

**DIRETORIA DE ESTUDOS MACROECONÔMICOS**  
SEMINÁRIOS DIMAC Nº 46

**A Agência de Planejamento  
Econômico, o seu “White Paper”  
e a Política Econômica no Japão**

Yoichi Okita  
(National Graduate Institute for Policy Studies)

22 de março de 2001

**ipea**  
INSTITUTO DE PESQUISA ECONÔMICA APLICADA

**DIRETORIA DE ESTUDOS MACROECONÔMICOS**

**SEMINÁRIOS DIMAC Nº 46**

**A Agência de Planejamento  
Econômico, o seu “White Paper”  
e a Política Econômica no Japão**

Yoichi Okita

(National Graduate Institute for Policy Studies)

22 de março de 2001

# MINISTÉRIO DO PLANEJAMENTO, ORÇAMENTO E GESTÃO

**Ministro**  
*Martus Tavares*

**Secretário Executivo**  
*Guilherme Dias*

***ipea*** Instituto de Pesquisa Econômica Aplicada

**Presidente**  
*Roberto Borges Martins*

**Diretores**  
*Eustáquio José Reis*  
*Gustavo Maia Gomes*  
*Hubimaier Cantuária Santiago*  
*Luís Fernando Tironi*  
*Munilo Lôbo*  
*Ricardo Paes de Barros*

**Coordenador de Seminários de Macroeconomia**  
*Marcelo Lara Resende*  
*Stella Diwan* (coordenador assistente)  
*sdiwan@ipea.gov.br*

Normalmente, os textos — trabalhos apresentados em seminários promovidos pela DIMAC/IPEA — são reproduzidos a partir de originais encaminhados pelo(s) autor(es), sem qualquer revisão, no que diz respeito ao seu conteúdo ou à sua forma. O IPEA inclusive não necessariamente concorda com as conclusões ou opiniões emitidas, que são de responsabilidade exclusiva do(s) autor(es).

Tiragem Inicial: 50 exemplares

**Informações**  
*Danielle de Lima Cortez*  
*cortez@ipea.gov.br*  
Avenida Presidente Antônio Carlos, 51, 10º andar, Castelo  
20020-010, Rio de Janeiro, RJ, Brasil.  
Tel.: (0xx21) 804-8121  
Telefax: (0xx21) 240-1920  
<http://www.ipea.gov.br>

## CONFIRMAÇÃO DE ALTERAÇÃO DE ENDEREÇO

Gostaria de continuar recebendo os materiais referentes aos seminários organizados pela Diretoria de Estudos Macroeconômicos?

( ) Sim                      ( ) Não

Caso a resposta seja positiva, favor preencher todos os dados em letra de fôrma, por correio ou fax, enviar para o endereço abaixo.

Para uso do IPEA:

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

|                                      |                          |
|--------------------------------------|--------------------------|
| Nome Completo:                       |                          |
| Cargo e Instituição em que trabalha: |                          |
| Novo Endereço:                       |                          |
| Bairro:                              | Cidade:                  |
| Estado:                              | País:                    |
| CEP:                                 | Telefone, inclusive DDD: |
| Fax:                                 | E-mail:                  |

*Instituto de Pesquisa Econômica Aplicada – IPEA*  
*Diretoria de Estudos Macroeconômicos - DIMAC*  
Coordenação de Seminários  
Avenida Presidente Antônio Carlos, 51, 16º andar  
CEP 20020-010, Castelo, Rio de Janeiro, RJ, Brasil  
Tels.: (21) 3804-8168 ou 3804-8321  
Fax: (21) 240-1920



**INSTITUTO DE PESQUISA ECONÔMICA APLICADA (IPEA)  
DIRETORIA DE ESTUDOS MACROECONÔMICOS (DIMAC)  
COORDENAÇÃO DE SEMINÁRIOS**

**A AGÊNCIA DE PLANEJAMENTO ECONÔMICO,  
O SEU “WHITE PAPER” E A POLÍTICA ECONÔMICA NO JAPÃO**

**Yoichi Okita**

(NATIONAL GRADUATE INSTITUTE FOR POLICY STUDIES)

(22/03/2001; 16:30 horas; IPEA-RIO)

**ABSTRACT**

Discute: (1) o papel da “Economic Planning Agency — EPA”, (2) os problemas e as políticas macroeconômicas recentes; sempre com base no “White paper of Japanese economy”.

