

Discussion Paper for "Post-Corona Green New Deal & Green Recovery in East Asia"  
**Climate and Energy Policy in Japan – from civil society’s perspective**

December 10, 2020  
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**Introduction**

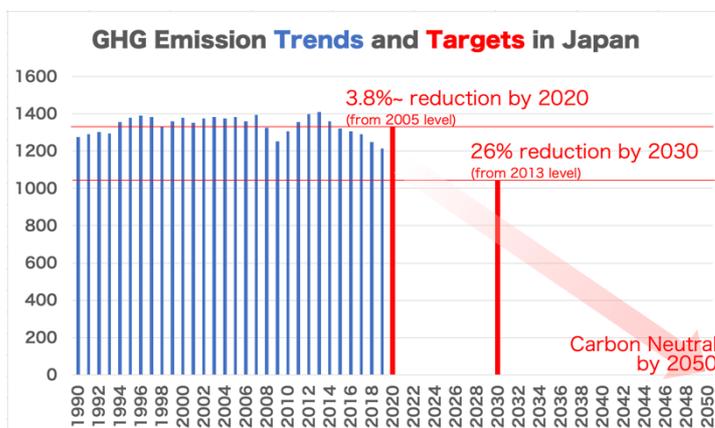
In April 2020, a severe rain hit Kamogawa City Chiba Prefecture, and a governmental agency recommended local people to evacuate from their houses to avoid the danger of the climate disaster. It happened during the state of emergency declaration, and the government asked people to stay home to avoid the risk of COVID-19 infection. These circumstances symbolically showed the dilemma between the two crises. If they go out of their houses and stay at a crowded evacuation center, they must be worried about the infection risk. Oppositely, if they chose to stay home, they might be hit by the disaster. It is a common understanding that modern society faces two crises, the novel coronavirus pandemic, and the climate crisis, at the same time. Also, the two crises hit the global economy, so that the governments have to reconsider the economic policy.

In this discussion paper, an overview of Japan's climate policy and the political landscape is described, and the challenges under the two crises are discussed.

**Emission Trends and Targets in Japan**

In Japan, national greenhouse gas emissions (GHG) have been decreasing since 2013 in a row. The latest data published by the Ministry of Environment (MoE) shows that Japan achieved a 14.4% reduction of GHG emissions in FY2019 compared to the FY2013 level. Also, compared to the 1990 level, a base year of the Kyoto Protocol, it was only about a 5% reduction. MoE explained that this change happened thanks to the decrease in energy consumption and renewable energy expansion. Nevertheless, this trend is still not compatible with the 1.5°C goal of the Paris Agreement.

The Japanese government has set three types of emission reduction targets. Firstly, Japan aims to cut GHG emissions by at least 3.8% by 2020 from the 2005 level, which is already overachieved. The number of 3.8%



Graph: Masayoshi Iyoda, based on the data of MoE

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reduction was announced at COP19 in 2013 under the Abe government. Before COP19, Japan's 2020 target was a 25% reduction from the 1990 level, set by the Democratic Party of Japan (DPJ) government. After a change in government at the end of 2012, the newly formed Abe government decided to lower the climate goal because it became challenging to achieve the DPJ's target because of the emission increase after the Fukushima Daiichi Nuclear Disaster by TEPCO. The international community strongly criticized this change, and a principle of "No backsliding" was put into the Paris Agreement in 2015.

Secondly, the government aims to achieve a 26% reduction of GHG emissions by 2030 from the 2013 level, which is included in "Nationally Determined Contributions (NDC)" under the Paris Agreement submitted to the UN. According to Climate Action Tracker (CAT), an international group of climate researchers points out that this 2030 target is "highly insufficient" to meet the Paris goals: 1.5°C or 2°C. If all government NDCs were at this level of ambition, global warming would reach between 3°C and 4°C. The COP25 decision encouraged each government to "reflect the highest level of ambition in 2020", however, the Japanese government submitted its NDC again in March 2020 without enhancement of the 2030 target that scientists urged. The government submitted it during the global panic of the COVID-19. The international community criticized that the Japanese government used the pandemic to distract attention from the insufficient and unchanged target in the NDC.

