Europe and proposes necessary measures to promote renewable energy initiatives through local ownership.

Economy, Fiscal Policy, Environment,  
Resources, Energy

Health, Medical Services, Nursing Care

Education, Human Resources Development,  
Employment, Social Security

Science, Technology, Innovation

Digital Revolution,  
Social Transformation through Digitalization

## Development of Well-Being Indicators and Policy Packages

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### Principal Investigator



Hiroaki Miyata  
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### Co-Investigators



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Anna Kubota  
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SENIOR FELLOW

Japan's Basic Policies for Economic and Fiscal Management and Reform released in June 2021 clearly stated that "Key performance indicators (KPIs) related to well-being should be established for various government basic plans, etc." While the concept of well-being has begun to permeate the public policy agendas of central ministries and agencies, little progress has been made among local governments. Therefore, this study attempts to develop well-being indicators and public policy packages that can be horizontally deployed by local governments to promote well-being policies.

#### (1) Development of well-being indicators

A number of issues must be resolved before lifetime well-being can be used as an indicator for policy formation, such as its validity as an indicator,

underdeveloped systems, and cultural differences across the country. Therefore, we will conduct an international joint study to estimate lifetime well-being by prefecture, utilizing data from a quarterly survey in Japan.

#### (2) Development of policy packages

Promoting well-being policies requires a long-term vision that can be implemented in stages, with priority areas being outlined for each year. This will allow residents to reap tangible benefits from the policy package. To this end, we will conduct well-being surveys, analyses, and identification of priority areas in specific municipalities and work with local governments to set KPIs and promote well-being policies.

Economy, Fiscal Policy, Environment,  
Resources, Energy

Health, Medical Services, Nursing Care

Education, Human Resources Development,  
Employment, Social Security

Science, Technology, Innovation

Digital Revolution,  
Social Transformation through Digitalization

## Historical Analysis

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### Principal Investigator



Yuichi Hosoya  
RESEARCH DIRECTOR

The Historical Analysis program conducts research into contemporary issues through empirical and historical analyses and shares its insights with the public through database construction, the publication of commentaries, and the hosting of webinars. It studies and analyzes topics spanning multiple fields of research through the lens of history, providing new perspectives on contemporary challenges.

The program will cover such topics such as the (1) Economy, Fiscal Policy, Environment, Resources, Energy, (2) Health, Medical Services, Nursing Care, (3) Education, Human Resources Development, Employment, Social Security, (4) Science, Technology, Innovation, and (5) Digital Revolution, Social Transformation through Digitalization. All of these topics are closely associated with the lives of

ordinary citizens in modern society. With reference to cutting-edge scholarly research, we hope to shed new light on these issues by analyzing the historical trajectory they have taken to the present day and examining them in the international context.

This will help to elucidate the peculiar historical circumstances in which the various challenges we face today unfolded, enabling us to view these topics from a more comprehensive and multidimensional standpoint.

## Improving Accessibility of Home-visit Nursing Services

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Japan is a super-aging society, and it is predicted that 1.68 million people will die annually by 2040. There is an urgent need to develop a system that allows people to receive care at home and die with peace of mind. In addition, as hospital stays become shorter, there is a growing need for home-visit nursing services after patients are discharged, but the availability of such services is not keeping up with demand. One major reason for this is that the current system does not allow the public to directly select and use specific home-visit nursing services. Under Japan's long-term care insurance, care managers must first include the use of home-visit nursing services in the care plan (as a consequence of which, home-visit nurses are now compelled to persuade physicians and care managers to utilize their ser-

vices). The purpose of this research program is to develop simple procedures for communication between hospital nurses and home-care nurses to enable a smooth transition to in-home care when patients are discharged. Recommendations will also be made for policies to promote the utilization of such a system.

### Principal Investigator



Miwa Ishihara  
RESEARCH DIRECTOR

### Co-Investigators



Sanae Matsunaga  
SENIOR FELLOW



Chitose Watanabe  
SENIOR FELLOW

## Digitalization of the Economy and International Taxation

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In 2021, the OECD/G20 agreed on a novel and historic "solution" to the perennial tax conundrums of today's digitalized economy, where high-value intangibles are gaining prominence. The solution would introduce taxation of consolidated profits of profitable large MNEs (focusing on the global top 100) and a 15% global minimum tax. An ambitious timetable for implementation by 2023 has been published.

