



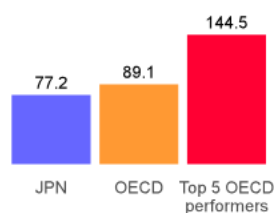
Performance gaps

Recommendations

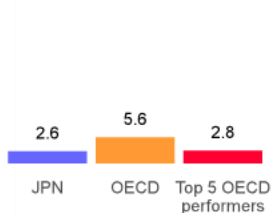
Product and labour markets functioning

- Productivity growth has been sluggish. Business dynamism is weak, with relatively few start-ups and exits of low-productivity (often smaller) firms.
- Digitalisation, automation and the green transformation will call for new skills, which older and low-skilled workers need support in acquiring, but firm-based training is relatively underdeveloped.
- Expand access to entrepreneurial training and finance, in particular for women.
- Encourage mergers, acquisitions, and divestitures of SMEs to promote consolidation of managerial resources in viable firms.
- Enhance job-training schemes, especially for the low-skilled and those with limited access to firm training.

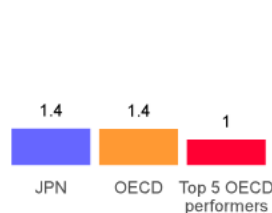
Labour productivity
GDP per employee, USD
2022



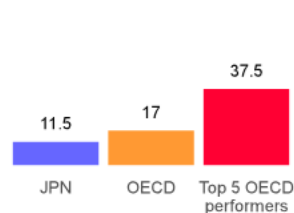
Unemployment rate
%, 2022



**Product Market Regulation
Economy-wide**
From least to most restrictive
Index of 0-6, 2018



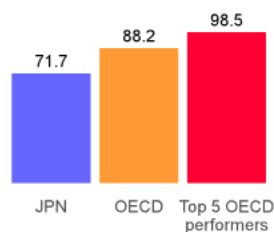
**Active labour market policies
expenditure per unemployed**
% of GDP per capita
2020 or latest available



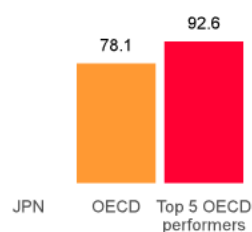
Digital transition

- Despite a good physical infrastructure, government use of digital technologies is limited, with fragmented databases. Investment in ICT and complementary intangible assets and workers with digital skills remains concentrated in larger enterprises.
- Raise e-government supply, service orientation and cost efficiency in the public sector, and develop interconnected databases.
- Reform STEM curricula to make them more attractive to study.
- Continue to develop financing methods for firms with high shares of intangible capital.

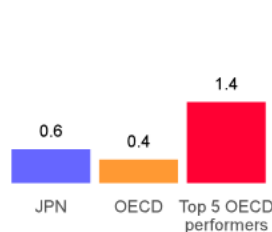
**Households with broadband
Internet access at home**
%, 2021 or latest available



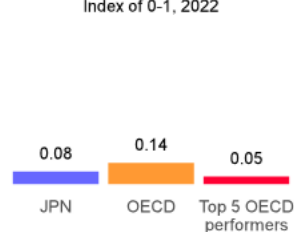
**Businesses with a website
or home page**
%, 2021 or latest available



