

Policy History and Policy Assessment Program

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This research program aims to study the history of trade and industrial policy and the methodology policy assessment that we expect can be derived from the process by summarizing the research on trade and industry policy history (1980-2000) conducted during the second medium-term plan period which ended in FY 2010.

In the second medium-term plan program, surveys and research were conducted on major policies implemented during the final two decades of the 20th century—the subject period of that research—in the following 11 domains, in line with the organizational structure of the then Ministry of International Trade and Industry (MITI), namely: international trade policy; industrial policy; commerce and distribution policy; industrial location, environment and security policy; basic industries policy; machinery and information industries policy; consumer goods industries policy; industrial technology policy; natural resources and energy policy; intellectual properties policy; and small and medium enterprises policy. For these policies, the process of such policy formulation, the industrial and economic conditions that made such policy formulation necessary, the process of policy implementation, the state of realization of the intents of policy, and industrial and economic conditions following policy implementation were examined. The research results do not only record historical facts but also include the assessment of policies to the extent possible, and are now being published as they are completed.

Looking back after going through such activities, we strongly recognize that the final two decades of the 20th century were not only a period of significant changes in Japan's economy and society but also a time of very major real and organizational changes in trade and industry policy. This research will attempt to make clear how changes in trade and industrial policy at the turn of the century were brought about, based on activities including assessment of the recognition of policy issues over the preceding quarter-century, choice of policy means in response, and their results. Examining this major transition period, first of all, we wish to clarify generally the historical significance of the large shifts in the trade and industry policy in the 1990s as one of the consequences of the four major changes that occurred in the last quarter-century, namely: changes in domestic macroeconomic conditions, economic globalization on a worldwide scale, new emphasis on deregulations and fiscal reconstruction, and increasing international awareness for environmental preservation. Secondly, in exploring policy areas, we will examine continuities and discontinuities between the period before and after 2000, and make efforts to link past research results to the history of economic and industry policy. In compiling the trade and industry policy history in the second medium-term plan, we also faced unique difficulties in clearly understanding and assessing the policy formulation process, the effects of the implemented policy intents, etc., and often could not produce sufficient descriptions, contrary to our original intentions.

Although these are times that require everything to be assessed, it is not easy to determine the causal association between policies and results. There may be cases where judgment on such association might be needed and cases where arguments as to whether specific policies achieved their set goals on its own could be made. On the other hand, however, there may be cases where policy involvement leads to the identification of new issues that require measures in response. This case of policy involvement leading to the identification of new issues could be assessed as a creative innovation related to policy formation. In this sense, diverse assessment criteria need to be made available for the assessment process.

Unique difficulties include a “specific culture” of MITI and its successor, the Ministry of Economy, Trade and Industry where their archives are insufficiently developed. With the development of a

legal framework for public documents, this situation might improve in the future. Improvement of such foundation of materials is regarded to be of primary importance. When we consider the fact that the research results of *Tsusho Sangyo Seisakushi Kenkyu (Studies of the History of International Trade and Industrial Policy)*—one of the projects completed by the Research Institute of International Trade and Industry in the mid-1990s—were highly useful as secondary source materials (created with the help of MITI using the most recent materials at that time) in compiling the policy history in the second medium-term plan program, we believe it is also necessary to prompt the development of archives through specific research activities on important policy issues.