---

**Coordenação de Seminários:**  
Marcelo Lara Resende  
**Informações e Textos:**  
Danielle Cortez  
[coord@ipea.gov.br](mailto:coord@ipea.gov.br)



# The EPA, Its White Paper, and Economic Policy in Japan

Yoichi Okita (Ph.D.)

Professor

National Graduate Institute for Policy Studies

Tokyo, Japan

okita-yo@grips.ac.jp

## The Origin of the Economic Planning Agency (EPA)

"Japan's postwar economic plans started as rationing plans with a socialistic flavor." [Ito, Takatoshi, *The Japanese Economy*, 1992)

After the liberalization of 1949, there was a shift to "indicative" plans.

## What had the EPA been doing?

1. Short-term forecasting as the background information for the revenue estimate in the national budget
2. Medium or long-term (5-10 year) plans
3. White Paper on the Economy [annual economic report of the government "which is comparable to the Economic Report of the President prepared by the CEA in the US." (Ito, 1992) ]
4. Compilation of statistics such as SNA (GDP statistics), machinery orders, anticipation surveys, diffusion index of leading indicators, dating of peaks and troughs, and so on
5. Consumer protection policies
6. Coordination of policies handled by multiple of ministries and agencies, such as development assistance, grievance settlement related to trade frictions, etc.
7. Research activities (mainly in the Economic Research Institute)

## Where has the EPA gone after the recent administrative reform?

The new Cabinet Office

Deliberation Committee of Economic and Fiscal Policy

*"The economy has changed. And it is changing at an accelerated speed." It is not necessarily an historic accident that the Economic Planning Agency can start the introduction to the "Economic White Paper (Economic Survey of Japan 1999-2000)" with the above sentence in the final year of its existence. Rather, it can be said that social changes are calling for reform of the government administrative organization and that the reform of the organization is responding to changes in the economy. [From the first paragraph of the last year's white paper]*

The keyword: Change (The subtitle: The Beginning of a New Era)

Without a serious effort of reform, is a major crisis inevitable?

From more short-run and updated viewpoint (a digression from the white paper)

Faltering of a recovery or beginning of a crisis? Probably the former.

Is this slowdown an autonomous movement or driven by external factors? The latter, to large extent.

The Japanese economy entered a recovery phase around mid-1999 supported by expansionary macroeconomic policies and export growth. .... Although there were fears that, with fiscal stimulus weakening, the recovery would peter out going into 2000, the momentum of the recovery was maintained. Thus by mid-2000 activity seemed to be becoming more self-sustained, and deflationary concerns were receding. .... The recovery became more and more driven by a marked recovery of business profit, which in turn lead to increased business investment. At first this was confined to the IT sector, but gradually spread to other sectors.

## Recent weakening

The U.S. economy

Japan's export and production is importantly affected.

Stock market development in the U.S. and its contagious impact on the Japanese market

But business profit and investment are still increasing.

Of course there is a significant risk of a halt of recovery.

The Bank of Japan lowered the target interest rate (overnight call rate) twice.

Restructuring and weak link between production and consumption

A recovery mainly driven by the profit increase from restructuring efforts



Unemployment rate reached the historic high of 4.9 percent in December last year.

Some exaggeration by media on the present situation

Because the stock market has been very weak, .....

Falling real asset prices: Crises in financial sector, real estate business and construction industry?

Usual indicators of macroeconomic activities are weakening but .....

Policy issues

Constraint on fiscal policy

*OECD Survey of Japan*: "The gross debt in relation to GDP is already the highest in the OECD (119 %, as of 1999), and just to stabilize in ten years would require a substantial amount of fiscal consolidation (10% of GDP). Net debt is much lower at 40%, but ..."