Thirdly, Prime Minister Yoshihide Suga announced in October 2020 that the Japanese government to achieve "net-zero" GHG emissions, also expressed as "carbon neutral" by 2050, followed by South Korea. The level of ambition is based on the scientific knowledge written in the IPCC report. It is in line with the Paris goal, so the international community welcomes this improvement generally. However, one month before these announcements, the Chinese government leader expressed its carbon neutral target by 2060. Some argued that China successfully showed its leadership in the East Asia region in terms of climate diplomacy. Previously, the Japanese government targeted an 80% reduction by 2050, which was included in the long-term decarbonization strategy submitted to the UN. The Japanese government should place the carbon neutral target by 2050 in the long-term strategy and Japanese law system and Japan's policy framework.

The Japanese government's style, which is setting a higher 2050 target but leaving the 2020 and 2030 target unchanged, symbolizes irresponsible climate politics and an example of "NIMTO (Not in My Term of Office)." It means that future generations will have to face severe climate impacts and huge burdens caused by the current generation. Also, Prime Minister Suga says that Japan will promote the nuclear policy to achieve the 2050 goal though most Japanese people oppose expanding nuclear energy. Under the current policy, the risks of nuclear disaster and nuclear waste will be another burden for the future generation.

## Political Landscape on Climate and Energy Issues

In Japan, about 85% of greenhouse gas emissions come from fossil energy, so that climate policy and energy policy are both sides of a coin. The Ministry of Economy, Trade and Industry (METI) and its extra-ministerial bureau, Agency of Natural Resources and Energy (ANRE), are in charge of Japan's energy policy. METI and ANRE are strongly tied with industry groups, including the Japan Business Federation, also known as Keidanren. Their priorities are energy security and economic efficiency rather than environmental conservation, such as improving air quality and mitigation of climate change. On the other hand, the Ministry of the Environment (MOE) is not given the mandate to intervene in the energy mix and energy policy. Once the METI decides to continue using coal power generation as "an important baseload electricity," which is the largest source of CO<sub>2</sub> emissions, the MOE cannot influence it substantially. Therefore, the MOE tends to focus on raising awareness of the energy-saving in households. It allows electricity companies to burn a large amount of coal, thanks to a lack of strong regulations. Also, a power balance between the two ministries is hugely biased. The number of staffs of the METI and ANRE was about 4,969, much larger than 2,024 of the MOE in 2019<sup>i</sup>. Similarly, the general account budget requests of METI were 1,192 billion JPY, more than double 449 billion JPY of MOE<sup>ii</sup>. There is a twisted relationship between METI and MOE in terms of climate and energy policy.

