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EDITORIAL

Expressway tolls amid privatization

A decade after the nation's public expressway operators were privatized in October 2005, the interest-bearing debts left behind by Japan Public Highway Corp. and three other entities have been reduced from ¥37.4 trillion to ¥28.75 trillion. However, the plan envisaged in the 2004 law on the privatization — that all expressways would become toll-free by 2050 after all the debts were repaid — has already been pushed back by 15 years due to the flaws in the scheme that failed to take into account the obvious cost of renovating aging infrastructure. Even the new scenario of toll-free expressway networks in 2065 is in doubt because the need to update infrastructure will continue in the years ahead.

The government, which holds all of the shares in the three regional operators created through the breakup of Japan Public Highway — East, Central and West Nippon Expressway, should review the privatization scheme going forward, including the feasibility of the promised end of tolls. The question of whether the operators should be given greater autonomy in management should also be addressed.

The government-funded highway corporation was a target of widespread criticism as the breeding ground for vested interests linked to building and running the expressway networks, with debts mounting from the construction of toll roads with dubious profitability across Japan. Then in the early 2000s the administration of Prime Minister Junichiro Koizumi pushed to privatize Japan Public Highway along with the operators of the metropolitan expressway network in and around Tokyo, the Hanshin expressways around Osaka and those linking Honshu and Shikoku.

Japan Public Highway was broken up into the regional operators. While the expressway facilities and debts were taken over by a separate entity, the operators borrowed the facilities and repaid the debts from toll revenue. Privatization was meant to put a brake on the debt-financed construction of unprofitable roads, repay the accumulated debts within 45 years and end the tolls at that point. This was touted as the key benefit of Koizumi's structural reforms, and the expressway effort served as a precursor for his next goal of privatizing postal services.

However, discussions during the privatization process over how to pay for major renovations of aging expressway facilities in the future were put on the back burner. The issue came to the fore just seven years later, when the December 2012 ceiling collapse at the Sasago Tunnel on the Chuo Expressway in Yamaguchi Prefecture killed nine people.

The disaster prompted the expressway operators to come up with plans to replace and repair aging bridges and tunnels, at a total cost of ¥4 trillion. To pay for it, the privatization law

was revised to push back the deadline for repaying the debts and making the roads toll-free by 15 years from 2050 to 2065. But the original plan would likely have had to be reviewed no matter what. According to the transport ministry, 19 percent of the expressway sections serviced by the three Japan Public Highway offshoots were at least 40 years old as of the end of March. That ratio will double to 40 percent in 10 years.

This brings into doubt the very feasibility of making the expressways toll-free. It is estimated that renovating aging infrastructure will cost trillions more in the coming decades. If all past debts are repaid by 2065 and the expressways are made toll-free, the cost of major renovations and maintenance after that point will likely need to be covered by taxpayer money. The other option would be to keep charging the tolls. This needs to be addressed as part of discussions on the future shape of expressway networks and their operators.

Privatization of the expressway operators is credited for diversifying and improving the services at shops in the service and parking areas on expressways. The combined annual sales at such establishments has increased by ¥90 billion since the privatization. At the same time, pursuit of business efficiency led to shutdowns of many unprofitable gas stations at service areas, creating 83 expressway sections across the country where motorists need to drive more than 100 km to find the nearest gas station — a problem that needs to be addressed.

The privatization scheme dictates that expressway tolls are set according to debt repayment plans, making it difficult for the operators to make profits out of this revenue by flexibly adapting the rates to local economic conditions and traffic volume. On the other hand, the toll system has been the subject of political intervention in recent years as the government flirted with discounts as an economic stimulus or experimented with toll-free services on some sections.

The Liberal Democratic Party-Komeito alliance in 2009 introduced a government-subsidized program of placing a ¥1,000 cap on tolls for vehicles equipped with electronic toll collection devices on weekends and holidays. The Democratic Party of Japan, whose campaign platform included toll-free expressway services, turned some sections of the network toll-free on an experimental basis after it took power in 2009 — a measure that was terminated when the fiscal needs arose for reconstruction from the 2011 Great East Japan Earthquake and tsunami. But instead of these subsidy-based discounts at the mercy of government policies, reduction of the tolls should be achieved through business efforts and greater efficiency on the part of the operators, and giving the operators more leeway for flexibly setting the rates may be one way of doing that.