*The white paper 2000* examined the sustainability of deficit from three criteria.

1. Outstanding public bond issues as a percentage of nominal GDP may converge on a certain level if the nominal GDP growth remains above interest rates and the primary balance is kept in equilibrium. In Japan, neither of these conditions are fulfilled.
2. Aging creates serious problem of inter-generation inequity. If this kind of inequity should be avoided, a drastic fiscal reform is necessary. This means that the present system is not sustainable.
3. From the viewpoint of impact on long term interest rate, owing to the presence of large current account surplus, present level of deficit is sustainable.

Problems about monetary policy---zero interest rate is the limit

Introduction of money supply targeting or inflation targeting?

Liquidity trap?

Other channels of monetary transmission---a. through exchange rate, b. through share prices

Prospect

There may be some weakening of the economy, but that will not lead to a major recession.

Meaning of yen depreciation

The US economy is not heading for a serious situation.

Need for structural reforms, need for a change (with some reference to the White Paper 2000)

Tax reform

Cuts in public spending

Social security reform

Regulatory Reform

--- There has been a substantial progress...

Big ban of banking sector

Deregulation in transportation sector

Reform to facilitate enterprise restructuring (a)simplifying the procedures for splitting and merging firms and transferring employees, (b)lifting of bans on holding companies, (c)easing of restriction on the share options, and (d)new reorganization law to facilitate the procedure in the case of bankruptcy.

--- But many remain to be done....

NTT': The holding company approach with two regional companies and a mobile operator

Interconnection charges have been lowered in recent years but remained high.

Electricity and gas industries

Labor market regulations

--- There is also a need for change in various practices of the private sector.

White paper 2000

A brief summary of the Japanese system by the white paper 2000

The high-growth period saw the establishment of the "Japanese-style" economic system and practices. The Japanese style included (1) corporate groups featuring keiretsu and cross-shareholdings, (2) an employment system featuring seniority-based wages and long-term employment, (3) the financial intermediation system characterized by main banks, and (4) detailed government regulations covering every detail of economic activity. (p.140 of the English version)

#### Mr. Sakiya's vision

The industrial society with standardized mass production systems that Japan has created in the last 100 years or so is no longer in accordance with the trend of human civilization. Since the Meiji Era, Japan has devoted itself solely to establishing an industrial society with standardized mass production systems by learning modern technologies and systems from the U.S. and European countries. . . . As a result, Japan developed into an industrial society with a perfect standardized mass production system in the 1980s, as exemplified by the production capacity and competitiveness of its automobile and home appliance industries.

What should be noted here is that the ongoing development and spread of information technology around the world is different in its direction and nature from the technological innovations that we witnessed repeatedly in the modern world such as development electrical machinery and internal combustion engines, and the spread of chemical industry. . . . The Industrial Revolution that has produced the modern industrial world has made mass, large scale, rapid production possible by systematically utilizing large machinery. . . . Many technological developments produced by the modern industrial society of the past 200 years . . . have kept pushing society toward mass, large scale, and rapid production. However, the progress and spread of small and personalized computers that began in the 1980s has made it easy to control production and distribution, prompting a move toward diversified, software-oriented, and resource saving society. The trend of human civilization has begun to change. The advent of the information age, especially the spread of the Internet . . . is changing the direction qualitatively.

Japan, which led the industrial world with its standardized mass production system, or in hardware oriented development, was able to remain the vanguard of the times up to the stage of computer-controlled technology. But Japan was left behind in the process of the shift to the information era, as it was unable to change its system, custom and social mental image attuned to standardized mass production. (pp.1 - 4)

Contrary to the above view, I contend that Japan has never been a vanguard or a pioneer. Japanese development was simply a catch up process. It was natural that the development ended as a standstill. But as the gap between Japan and pioneer widens, another chance of catch-up will become possible.

