

# The Essence of the New Form of Capitalism: Future Perspective

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# Potential Risks

- **Rising oil prices**  
**Possibility of energy crisis**
- **Rise in overall import prices**
- **Weakening of the yen**
- **Decline in potential growth rate**
- **Stagflation Risk**
- **Accumulated government debt remains high**
- **Rising geopolitical risks**
- **Cov-19 infection is not yet under control**

# Potential Possibilities

- **Close to Asian countries with high growth rates**
- **Technological capabilities of Japanese companies**
- **Potential for higher labor participation in Japan**
- **Innovative start-up companies are being created**

# Policies

- **Change from the status quo policy**
- **Importance of Financial Markets**
- **Limits of Macro (Monetary and Fiscal) Policies**
- **How to encourage the emergence of new companies**
- **How to implement regulatory reforms to achieve this**

# New Form of Capitalism

- **Make positive cycle of Growth and distribution and Developing a new post-COVID-19 society**
- **Key Points :**
  - Importance of Sustainability and Human capital**
- **Building a sustainable capitalism focused on various stakeholders, leading to the happiness of a wide range of people.**

# New Form of Capitalism

- **Basic Principle:**  
Realize economic growth by  
utilizing market functions
- **Establish an environment for assessing the quality of growth and long-term corporate value by visualizing human capital, intangible assets.**

# Details

- **Realize a science and technology nation. digital transformation (DX) and growth of the green sector toward a solution to the climate change**
- **Startups as the driver of innovation that will carve out the future of Japan.**

**By providing thorough support for startups, we aim to create a second entrepreneurial boom.**

**(necessity of deregulation.)**

# Details

- **Through distribution to employees in the form of wages, consumption is expected to increase which then stimulates demand, leading to improvement in corporate earnings and sustainable growth.**
- **(However, it may be difficult to raise the wages without improvement of labour productivity.)**



# Importance of Human Capital

- **it is necessary to promote human capital investments.**
- **It is necessary to tackle labor market reforms and educational issues.**
- **In order to resolve the issue of the rapidly aging population, it is necessary to strengthen measures to address the declining birthrate, including support for child-rearing.**

## Other tools

- **Strengthening investment in science/technology and innovation to promote the realization of a science and technology nation**
- **Promotion of Digital Transformation (DX)**
- **Development and implementation of clean energy technology**
- **Digital Garden City Nation to revitalize rural areas and connect them to the world**

## **For Rural Area**

**Promotion of the transformation of agriculture, forestry and fisheries into growing industries**

**Promotion of PPP/PFI**

**Support for the tourism industry to revive Japan as a tourism-oriented country**

**Facilitating labor mobility and strengthening investment in human capital**

**Strengthening distribution to non-regular employees, etc.**

**Using Remote work  
and promote Dual Residence  
(in both the city and country)**

# Proposal

- **It is difficult to raise wages sustainably and to change the income distribution structure sustainably with only temporary income redistribution policies.**
- **Increase the growth rate and increase the overall pie. And we need structural reform so that each individual can earn more.**
- **I believe that the key to raising wages and the growth rate is to develop the skills of each individual and to increase human capital.**