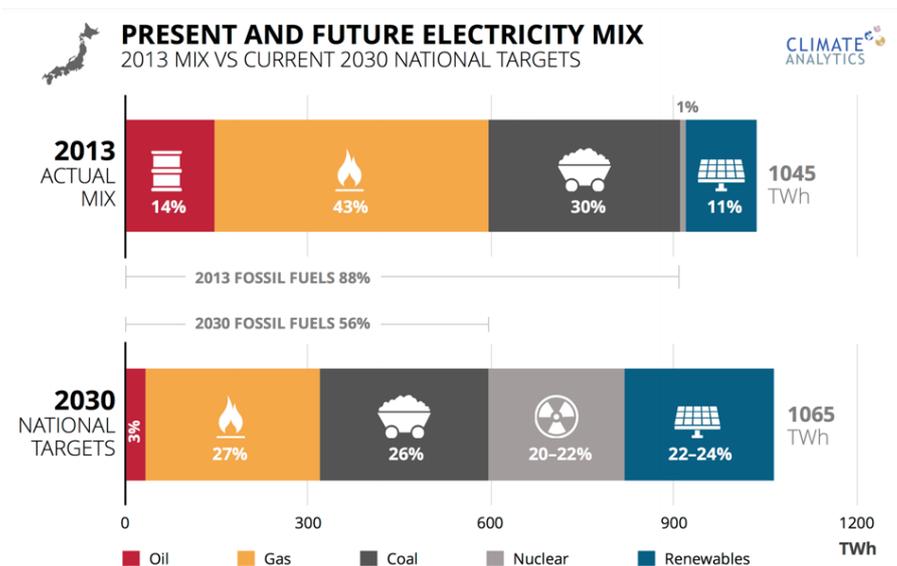


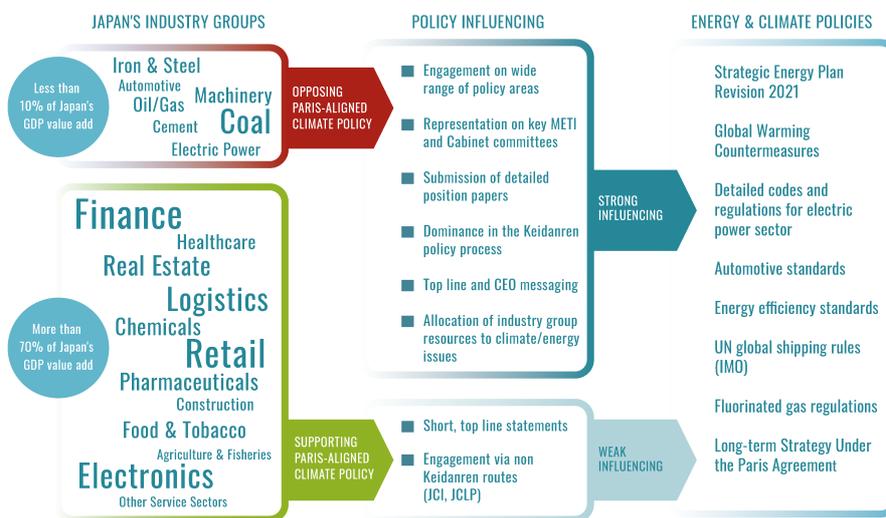
Figure 9 Electricity mix in 2013 and 2030 target

Source: Climate Analytics

Reflecting the position of METI, the Japanese government has not been progressive about renewable energy promotion and CO<sub>2</sub> emission reductions. Rather than that, the Japanese government prefers coal and nuclear in its energy policy because they are "cheap" and "essential for energy security." Suffering from the traumatic "Oil Crisis" in the 1960s, the Japanese government prioritized energy security, supported by heavy industry and electricity companies. InfluenceMap, a UK-based NGO and thinktank, analyses that Japan's climate and energy policy is hugely affected by seven industry sectors, including iron/steel, electric power, automotive production, cement, electrical machinery, oil/petrochemicals, and the coal value chain.<sup>iii</sup> These industries are highly energy-intensive and engaging energy policy process in order to oppose strong and effective regulations to

cut CO2 emissions because they believe that it is a burden on their economic activities.

## Climate and Energy Policy Influencing in Japan



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Source: InfluenceMap

## Green Recovery Policy under the Pandemic

The Japanese government has developed a series of economic stimulus package this year. In April, the Abe government released “Emergency Economic Measures” and expressed that “the Government will also promote the transition to a decarbonized society.” Nevertheless, there were almost no concrete and bold actions on climate and energy issues in the policy document. It mentioned MOE's supports for companies to

install self-consumption type solar power generation facilities, but it was a very tiny part of the whole package. The government also pushed the "Go To Travel Campaign" in the policy, which may have adverse effects to increase the risk of the infection of COVID-19 and emission increase from the airline sector. Vivid Economics analyzes that Japan’s stimulus package has a net negative environmental impact and lacks decisive action to use the opportunity to take specific actions to restore nature and

## Greenness of Stimulus Index



Source: Vivid Economics using a variety of sources, consult Annex II for the entire list of sources  
Note: Updated on October 23, 2020

Source: Vivid Economics

mitigate climate change.<sup>iv</sup>

On December 8, 2020, the Suga government newly released "Economic Stimulus Package (ESP)" and showed its intention to build "a green society." The policy document, based on Prime Minister Suga's policy speech in October, states that the challenge for carbon neutrality by 2050 is a new economic growth strategy. According to the ESP, the government will move forward regarding environmental investment and support for "innovative innovation" such as Carbon dioxide Capture, Utilization and Storage (CCUS). It lists various measures such as promoting electric vehicles and Fuel-Cell vehicles, support for net-zero energy house (ZEH), support introducing a highly efficient heat pump in the industry and office sectors, taxation to promote the business sector's investments for decarbonization, and support for decarbonization of buildings. Compared to the stimulus package released in 2020 April, it is clear that some measures are newly added in the new package with a vision of a green society. However, the set of measures seems to be a compilation and continuation of conventional ones, and it is not enough to actualize a drastic shift to a decarbonized future. For example, it emphasizes innovation as a key to decarbonize society. Though technologies are essential, it is risky to depend on technological development highly, and it may procrastinate about practical actions such as carbon pricing. Even if CCUS technologies are successfully innovated and operated in a cheap, safe, and harmless manner, there are no prospects of successfully developing and deploying CCUS on time for 1.5°C trajectory.

