

**FY2020 (35th) Summer Seminar Appeal 2020  
Responsibility for Sustainable Economy and Society  
—More Dialogue with Diverse Stakeholders**

- The new coronavirus pandemic has exposed economic and social activities to serious threats around the globe, making each society's vulnerability more visible. Above all, Japan is reminded of its delay in digital transformation as a weakness inherent in its society as a whole.
- We can resolve these challenges and overcome the crisis only by strengthening international cooperation for taking on global challenges, and by reinforcing digital transformation and open innovation, as we declared in "Karuizawa Appeal 2019" last year. Now is the time to accelerate concrete actions under the public-private partnerships, knowing that there are a host of sectors that have already gone through enough discussions and studies.
- Keizai Doyukai set the target of making Japan not only valuable, but indispensable, to the common good of the world. In line with this, it will create, with diverse stakeholders including future generations, a forum for open dialogue about Japan's future, while presenting discussion points and options for a sustainable future.

**1. Policies and corporate strategies under the "new normal"**

- We have learned from the coronavirus pandemic that a society penetrated by globalization and climate change is susceptible to unknown infectious diseases that emerge at intervals, just like it is to large-scale natural disasters such as typhoons and earthquakes. Today, we know that living with the risks inherent in such society is indeed the "new normal."
- Identifying so-called "Factor X" as well as promotion of joint development of diagnostic/therapeutic agents—our weapons to overcome the coronavirus pandemic—absolutely requires international cooperation.

**(1) Striking a balance between prevention of further coronavirus spread and reviving economic activities**

- A society where people can live with peace of mind even when infected and drastic expansion of coronavirus testing capability—these are the two crucial prerequisites for reviving economic/social activities and domestic/cross-border mobility of people.
  - Availability of coronavirus test for all who wish to take it at any time. An easier, faster, and more efficient test by using antigen test.
  - Squeeze the lead time between recognizing the risk of infection and receiving the test result. More support for increasing capability for development and production of

diagnostic/therapeutic agents, leading to a society that allows for patients to focus on medical treatment with peace of mind, even after tested positive.

- Improvement and wider use of mobile apps that informs the user of a contact with a person tested positive.  
More efficiency in countermeasures in general to the infectious disease (e.g. digitalization of work at a healthcare center) and preparation of robust response system for crisis (e.g. use of a system of private sector)
- Development of social infrastructure that provides healthcare services (The number of people tested positive is increasing.)
- A system to support high-risk facilities under the crisis (e.g. nursing home and facilities for the handicapped)
- A society without discrimination and prejudice against infected people and healthcare workers
- Revision of laws and regulations is required to enable more effective response to a state of emergency.
  - Review and clarification of roles played by the national and regional governments in case a state of emergency is declared
  - Necessity of developing regulatory framework that enables compulsory measures (e.g. business suspension orders with compensation and more authority for onsite inspection)
- More robust digital infrastructure that supports continuity of economic, social activities
  - Quick information disclosure that creates values and higher information literacy of the public that enables appropriate use of anonymized personal data
  - Digitalization of administrative procedures at the government and the municipalities (e.g. a review of the My Number System)
  - Online consultations, from the first visit, with physicians and pharmacists to be made advanced and permanent, and full-fledged digitalization for stably providing essential services such as medical care/nursing and logistic services and promotion of data health services
- Thorough discussions at the Diet on the use of the reserve fund from a perspective of fiscal democracy

## **(2) Transformation into a company that responds to the “new normal” and corresponding regulatory and institutional reforms**

- Development and provision of goods and services by each company under the “new normal” and a review of conventional customs, mindsets, and business processes based on papers, seals, and face-to-face contacts
- Conversion to industrial structures and management strategy that adapt to the change of lifestyle and social structures
  - Promotion of digital transformation (DX) synchronizing in the central government and the municipalities as well as in value chains of SMEs, and reassembling of supply

chains

- More labor mobility that increases industrial reorganization and replacement of the old businesses with the new ones, as well as redesigning of safety net
- Supporting funding and business turnaround/restructuring through debt restructuring and capital injection
- Personnel system and labor legislation that enable highly diverse and flexible working style, and social security system reform
  - Realization of a system that allows for creative working style free from restrictions on working hours, place, and form

## **2. Pursuit of policies that reflect benefits of the future generations**

- We, business leaders, must create high-quality values and aim at a country that contributes to a human society, while expecting politicians and the government to build a social system in line with the “new normal.” Our roles, however, are not limited to those. We are the stakeholders that carry important roles and responsibilities in the society, and thus will endeavor to raise awareness and promote behavioral change of the public to the fiscal challenge of the country and the challenges of the world. To promote the decision making that reflects benefits of the future generations, we will encourage young people’s participation in politics so that policy measures such as in social security, education, and digitalization will reflect their opinions.

### **(1) A path to the sustainable public finances**

- To ensure fiscal space to cope with a crisis that happens at least once in ten years, to achieve sustainable fiscal structure that maintains confidence of the markets, and to explore the potential for international cooperation in fiscal policy
- Now that fiscal health is seriously damaged, the role of an independent fiscal institution is even more important for explaining the current fiscal status to the public in an objective manner and for representing the benefits of the future generations.

### **(2) Responsible business management for social sustainability**

- We will shore up the fundamentals for business continuity of corporations, by resolving social challenges through innovations and by promoting behavioral change of the public through business management with a focus on SDGs, global environment, next generations, and other factors. The business management must well reflect the views on contribution to the social solidarity amid the escalation of social fragmentation and discord.
  - Management strategies, corporate governance principles, and corporate culture are to incorporate “stakeholder capitalism” and “SDGs.”
  - Creation of R&D and business that help resolve global challenges such as climate change and infectious diseases

- Further reforms of national research institutes and universities—the source of innovations—and utilization of their results for promoting open innovations

### **3. What we expect from the new cabinet**

- We expect the new cabinet to promote the reforms with their targets and due dates disclosed, leading to tangible and quick results.
- To take on the challenge of conquering the new coronavirus in a precise manner, and to build economy/society in line with the “new normal” while establishing a government that increases the national strengths and wins the public mandate, through making the most of DX
  - Transparent decision making process and fulfilling accountability
  - Swift establishment of digital government and penetration of DX in Japan’s society (e.g. thorough DX implementation in administrative services provided by the government and the municipalities)
  - Far-reaching reform of the benefit-and-contribution scheme, which ensures the sustainability of the social security system and the public finances going forward
  - To address the diversifying working style that reflects receding traditional employment practices and the change in industrial structures (e.g. replacement of the old industries with the new ones), to build safety net that promotes labor mobility to growth sectors, and in particular, to provide diverse recurrent education that focuses on labor mobility to sectors with a labor shortage concern in the future
  - To renew regulatory framework in line with digitalization in the economy and to implement regulatory and institutional reform in full, which promotes innovations—a core of growth strategy
  - To strongly pursue global rule making, aiming at realizing Data Free Flow with Trust
  - To break away from business-specific regulations by responding to changes in industrial structures and to improve capability to design competition rules and to lead global rule making
  - To apply various policy measures with a focus on area units—mostly local core cities with a solid economic and social infrastructure—for correcting the excessive concentration of industry and population in Tokyo.

###