Japanese economy is not entirely ailing. Some sectors have still very strong competitive power. But three factors, new information technology, aging of the population, and globalization are putting pressure on the "Japanese-style" corporate governance and economic and social systems. Also, recent technological changes have took place in non-manufacturing sector. This sector in Japan was typically characterized by government regulation and subsidization. Thus the private initiative to restructure in traditionally competitive sectors and introduction of keener competition in the sheltered sector.



I. Particulars relating to Experts available.

(a) Name of expert:-

Yuichi OKITA

(b) Age:-

57 years old

(c) Nationality:- Japanese

(d) Civil status and number of dependents:-

Married, no dependent

(e) Present address:-

5-24-21-305, Koishikawa, Bunkyo-ku, Tokyo, Japan.

(f) Profession or occupation, together with precise statement of qualifications:-

Professor, National Graduate Institute for Policy Studies  
Ph. D. in Economics (Harvard University)

(g) Employment Record:-

| <u>Name of Employers</u>                       | <u>Period</u>    | <u>Post Held</u>                                        |
|------------------------------------------------|------------------|---------------------------------------------------------|
| Economic planning Agency                       | 1966-1970        | Economist                                               |
| Economic planning Agency                       | 1974-1975        | Economist (Assistant Director)                          |
| Ministry of Foreign Affairs                    | 1979-1982        | First Secretary (Permanent Delegation to OECD)          |
| Economic Planning Agency                       | 1982-1986        | Economist (Director)                                    |
| National Institute for Research Advancement    | 1968-1989        | Director, Research Planning Department                  |
| Economic planning Agency                       | 1989-1991        | Director, First Domestic Research Div., Research Bureau |
| National Land Agency                           | 1991-1993        | Councilor                                               |
| Economic Planning Agency                       | 1993-1994        | Deputy Director-General, Coordination Bureau            |
| Economic planning Agency                       | 1994-1995        | Director-General, Research Bureau                       |
| Economic planning Agency                       | 1995-1996        | Director-General, Price Bureau                          |
| Economic planning Agency                       | 1996-1998        | Vice-Minister for International Economic Affairs        |
| National Graduate Institute for Policy Studies | 1998-<br>present | Professor                                               |



