

OBJECTIVES OF THE SIXTH BASIC ENVIRONMENT PLAN

In May 2024, the Sixth Basic Environment Plan was approved upon a cabinet decision. The Basic Environment Plan presents a broad vision of the government's environment policy based on the Basic Act on the Environment.

This plan is based on a strong “sense of crisis” about the triple crises of climate change, biodiversity loss, and pollution. As modern civilization is unsustainable, the need to make a shift in the socio-economic system is inevitable. We must shift from the linear/standard mass production type of socio-economic system, which emphasizes material wealth, to a circular/high value-added type of socio-economic system that is based on renewable resources, such as recycled resources and biomass resources, and that emphasizes intangible value and spiritual wealth as well.

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1 PUT THE HIGHEST PRIORITY ON “WELL-BEING/QUALITY OF LIFE”

The Sixth Basic Environment Plan is distinctive in that it puts the highest priority on “well-being/quality of life.” The status of the environment and environmental measures are closely related to the economy and society, and the relationship is becoming closer and closer. Therefore, the plan puts the highest priority on “well-being/quality of life” as the starting point of environmental policy in order to remedy economic and social challenges in an integrated manner. This is in line with the following statement of Article 1 of the Basic Act on the Environment: “The purpose of this Act is to promote policies for

environmental conservation in a comprehensive and systematic manner so as to ensure wholesome and cultured living of the people present and in the future, as well as to contribute to the welfare of humankind.”

The strong emphasis on “well-being/quality of life” also reflects a wish to enable citizens now and in the future to have hopes for the future of the earth and Japan through environment policy under the concept of “changing the way of CHANGE,” which aims to directly address the needs of citizens now and in the future in the face of the structural problems that have continued for many years.

Basic concepts and structure of the Sixth Basic Environment Plan [Part 1]

The necessity of coping with environmental crises and various economic and social challenges

Purpose

“Improvement of the quality of life, level of happiness, well-being and economic welfare of individual citizens now and in the future” and “contribution to the welfare of humankind” through “environmental conservation”

Vision

Circulation and symbiosis based society

civilization that can grow/develop by preserving biocapacity and improving the quality of the environment

Circulation (≈science)

- Ensuring a sound material cycle in natural systems, including carbon and other base elements
- Shift from a socio-economic system depending on underground resources to one depending on “renewable resources, such as recycled resources and biomass resources”
- Reduction of total environmental load and creation of a good environment

Symbiosis (≈philosophy)

- Based on the traditional natural view of nature in Japan, promote humankind to be a sound member of the ecosystem
- Unification of the health of humans and the earth (planetary health)
- Awareness/efforts of individuals, efforts of community/companies, economy and society of the whole country, and the future of the planet as a whole draw a concentric circle

Policy

“New avenues for growth” that bring about “well-being/high quality of life” in future years
market value + non-market value

Six viewpoints regarding “change the way of CHANGE”

1

stock

2

long-term perspective

3

inherent needs

4

intangible assets and spiritual happiness/wealth

5

community and inclusive nature

6

focus on self-reliance and decentralization

- Maintaining, restoring, and enhancing natural capital (environment), which is the stock, will be the foundation of “new avenues for growth”
- Adding high value to the entire economy utilizing “environmental value,” which is an intangible asset, etc.

Policies Development

- Ensuring the speed and scale of science-based efforts (also coping with “decisive 2030”)
- Integration and synergy of measures, such as net-zero, circular economy, and nature-positive measures.
- Coevolution of the government, market, and citizens (civil society, regional community)
- Practice and implementation of “new avenues for growth”

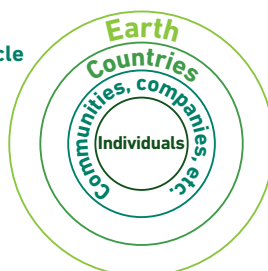
Note: Considering such basic directions, describe the priority strategies in six fields (economic system, national land, community, life, science, technologies and innovation, and international cooperation), focused points in individual environmental policies, and the system of environmental conservation measures.

Article 1 of the Basic Act on the Environment

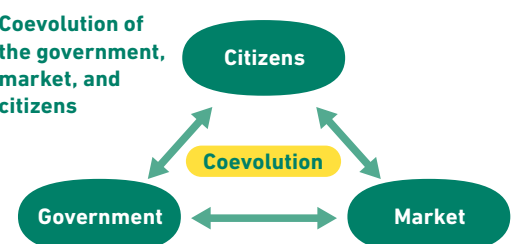
The purpose of this Act is to promote policies for environmental conservation in a comprehensive and systematic manner so as to ensure wholesome and cultured living of the people present and in the future, as well as to contribute to the welfare of humankind.

Diagram of a concentric circle

Note: Communities and companies include local governments, regional communities, companies, and groups such as NPOs and NGOs.



