THE HATOYAMA ADMINISTRATION AND JAPAN'S CLIMATE CHANGE INITIATIVES

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Executive Summary

1. In September 2009, Japan's Prime Minister Hatoyama Yukio declared at the United Nations Climate Change Conference in New York that his administration is committed to a reduction of Japan's carbon emissions by 25 percent from the 1990 level by 2020 to mitigate global warming.

2. With this commitment, Hatoyama sought to reaffirm a promise made by the DPJ's 2009 Lower House Election manifesto to the electorate; act as a catalyst to other nations to be bolder in their reduction of carbon emissions; and pave the way for Japan to take the lead once again in the global governance of climate change even after the Kyoto Protocol lapses in 2012.

3. However, Japan will commit to a sharp reduction only if other major carbon emitters will do likewise.

4. Even though Hatoyama also promised vigorous support for developing countries in climate technology and funding, he fell short of pledging how much Tokyo will commit financially to developing countries.

5. Despite Hatoyama's tentativeness at the UN Climate Change Conference, his climate change initiative marks a significant shift in Japan's domestic and international policy. This shift is made possible only by the collapse of 54 years of perennial LDP rule which, hitherto, privileged the interests of a Big Business clientele anathema to mandatory cuts to carbon emissions.

6. The new DPJ government is less beholden to industrial interest groups for financial contributions and more wary of bureaucrats (including those from the Ministry of Economy, Trade and Industry) than the LDP and is therefore prepared to remake Japan's old climate change policy framed during LDP's one-party dominance.

7. Despite being a high-tech and energy efficient country and the producer of commercially viable hybrid and electric cars, Japan is unlikely to meet its Kyoto Protocol emissions obligations. Instead of reducing its emissions by six percent of its 1990 level between 2009 and 2012, its carbon emissions have actually increased by around eight percent above the 1990 level.

8. Under the new DPJ government, electric utilities are obliged to buy back excess energy from households generated by renewable sources including solar and wind. To encourage more households to install solar panels, the buy-back price will be raised from 28 to 48 yen per kilowatt in this feed-in tariff system.

9. Conceivably, Japan may meet its Kyoto Protocol obligations if it were to increase technical and financial assistance to developing countries to mitigate climate change and earn carbon credit, and purchase carbon credit through an international "trade and cap" scheme.