### **“A Green Society” in Old Style?**

In contrast to the words “a green society” by Prime Minister Suga on the front stage, there are still some attempts to protect the fossil industry's vested interests.

Firstly, the Japanese government and some companies are united to promote coal-fired power plant projects at home and abroad. In July 2020, the Minister of Economy, Trade and Industry Kajiyama announced that Japan would shut-down about 100 inefficient coal-fired power plants. However, it would allow other “efficient” coal-fired power plants to survive. It means a source of a large amount of CO<sub>2</sub> emissions is locked in. The government revealed a new policy to stop financing coal projects overseas in principle, but civil society criticized it as some loopholes. Although coal addiction comes under the spotlight, it is still unclear how the government deals with it.

Secondly, the Japanese government still promotes nuclear policy as a part of decarbonization policy. Prime Minister Suga clearly stated that he would promote the nuclear policy to achieve carbon neutrality. Although it is said that the nuclear option is not only politically unrealistic but also costly and risky, the government encourages electric companies to restart nuclear power plants and search for an opportunity to consider replacing or build a new one.

Thirdly, the government is introducing a capacity market as a part of the electric power system reform. Specialists point out that the capacity market functions as a subsidy for coal-fired power plants

and nuclear power plants, and it leaves renewables at disadvantages in a competition. However, people feel hesitant to speak up on this issue because the capacity market systems and rules are too technical and complicated, as if such difficulty to understand may be an armor to protect the vested interests from public debate and monitoring in a sense.

Currently, the Minister of State for Regulatory Reform Taro Kono is undertaking a review of the regulations and policies to expand renewables. Minister Kono is known as a rare leader to push the vision of 100% renewables within the government. It may bring a breakthrough, but it is still premature to judge the outcome of the process.

## Conclusion

Though civil society welcomes the recent carbon-neutral declaration by 2050, there are still considerable challenges for achieving the Paris Climate goal. It is needed to monitor the progress and the backsliding of the climate and energy policy continuously. In order to contribute to global climate governance, the Japanese government should take actions including but not limited to;

- To position the target of carbon neutral by 2050 in climate law.
- To set a long-term target to achieve 100% renewable energy society by 2050, at the latest. A vision of 100% renewables brings various benefits such as job opportunity creation, healthier air quality, avoidance of the massive destruction of nature, and cost reduction of fossil fuel imports.
- To revise the Basic Energy Plan to achieve coal phase-out and nuclear phase-out by 2030.
- To introduce carbon pricing policies such as carbon tax effective to reduce CO2 emissions. Such tax income might be useful for cutting consumption tax or income tax.
- To revise the 2030 target, set “at least 50% reduction from the 1990 level.” Moreover, to submit it to the UN as a part of NDC by COP26, at the latest.
- To ensure that governmental committees on climate and energy issues invite civil society representatives and progressive experts and exclude or minimize the political influence of fossil fuel industries.

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<sup>i</sup> National Personnel Authority (Jinjiin) (2019) “Annual Report FY2019”  
<https://www.jinji.go.jp/hakusho/pdf/sankou.pdf>, accessed November 29, 2020.

<sup>ii</sup> Ministry of Finance (2019) “general account budget requests”  
[https://www.mof.go.jp/budget/budger\\_workflow/budget/fy2020/sy010905.pdf](https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy010905.pdf), accessed November 29, 2020

<sup>iii</sup> InfluenceMap (2020) “Japanese Industry Groups and Climate Policy”  
<https://influencemap.org/presentation/Japanese-Industry-Groups-and-Climate-Policy-899704d005cb96359cc5b5e2a9b18a84>

<sup>iv</sup> Vivid Economics (2020) “Greenness of Stimulus Index”  
[https://www.vivideconomics.com/wp-content/uploads/2020/11/201028-GSI-report\\_October-release.pdf](https://www.vivideconomics.com/wp-content/uploads/2020/11/201028-GSI-report_October-release.pdf)