## SEMINÁRIOS DIMAC- ANO 2000<sup>1</sup>

- Nº 1 (23 de fevereiro) - *Política Fiscal dos Estados Brasileiros*, Fernando Andrés Blanco Cossio, Rio de Janeiro, 24 p.
- Nº 2 (01 de março) - *Um Cenário para a Economia Brasileira: 2000/2006*, Fabio Giambiagi, Rio de Janeiro, 38 p.
- Nº 3 (15 de março) - *A Small Quarterly Macroeconometric Model for the Brazilian Economy: an Interim Report*, Mamoru Ohayashi, Rio de Janeiro, 19 p.
- Nº 4 (17 de março) - *Switching the Japanese Social System from Pay as You Go to Actuarially Fair: A Simulation Analysis*, Noriyoshi Oguchi e Tatsuo Hatta, Rio de Janeiro, 18 p.
- Nº 5 (22 de março) - *Medidas da Tendência (Núcleo) da Inflação*, Ajax Reynaldo Bello Morcira, Rio de Janeiro, 7 p.
- Nº 6 (27 de março) - *Regimes Cambiais e Monetários* (transcrição com apresentação de Marcelo Lara Resende), Armínio Fraga Neto, Rio de Janeiro, 21 p.
- Nº 7 (29 de março) - *MAPS: Uma Versão Amigável do Modelo Demográfico-Atuarial de Projeções e Simulações de Reformas Previdenciárias IPEA/IBGE*, Kaizô Iwakami Beltrão, Francisco Eduardo Barreto de Oliveira, Mirian Carvalho de Souza, João Luís de Oliveira Mendonça e Luiz Paulo Costa da Silva Gomes, Rio de Janeiro, 54 p.
- Nº 8 (05 de abril) - *Reformas Económicas e Inversión: América Latina en los Noventa*, Ricardo Alberto Bielschowsky, Rio de Janeiro, 23 p.
- Nº 9 (12 de abril) - *A Cunha Fiscal sobre o Spread Bancário no Brasil*, Renato Fragelli Cardoso, Rio de Janeiro, 30 p.
- Nº 10 (19 de abril) - *A Distribuição Mundial da Renda nos Anos 90: O Que Vem Acontecendo no Auge da Globalização?* Regis Bonelli, Rio de Janeiro, 24 p.
- Nº 11 (26 de abril) - *The Pass-through from Depreciation to Inflation: A Panel Study*, Ilan Goldfajn e Sérgio R. C. Werlang, Rio de Janeiro, 42 p.
- Nº 12 (03 de maio) - *Debt Management in Brazil: Evaluation of the Real Plan and Challenges Ahead*, Afonso S. Bevilacqua e Márcio G. P. Garcia, Rio de Janeiro, 34 p.
- Nº 13 (15 de maio) - *The Real Plan and the Exchange Rate*, Gustavo Henrique de Barroso Franco, Rio de Janeiro, 96 p.
- Nº 14 (24 de maio) - *Elections and Exchange Rate Policy Cycles*, Marco Antonio Cesar Bonomo e Maria Cristina Trindade Terra, Rio de Janeiro, 19 p.
- Nº 15 (31 de maio) - *Ciclos Reais para a Indústria Brasileira?* Fabio Kanczuk e Francisco Carlos Pessoa Faria, Rio de Janeiro, 13 p.
- Nº 16 (07 de junho) - *Um Modelo Macroeconômico Trimestral para o Brasil: Possibilidades, Limitações e Resultados Preliminares*, Marco Antônio Freitas de Hollanda Cavalcanti, Rio de Janeiro, 16 p.
- Nº 17 (14 de junho) - *A Disciplina Constitucional do Sistema Financeiro Nacional e o Banco Central do Brasil*, Jairo Sampaio Saddi, Rio de Janeiro, 22 p.
- Nº 18 (21 de junho) - *Monopoly Power, Trade Protection and Growth: Cross Industry Evidence*, Pedro Cavalcanti Gomes Ferreira, Rio de Janeiro, 22 p.
- Nº 19 (28 de junho) - *Full Dollarization: the Case of Panama*, Ilan Goldfajn e Gino Olivares, Rio de Janeiro, 46 p.
- Nº 20 - (05 de julho) - *Ganhos de Produtividade na Economia Brasileira na Década de 90: um Retrato de Corpo Inteiro (Versão Preliminar)*, Regis Bonelli, Rio de Janeiro, 18 p.

<sup>1</sup> Os textos relacionados poderão ser solicitados ao IPEA — Daniella Cortez — por e-mail (cortez@ipea.gov.br), telefone (021-804 8121) ou fax (021-240 1920). Se disponíveis, serão enviados imediatamente, desde que o nome, a instituição e o endereço completo (inclusive e-mail e telefone) do interessado sejam encaminhados com o pedido.