Coevolution of the government, market, and citizens



2 “NEW AVENUES FOR GROWTH” ENSURING THAT “WELL-BEING/QUALITY OF LIFE” IS MAINTAINED INTO THE FUTURE

“Well-being/quality of life” includes both market value (e.g., wages, GDP, and financial assets) and non-market value (e.g., health, comfort, and subjective happiness). The Sixth Basic Environment Plan aims

to create “new avenues for growth” that increase both sorts of value and cites the following six points as viewpoints important for realizing the goal.

- 1 — Focusing on stock: In addition to flow (e.g., GDP), an improvement of stock (e.g., natural capital) is essential.
- 2 — Long-term viewpoint: It is necessary to make investments from a long-term viewpoint and to have an altruistic viewpoint, such as giving consideration to future generations.
- 3 — Focusing on the inherent needs of citizens: It is necessary to address the inherent needs of citizens now and in the future without overly catering to companies’ seeds.
- 4 — Focusing on intangible assets: Emphasis should be placed not only on material wealth but also on spiritual wealth. In economic activity as well, the viewpoint of creating high added value using intangible assets, including environmental value, is important.
- 5 — Focusing on communities: As social capital is important for enhancing well-being, it is necessary to strengthen communities as its foundation.
- 6 — A self-reliant and decentralized system: The viewpoint of shifting to a self-reliant, decentralized, horizontally-distributed socio-economic system from a large-scale, centralized system.

3 “MAINTAINING, RESTORING AND ENHANCING NATURAL CAPITAL” IS THE KEY

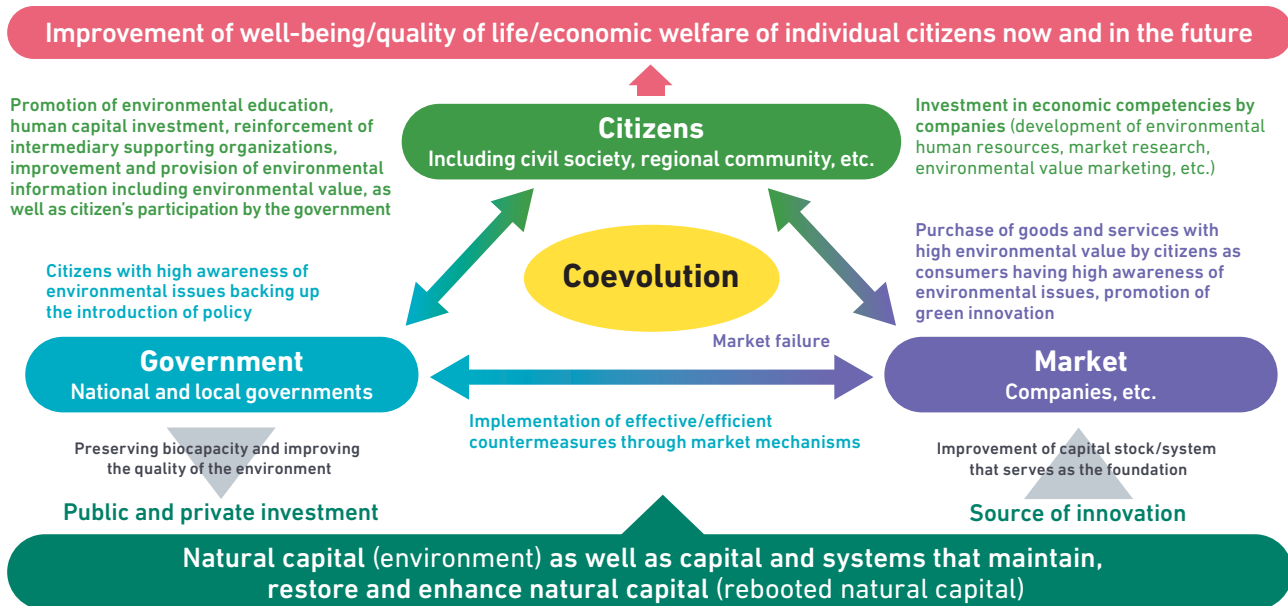
“Natural capital” is capital (stock) produced in nature, including forest, soil, water, air, and biological resources. Natural capital forms the foundation that makes society and the economy possible.

In order to maintain, restore and enhance natural capital, it is necessary to expand and develop, from a long-term viewpoint, tangible and intangible capital (e.g., artificial capital and human capital) and systems that contribute to doing that.

It is also important to carefully consider what kind of “well-being/quality of life” the people desire and to act in order to realize it. It is desirable that the government and the people evolve together while positively affecting each other, a relationship of “coevolution,” so to speak.

In order to realize a sustainable society, it is necessary that all agents of society have a sense of ownership and enhance and strengthen partnerships under an equal division of roles. It is also necessary to voluntarily and proactively reduce environmental loads and create a good environment. Moreover, it is necessary for government organizations (e.g., the national and local governments), markets (e.g., companies), and citizens (including civil society and local communities) to achieve coevolution.