This research project, whose members include tax law scholars and policymakers who are familiar with the practical aspects of taxation, aims to contribute to the countries' response to the agreed solution by specifically analyzing policy and technical issues required in incorporating the solution into treaties and domestic tax laws.

We will also address general taxation issues in the digital economy and respond to the interests of citizens and businesses by promoting discussion on international taxation in Japan.

### Principal Investigator



Naoki Oka  
RESEARCH FELLOW

### Co-Investigator



Shigeki Morinobu  
RESEARCH DIRECTOR



## Economic Policy Regime in the Post-COVID-19 Era

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### Principal Investigator



Hideo Hayakawa  
SENIOR FELLOW

Over the past century, there have been considerable swings in the thinking about the efficacy and roles of economic policy. Since the 1980s, we have seen the rise of neo-liberalism, which emphasizes the efficiency of the market mechanism and thereby calls for deregulation, tax reduction, and economic globalization. In this policy regime, macroeconomic stabilization was mostly taken care of by monetary policy, and income inequality was expected to be resolved by the trickle-down mechanism.

However, in the past 20 years, disillusion has set in regarding neo-liberalism. Despite the progress in deregulation, tax reduction, and globalization, we have seen no significant acceleration in economic growth among the advanced economies. Given the 2007–08 global financial crisis, the limits of the

market mechanism and monetary policy have become evident. In addition, the COVID-19 crisis has made clear the foremost importance of the role of government during such crises.

Given these experiences, the coming years will see a search for new economic policies. This program will study the direction of the economic policy regime in the post-COVID-19 era.

## Quantitative Analysis of Epidemics and Economic Implications

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### Principal Investigator



Asako Chiba  
POSTDOCTORAL FELLOW

### Co-Investigator



Keiichiro Kobayashi  
RESEARCH DIRECTOR

More than a year has passed since COVID-19 began to spread in Japan in early 2020. From the beginning of the outbreak, it has been pointed out that it is important to base policy decision-making on quantitative analysis, which was already a common practice in other countries. We constructed an agent-based model from 2020 and have been analyzing how the coronavirus may spread in Japan and how much control measures will suppress the spread of infection. During the past year, as the domestic infection situation and the corresponding government responses have changed day by day, we have offered analysis to meet the demands of the times and have contributed to more effective policy-making. On the other hand, given the requirements for prompt solutions, there is room for such analysis

to be more complete in terms of detail and applicability. To address these issues, we will carry out a quantitative analysis of infectious disease control from both medical and economic aspects.



## Managing the Risk of RMB Internationalization and Digitalization

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As the world's second biggest economy, China is advancing efforts to internationalize and digitalize its currency, the renminbi (RMB). This will facilitate international trade and investment but is also raising some concerns, such as the uncertain impact on the international currency system. This program will focus on currency system re-creation and recommend how the risk of RMB internationalization and digitalization can be managed.

### Principal Investigator



Long Ke  
SENIOR FELLOW

### Co-Investigators



Tomoyuki Fukumoto  
RESEARCH FELLOW



Bo Meng  
RESEARCH FELLOW

## Dissecting the Growth Problems of Japanese Start-ups

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The Japanese government has been eager to promote start-up tech companies to stimulate growth. Yet, a major problem has been the small number of start-ups that have succeeded in growing into unicorns—companies valued at more than 1 billion US dollars. Some have blamed the immaturity of Japanese private capital markets, while others have pointed at overregulation. Our preliminary study focusses on the obstacles that clearly exist in Japan in linking capital markets and investors, on the one hand, and entrepreneurs and leading technologies, on the other. There may be problems in the regulatory framework or the inexperience of investors in discerning the potential for growth in an uncertain technological environment. We will conduct an extensive hearing of investors, start-up managers, uni-

versities, and administrators to get a broad picture of what is amiss. We also place importance in building up a broader network of people from whom we can reconduct hearings in the future, each time plunging into more specific questions.

