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Our Proposal to the New Suga Administration

Kentaro KAWABE
Chairman
Information Technology Federation of Japan

No one knows what the future holds. The Japanese people are exhausted from the coronavirus. People around the world are having to restrict their activities due to the pandemic. Everyone is living with anxiety without a clear outlook for the future. Under such circumstances, the new Suga administration succeeded the Abe administration in Japan. We strongly request a seamless succession to avoid a political vacuum, and that the new administration puts all of its efforts into preventing the spread of COVID-19. At the same time, we urge the new prime minister to take decisive actions in line with his words, “Unless we break from sectionalism, there will be no revival of Japan,” and to prepare for Japan’s new dawn through administrative reform and efficiency with digitalization of administrative works as key initiatives.

We believe that the Japanese society before the COVID-19 pandemic placed importance on visible and tangible objects. Focus was on increasing tangible fixed assets (buildings and products), and this was also what the public wanted. Now, amidst the pandemic, we see ourselves unable to take any action against the invisible virus, and are just patiently waiting for the end of the pandemic. The distribution of the government’s special cash payment revealed how behind Japanese society was in digitalization. The payment relied on visual confirmation of every application submitted, which inevitably impaired the processing speed and increased costs—all a result of insufficient investment in intangible assets (software) in the past.

The Information Technology Federation of Japan looks forward to the establishment of a new government agency in charge of digitalization, and will cooperate in supplying human resources that specialize in IT. We hope that the public and private sectors can join hands to complete the digitalization of administrative works as the basis of Japan’s digital transformation.

We also advocate the perpetuation of online diagnoses and online education. However, unless these measures truly digitalize our society, they will only increase stress in changing

our habits. Sooner or later, people will start saying, “Let’s go back to our former lifestyle!” We must recognize that digitalization which does not enhance convenience is not fundamentally digitalizing our lives, even though it may seem as if digitalization has prevailed on the surface. True digitalization brings about nothing but added value, enhanced efficiency and the speeding up of processes.

One way of creating high-quality software, an intangible asset, is through the agile method. Without fear of failure, release the verified product to the market even if it is a beta version. Utilize data to analyze failures and make immediate improvements. Listen to the voices of the users and repeatedly and constantly introduce new functions. Can the government do this? If it can’t, one viable option is for the government to set forth the major direction and values that must be protected, and delegate the software development to the private sector. For example, if we are having problems in making the My Number Card (Card for Social Security and Tax Number System) prevalent, we could provide it together with a My Number app. Upon installing the app in the smartphone, we can consider having the number activated online.

Digital transformation will accelerate in the private sector if tax incentives, such as special depreciation and tax exemptions, are applied to intangible fixed assets such as software; these incentives will accelerate the shift to intangible fixed assets. The strengthening of cybersecurity is also a point that cannot be neglected. For example, we need to take immediate measures to stop the prolonged use of old systems and meaningless methods of protecting passwords.

The Information Technology Federation of Japan will work closely with the new administration, and will fully support measures centered around the My Number Card to digitalize administrative works. We will support the new lifestyle with the power of information technology, overcome the pandemic, create rigorous regional societies, and contribute to economic recovery. Our major policy proposals to the new administration are as follows:

1. Promotion of digital government

- i) Promotion of online and digitalized public-private transactions
- ii) Implementation of online voting system
- iii) Further promotion of the use of My Number and My Number Cards and ensuring clarity in their development and operation
- iv) Establishment of a National Forum for Human Capital Development to promote AI in society

2. Resolution of digital divide
 - Resolution of regional disparities in information infrastructures
 - Equal proliferation of high-speed networks across Japan
3. Digital transformation in education; further promotion of online education
 - Promotion of online education in schools at all levels and universities
4. Digital transformation in medicine; further promotion of online healthcare
 - Perpetuation of online diagnoses and online medication instruction
5. Digital transformation of cities; smart cities and regional revitalization through smart cities
 - i) Implementation of decentralized autonomous society, proliferation of data infrastructure (smart city operating system) to regional cities
 - ii) Promotion of new work styles (such as remote working and “workation”)
6. Enforcement of cybersecurity
 - Introduction of indices in corporate security measures
7. Digital transformation of companies: expansion of projects to support introduction of IT and aid for operators
 - i) Fully virtual shareholders meetings
 - ii) Digital transformation of SMEs