Image of the realization of “well-being/quality of life” through the coevolution of the government, market, and citizens



Note: Specific descriptions on mutual interaction are measures described in the Sixth Basic Environment Plan

Source: Prepared based on Philippe Aghion, Céline Antonin, Simon Buel, *Le pouvoir de la destruction créatrice* (MURAI, A. trans., November 25, 2022) and Raghuram Rajan, *The Third Pillar: How Markets and the State Leave the Community Behind* (TSUKITANI, M. trans., July 20, 2021).

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CONTRIBUTIONS TO ECONOMIC GROWTH FROM “NEW AVENUES FOR GROWTH” USING ENVIRONMENTAL VALUE, SUCH AS GEARING THE ENTIRE ECONOMY TOWARD THE CREATION OF HIGH ADDED VALUE

“Capital that maintains, restores, and enhances natural capital” refers to the sort of capital that contributes to “well-being/quality of life” and the sort of “capital that facilitates environmental measures.” Businesses related to decarbonization are expected to continue expanding, so making large-scale investment in those sorts of capital is likely to further increase employment, wages, industrial competitiveness, and GDP.

If “environmental value” comes to be appropriately evaluated in the market and if products and services with high environmental value come to be chosen by consumers, that is expected to lead to economic

growth through the creation of high added value (internalization of non-market value). Capital and systems that maintain, restore and enhance natural capital will lead the society to “new avenues for growth”—through the creation of both market value, such as increases in investments and employment, and non-market value, such as interaction with nature and the enjoyment of a conformable environment through improved natural capital (the environment)—in a broader, diverse sense, including in terms of non-market value, while contributing to “well-being/quality of life.”

5

VISION OF AN IDEAL SOCIETY: CIRCULATION AND SYMBIOSIS BASED SOCIETY

The Sixth Basic Environment Plan upholds a “circulation and symbiosis based society” that can

grow and develop by conserving biocapacity and by improving the quality of the environment as the

vision of an ideal society. In order to conserve biocapacity, the plan aims to lower dependence on underground resources, mainly comprised of fossil fuels, and minimize the input of new resources by promoting resource circulation based on the use of renewable resources, such as recycled resources and biomass resources. It is also important to reduce the total amount of environmental loads in consideration of the relationships between different sectors, including synergy effects and trade-offs.

Furthermore, the plan seeks not only to maintain the environment, which constitutes the foundation for the survival of mankind, by preventing its degradation but also calls for active efforts to improve the quality of “circulation” and restore, enhance, and sustainably utilize natural capital. In this way, the plan will realize the conservation of the environment, an activity comprised of the “prevention of hindrances to environment conservation” and the “creation of a good environment.”

“Symbiosis” referred to here means the situation

of human beings existing as part of the environment and acting as conscientious members of ecosystems and the environment. Japanese people have cultivated wisdom and a view of nature that seek harmony with nature in ways that avoid the exhaustion of natural capital while having respect for it.

However, at present, mankind has become a special presence in ecosystems and the environment. In order to realize “symbiosis,” it is desirable to shift to a socio-economic system in which human activity not only avoids degrading ecosystems but also enriches them. What kind of awareness individuals have and what actions they take relates to what actions communities and companies take and what Japan’s society and economy will be like and, by extension, to the future of the entire earth.

Therefore, the relationships between individuals, communities, companies, countries, and the earth can be expressed as “concentric circles,” so to speak. The Sixth Basic Environment Plan describes priority strategies in the following six sectors in order to realize a “circulation and symbiosis based society.”

- 1 — Formulation of a green economic system for realizing sustainable production and consumption that lead to “new avenues for growth”
Expansion of investment in tangible and intangible capital that work to maintain, restore, and enhance natural capital; Adding high value to the entire economy utilizing environmental value
- 2 — Improvement of value of national land as stock on the foundation of natural capital
Use of national land to maintain, restore, and enhance natural capital; Self-reliant and decentralized national land structure; Realization of cities/regions where citizens can realize “well-being/quality of life”
- 3 — Development of regional communities as a ground to practice/implement the Integrated Improvements on Environment, Economy and Society
Developing sustainable regional communities that make the maximum use of regional natural capital (Circular and Ecological Economy); Maintenance, restoration, and enhancement of regional natural capital
- 4 — Realization of safe and secure, as well as healthy and prosperous life where citizens can realize “well-being/quality of life”
Realization of a safe and secure life where citizens can realize “well-being/quality of life”; Creation of a good environment
- 5 — Development, demonstration, and social implementation of science, technologies, and innovation supporting “new avenues for growth”
Development/demonstration and social implementation of environmental technologies based on inherent needs; Realization of green innovation; Accumulation and improvement of scientific knowledge
- 6 — Contribution to national interests and the welfare of humankind through the promotion of strategic international cooperation centered on the environment
Strategic promotion of international cooperation centered on the environment as a country relying on natural capital abroad