**Business R&D expenditure
in information industries**
% of GDP, 2019 or latest available

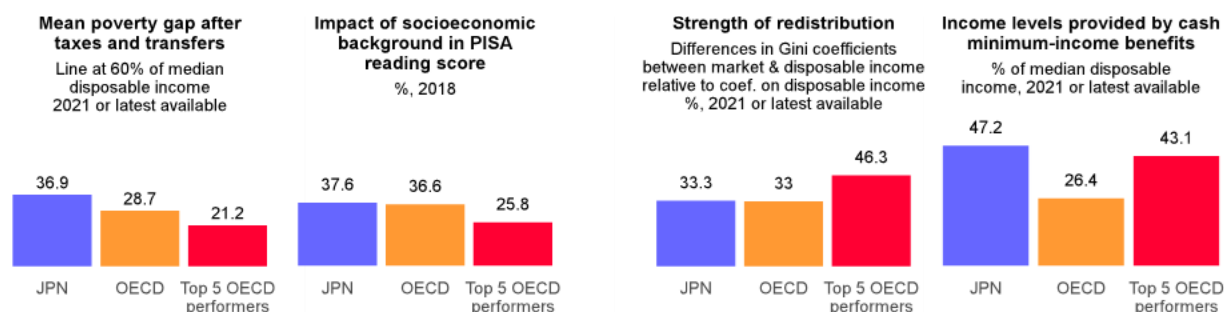


**OECD Digital Services Trade
Restrictiveness Index**
From least to most restrictive
Index of 0-1, 2022



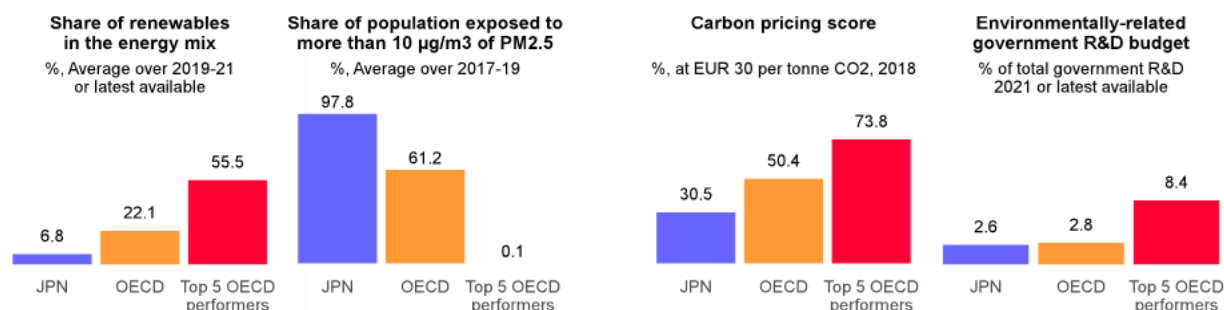
Inclusiveness, social protection, and ageing

- Demographic pressures weigh on fiscal sustainability, with rising health and long-term care expenditures, and on the outlook, reducing the inflow of new workers.
- Labour participation of women and the elderly has been increasing, but labour market duality remains high. The gender wage gap is large and the social insurance coverage of non-regular workers is lagging.
- Increase the efficiency of health and long-term care spending, including through greater use of digital technologies.
- Continue to raise the compulsory retirement age or abolish it and reform seniority wage schemes.
- Continue Work Style reforms, including equal pay for equal work and flexible working arrangements while improving child-care provision.
- Expand social insurance coverage and training for non-regular workers.

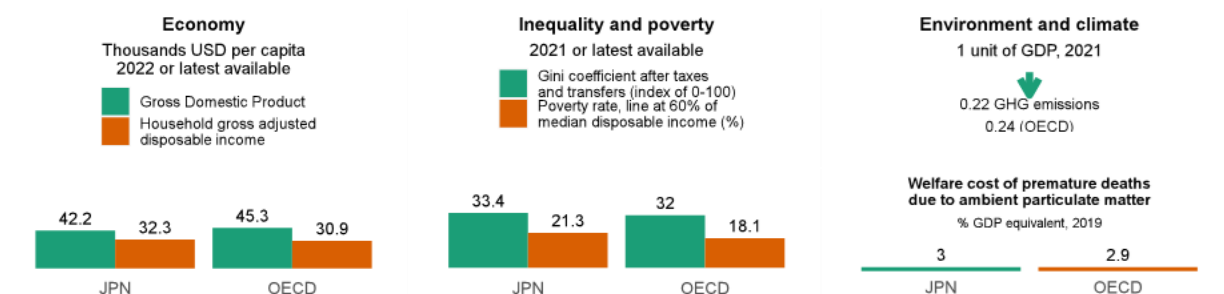


Climate transition

- Climate change objectives are challenging and will require major investment and public support in developing technologies that can contribute to emission reduction or carbon capture and storage. There is room to improve the use of market-based instruments, with a relatively low effective carbon rate.
- The contribution of renewables to electricity supply is modest and constrained by limited integration of regional electricity grids.
- Step up the promotion of research, development and deployment of green technologies and encourage greater energy efficiency.
- Make greater use of market-based instruments, such as the carbon tax, a trading system or carbon-credit market, while considering the social and economic impact.
- Invest in more interconnector capacity and ensure regional electricity grids support an increase of renewable electricity supply.



Overall performance





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