### Principal Investigator



Shumpei Takemori  
RESEARCH DIRECTOR

### Co-Investigator



Kensuke Kubo  
SENIOR FELLOW

## Policy Evaluation of Cross-Regional Interconnection Lines in the Electricity Market

Read Online



### Principal Investigator



Kota Sugimoto  
POSTDOCTORAL FELLOW

This program studies the interconnection lines in the Japanese power system. Interconnection lines are the high-voltage transmission lines that connect areas under the jurisdiction of transmission and distribution companies. The electricity network has the technical feature that the amount of supply and demand must be constantly matched. Otherwise, the frequency will change drastically, and there will be a risk of blackouts. In addition, future electricity networks will face new challenges of more severe natural disasters due to climate change and the massive introduction of renewable energy essential for the realization of a decarbonized society. The use of interconnection lines contributes to a stable power system robust against natural disasters and accidents and realizes a least-cost power supply. However, the in-

ter-regional transfer of energy through interconnections has been historically limited in Japan because incumbent vertically integrated electric power companies—former regional monopolies—were mostly self-sufficient in meeting demand in their respective regions before the Great East Japan Earthquake. In this research program, I will evaluate how efficiently Japan's interconnection lines are being utilized by estimating the effect of implicit auctions implemented after the earthquake.

## The Problem of Unclaimed Land: Analysis of New Policies

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### Principal Investigator



Shoko Yoshihara  
RESEARCH FELLOW

Japan's land system is at a turning point. A series of institutional reforms initiated in recent years, such as a revised Civil Code that includes new rules for the management of land whose owners are unknown and a new law that allows inherited land to be turned over to the national treasury, will come into force in April 2023, and registration of inheritance will become mandatory in April 2024. While these reforms will have a big impact on many people's lives, they are still not well known by the public. Analyses of the reasons for reform and future issues in ensuring broad compliance are also limited. This program takes a renewed look at the series of institutional reforms taken to date and identifies the issues and necessary measures to ensure their full utilization at the local level in seeking solutions to land is-

sues in the era of population decline.

# CSR Research Project

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## Background and Aims

Measures to address issues like environmental degradation, poverty, and human rights had long been considered the purview of the government sector. But as the impact of corporate activities has expanded with the development of the global economy, private companies have found they could no longer ignore these issues. Public-sector initiatives alone are increasingly unable to cope with the catastrophic scale of natural disasters and the growing complexity of community-related issues. Businesses are consequently being called upon to go beyond their role as profit-making entities and to fulfill their responsibilities corporate citizens. The concept of corporate social responsibility has taken root in

Japan in recent years, with a growing number of companies introducing their CSR initiatives in their sustainability reports and on their websites. All too often, though, they are little more than lists of notable achievements, and little attention is given to the high potential these activities have to help mitigate real-life problems. This was the impetus behind our decision in 2013 to launch a project to conduct CSR research, led by a committee of practitioners and experts. The goal of the project is to further promote CSR in Japan, thereby leveraging the resources of the corporate sector to accelerate the resolution of the many issues confronting society today.

## Committee of Experts (alphabetical order)



**Yuichiro Anzai**

Executive Director and CEO, Tokyo Foundation for Policy Research



**Yoriko Kawaguchi**

Distinguished Fellow, Tokyo Foundation for Policy Research; Visiting Professor, Musashino University; Former Minister of the Environment; Former Minister for Foreign Affairs; Former Special Advisor to the Prime Minister; Former Member of the House of Councillors



**Toshio Arima**

Chairman of the Board, Global Compact Network Japan



**Hiroshi Komiya (Chair)**

Chairman of the Institute, Mitsubishi Research Institute, Inc.; President, Platinum Society Network; The 28th President, the University of Tokyo



**Katsuhito Iwai (Acting Chair)**

Distinguished Fellow, Tokyo Foundation for Policy Research; Distinguished Professor, Kanagawa University; Professor Emeritus, University of Tokyo; Fellow, Japan Academy



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