- Nº 21 (12 de julho) - *Business Cycle Fluctuations in Brazil*, Roberto Ellery Jr., Victor Gomes e Adolfo Sachsida, Rio de Janeiro, 36 p.
- Nº 22 (19 de julho) - *Welfare Characterization of Monetary-Applied Models and Three Implications*, Samuel de Abreu Pessôa, Rio de Janeiro, 34 p.
- Nº 23 (26 de julho) - *The International Financial System: A New Architecture?*, Marcílio Marques Morcira, Rio de Janeiro, 11 p.
- Nº 24 (02 de agosto) - *Currency Realignment Crisis*, Eduardo Loyo, Rio de Janeiro, 19 p.
- Nº 25 (09 de agosto) - *Política Monetária e Supervisão do Sistema Financeiro Nacional no Banco Central*, Eduardo Lundberg, Rio de Janeiro, 23 p.
- Nº 26 (16 de agosto) - *Some Empirical Evidence on Demand System and Optimal Commodity Taxation*, Seki Asano e Takashi Fukushima, Rio de Janeiro, 27 p.
- Nº 27 (06 de setembro) - *An Investigation of Virtuous Circle Between Real and Monetary Aspects of the Brazilian Economy*, Takao Fukuchi, Rio de Janeiro, 14 p.
- Nº 28 (13 de setembro) - *A Secretaria do Tesouro Nacional e sua Inserção na Política Econômica*, Fábio de Oliveira Barbosa, Rio de Janeiro, 34 p.
- Nº 29 (20 de setembro) - *Hiperinflação: Arcabouço Teórico*, Fernando de Holanda Barbosa e Elvia Mureb Sallum, 23p.
- Nº 30 (27 de setembro) - *Planos Cruzado e Real: Acertos e Desacertos*, João Sayad, 16p.
- Nº 31 (05 de outubro) - *Taxa de Juros, Risco Cambial e Risco Brasil*, Márcio G. P. Garcia e Tatiana Didier, 38p.
- Nº 32 (11 de outubro)- *Measuring the Effects of Environmental Regulation in Oligopolistic Markets with Differentiated Products*, Claudio Ferraz, Eduardo P. S. Fiuza e Ronaldo Serôa da Motta, 18p
- Nº 33 (18 de outubro)- *Transformações Estruturais da Agricultura e a Produtividade Total dos Fatores*, José Garcia Gasques e Júnia Cristina P. R. da Conceição, 30p
- Nº 34 (25 de outubro)- *Modelagem Estocástica do Preço do Petróleo*, Marco Antonio Guimarães Dias e Kátia Maria Carlos Rocha, 24p.
- Nº 35 (01 de novembro)- *A STN e o Ajuste Fiscal de Estados e Municípios*, Renato Villela, 10p.
- Nº 36 (08 de novembro) – *Concorrência e Regulação no Brasil: Implicações Macroeconômicas em Geral e para o Investimento Direto em Particular*, Gesner Oliveira, 13p. ( mais anexo com slides/ datashow)
- Nº 37 (24 de novembro)- *O Programa de Exportações para 2001: a Base para Sustentação do Crescimento Econômico*; Roberto Giannetti da Fonseca, 34p. (slides/ datashow)
- Nº 38 (29 de novembro)- *Mitos e Fatos sobre a Nova Economia: uma Perspectiva Latino-Americana*; Luiz Chrysostomo de Oliveira Filho; 44p. (slides/ datashow)
- Nº 39 (08 de dezembro)- *O Brasil e a Globalização: Crescimento com Sustentabilidade do Passivo Externo*; Marcelo Serfaty; 44p. (slides/ datashow)
- Nº 40 (13 de dezembro)- *Estimativas de Valor do Uso do Parque Nacional do Iguazu*; Sandro de Freitas e Raimon Ortiz; 32p. (datashow)
- Nº 41 (20 de dezembro)- *Os Efeitos Expansivos das Transferências Intergovernamentais e Transbordamento Espaciais de Despesas Públicas: Evidências para os Municípios Brasileiros*; Fernando Andrés Cossio e Leonardo Mello de Carvalho; 46p. ( datashow)

**ipea**

**Instituto de Pesquisa Econômica Aplicada**

Av. Presidente Antonio Carlos, 51  
16º andar - Rio de Janeiro, RJ - CEP 20020-010

**[www.ipeadata.gov.br](http://www.ipeadata.gov.br)**

IPEADATA *online*, atendimento ao usuário:  
**[ipeadata@ipea.gov.br](mailto:ipeadata@ipea.gov.br)**

# IPEADATA *online*

**IPEADATA *online*,  
a economia brasileira na Internet!**

- base de dados macroeconômicos
- 3 mil séries tratadas na mesma unidade monetária
- **temas:** população, emprego, salário e renda, produção, consumo e vendas, contas nacionais, finanças públicas, moeda e crédito, preços, juros, câmbio, balanço de pagamentos e economia internacional
- sistema amigável para pesquisar e extrair dados, construir tabelas e gráficos e realizar transformações matemáticas e estatísticas

***Um poderoso instrumento para análises de conjuntura e estudos econômicos!***