Asia urgently needs greater mobility for skilled workers

Yoko Ishikura and Demetrios G. Papademetriou
SPECIAL TO THE JAPAN TIMES

The Asian labor market is in the midst of a fundamental transformation.

Advanced economies, as well as some emerging ones, are aging very rapidly, while high youth unemployment persists in developing economies, where population growth has been robust and is expected to continue to be so. Moreover, close to half of the current jobs will disappear due to advancements in robotics and AI (artificial intelligence), while new jobs will also emerge.

These two factors — an aging population and advances in robotics and AI — will trigger changes both in the type of skills that will be needed and where they will come from. Specifically, as new jobs that require new skills emerge, having “just-in-time” access to those skills will become increasingly important because it takes time for educational and training institutions to adapt their curricula, and produce people with new sets of skills.

The firm, mobility of skilled professionals, in particular within the industry and across national boundaries — is indispensable to resolve the divergence between skills and jobs, as well as the gaps in labor force participation by old and young generations.

The Global Survey by the Global Agenda Council on the Future of Jobs at the World Economic Forum is intended to identify the drivers of changing trends and disruptions affecting work, their implications for skills, and the adaptation strategies of global firms. Such firms, however, cannot resolve the impending skills mismatches on their own.

Their mobility is also the issue on which the Association of Southeast Asian Nations' efforts have been focusing — making it a

good time to take stock of the lessons the ASEAN member states have learned from their efforts.

Progress in meeting the ASEAN Economic Community's goal of facilitating movements by skilled professionals within the region by this December has been painfully slow. Three main reasons behind this sluggishness are highlighted in a forthcoming report by the Asian Development Bank and the Migration Policy Institute, the first product in a multi-year ADB-MPI project supported by the Japan International Cooperation Agency that seeks to identify strategies to overcome obstacles to the freer movement of professionals within ASEAN.

First, professionals in the region typically find their skills and education underutilized — and undervalued — because their academic and professional qualifications are not easily recognized.

Second, professionals face restricted access to the ASEAN labor market as a result of national-level barriers, including constitutional requirements restricting certain jobs for nationals.

Lastly, many professionals themselves have limited interest in moving within the region due to cultural, linguistic and quality-of-life differences.

With a growing market of more than 600 million consumers and a combined gross domestic product of nearly \$3 trillion, the ASEAN region stands to gain much from adopting a more coherent approach to facilitating skill mobility and thus draw out the full benefits of the human capital that mobile skilled workers bring with them.

In the absence of well-trained workers, businesses cannot prosper, industries cannot be competitive, individuals cannot build lives that can set them on a course to opportunity, and investors, foreign and domestic, will not make additional investments.

Countries in Southeast Asia must thus think harder about what each can contribute to the region's economic attrac-

tiveness and how, working together, they can build complementary physical and human capital infrastructures that can contribute to meeting ASEAN-wide economic growth and competitiveness goals.

Laying out an ambitious but realistic road map toward freer movement for the region's high-skilled citizens over the next decade and beyond is thus of critical importance.

A two-pronged strategy is required. ASEAN member states need to cooperate more organically to remove unnecessary obstacles to recognizing the qualifications of professionals wishing to move and increase their access to the regional labor market. At the same time, ASEAN governments should invest systematically and deeply in national training and education systems that prepare workers in accordance with common ASEAN-wide standards.

Developing and maintaining human capital at a competitive level requires sustained and multi-faceted efforts of all key stakeholders, particularly private industry, government and educational institutions. We all need to recognize the urgency of the task of leveraging human capital to increase competitiveness in the face of transformational changes in the global economy.

It is impossible to wait for all stakeholders to agree and act together, as is clear in the uneven efforts of the members of the ASEAN community. We need to identify, encourage and support pioneers in this pursuit, whether they are companies, cities, countries or regions.

Those who act first and learn from practice will benefit most. No “wait and see” approach will work.

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Politics of identity and the death of feminism

TED RALL

New York

If you doubt that the politics of identity have triumphed over the debate over ideas, read the Sept. 28 New York Times story about how “Carly Fiorina Both Repels and Enthralled Liberal Feminists.”

Identity politics is the marketing of self resulting support of candidates based on their historically underprivileged status. Never mind what I believe or claim I'll do if I win. Vote for me, gay males, because I am one of you! Vote for me, black women, because it's time for a black woman!

Or, vote for me, white liberals, because I'll heal the rifts of sexism and/or racism.

Barack Obama is the patron saint of modern identity politics. Though not black in a typical American sense, which indicates slave ancestry, Obama swept to victory twice, and enjoyed remarkable deference from the media, because he was black enough to serve as a symbol of racial reconciliation. Identity politics is how he convinced most Democrats to vote for him and do so enthusiastically — this despite a conservative voting record and politics that have been at home in any of several Republican administrations.

Obama's ideas — expanding NSA surveillance of American civilians, drone assassinations of thousands of innocent people, reducing Libya and Syria to failed states — are anathema to those who voted for him, but he was (sort of) black, so they did anyway.

This campaign season, it's the women's turn. Hillary Rodham Clinton's conservative politics and ideas and performance are overlooked by the vast majority of her liberal supporters because she's a woman, and there needs to be a woman president, and if she falls short of victory, who is the next woman capable of pulling it off? As the Times notes, feminists — most of whom are, by definition, politically liberal or progressive — are confused by the disconnect between Carly Fiorina's projection of strong, competent womanhood, and her retrograde right-wing politics. “Can you love a campaign but hate a candidate's politics?” the paper quotes self-described feminist writer Robin Marty, writing for Cosmopolitan's website.

I dunno, Robin — can you be a feminist and still write for a rag that makes millions by reselling the same tired list of



cheap orgasm tricks? Can I admire Adolf Hitler's design sense while mourning that he was never managed to assassinate him?

In the crucible of the 1970s, identity politics had its place. Where would feminism have been without the identifier of Ms. Magazine? Trans people, the latest to step out of the shadows of historical marginalization and oppression, have gotten where they are today via an identity politics that, first things first, made it OK to be proud of who and what you are.

But that was then and this is now. Now identity politics is all identity, no politics, all image, no substance.

Quoting Erin Gloria Ryan of the Jezebel website illustrated the bankruptcy of identity politics. “Carly Fiorina is an ice-cold shade queen debate princess and I'm in love with and terrified of her,” she tweeted. Would a resident of Waziristan write: “Barack Obama is an ice-cold drone killer and I'm in love with his suits but not so much into being droneed?” No. He would not. Because a resident of Waziristan is connected to his class interests. Because he is scared of, and disgusted by, Obama's drones, he cannot appreciate the way the president cuts a fine figure in a suit.

It's of course ridiculous when you think about it, but it really does come down to aesthetics for Ryan: Fiorina, she says, is “contrary to the conservative female narrative, the way she looks, the way she presents herself, the no-nonsense businesswoman thing.” For this generation of image feminists, Fiorina is seductive because she cuts a fine figure in a high-end corporate outfit and refuses to absorb Donald Trump's cheap shots at

her looks. Too bad she wants to tell pregnant teenagers tough beans, they have to have the baby — and that she brazenly lied about a purported Planned Parenthood “harvest the brain” video.

Marty compares “liberal” feminist interest in Fiorina to eating at McDonald's: “You know, inherently, it's not something you should be eating. But when there's nothing else around, it's what you go and take.”

That's so wrong in so many ways. In the 2016 presidential race, there is another woman running. I think Hillary's politics are repugnant. There is no way I'd vote for her. But if you roll lesser evil style, she's obviously better from a progressive viewpoint than Carly — like going to Wendy's instead of Mickey D's.

But lesser evilism, that bastard cousin of identity politics, is the first express stop on the road to ideological ruin. Bernie Sanders — old and white and male — is 50 times the feminist that Hillary Clinton will ever be. I know because I've read his platform, which would do a lot more than Hillary, and a zillion times more than Carly Fiorina, to help women.

And that's leaving out the world where feminism should inhabit: the perfect world of total feminist equality. We're not going to get to equality under this variety of capitalism, or any other kind of capitalism. How can an identity politics that distracts real live feminists with the likes of a corporate monster like Carly Fiorina even start to destroy and replace the entire system?

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Stephan Richter
Washington
THE GLOBALIST

For all the hoopla about the two mighty men who visited the United States last week and met with President Barack Obama, the most intriguing meeting amidst all this Washington summitry — the one between Pope Francis and Xi Jinping — never happened.

No one has to regret that more than these two men themselves.

There aren't two leaders on Earth today who face such similar challenges in running their two organizations. The Vatican and the Chinese Communist Party are both faith-based enterprises whose doctrines increasingly collide with societal realities.

Both leaders are involved in high-stakes battles within their top echelons, one playing out inside the Vatican, the other inside the Politburo.

The parallels between the two men are astounding — an extent well beyond the two most obvious, but still amazing numbers-based parallels.

Jorge Mario Bergoglio took over the reins of the Roman Catholic Church on March 13, 2013, exactly one day before Xi Jinping took over as president of the People's Republic of China.

Both men took charge of two gigantic flocks — each consisting of 1 billion plus people.

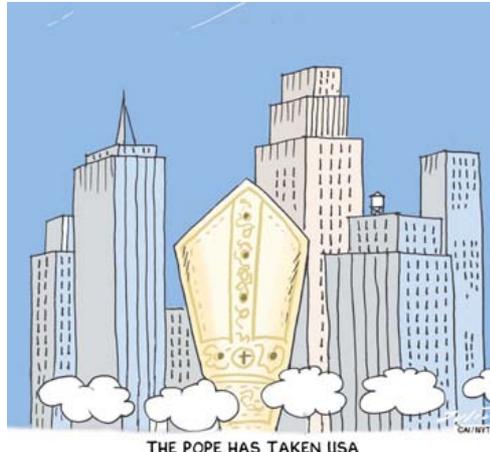
Both China's Communist Party and the Catholic Church are heavily male-dominated, top-down organizations that pursue their respective faiths with an absolutist claim.

In both men's locks, the inclination to steer clear of the constraining doctrine is becoming ever more pronounced.

At and near the top of their respective organizational hierarchies, they both have to contend with embarrassing cases of “bad apples.” What is the sexual molestation of boys in one institution or plentiful sex scandals involving mistresses, call girls and prostitutes in the other. Both Xi and Francis have made it plain that they want to end the ostentatiousness and luxury worship that was condoned under their predecessors.

Xi is seeking to root out fancy banquets and expensive gifts to senior party leaders and Communist Party officials at all levels. With regard to the pope, the name he took for his reign says it all. St. Francis of Assisi is revered for his concern about the well being of the poor.

The biggest challenge both men face is strong resistance to any serious reforms from a lot of the vested interests in the top rungs of their hierarchies. To accomplish real reforms means cutting off avenues to self-enrichment that a lot of insiders have relied upon for a long time.



No wonder then that powerful people on the inside — especially those who have their fingers in the honey pot — are dead set against any real reforms being carried out.

This applies equally to the Italian “mafia” inside the Roman Curia and the top apparatchiks — via their relatives — inside the CCP's top echelons.

While they are all prepared to pay lip service to the reform cause, that's as far as they are willing to go.

The pope still has to make a definitive headway to combat the impression that their two institutions still condone corruption, money laundering and capital flight.

Despite all the proclamations about reform, a real sense of shame and a true understanding of the need for internal hygiene are still in short supply inside both organizations.

Xi Jinping and Pope Francis are also similar in that they each represent a curious mix of being a modernizer and a traditionalist.

The pope is still wedded to a lot of traditional views of the church regarding such issues as the ordination of women and celibacy for priests, but he is also pushing ahead with significant liberalizing moves on other issues previously considered untouchable.

Meanwhile, Xi pursues his own mix of reform-mindedness and sticking with old doctrines.

To regain the confidence of his flock,

the pope has gone where none of his predecessors has gone.

His request in the autumn of 2013 to the national bishops' conferences around the world to conduct a poll of Catholics about their opinions of some of the church's core teachings (on such sensitive matters as contraception, same-sex marriage and divorce) shows an unprecedented readiness to enhance the church's focus on its “customers.”

As the Chinese leadership, in its own way, is going after the same goal. The constant monitoring of discussion threads on micro-blogging sites provides the political leadership with direct feedback from the population on the performance of CCP managers at all levels of society.

While the outside world thus has reasons aplenty to be fascinated by the parallel developments inside the Vatican and the CCP, no two people on Earth have a keener interest to compare notes than Francis and Xi.

Alas, as far as we know, no such meeting is ever likely to happen — certainly not while they are both in Washington's ambit.

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