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Keizai Doyukai

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Striving for a Society Co-created by its *Seikatsusha*
—Virtuous Cycle of Growth, Investment, and Distribution—

The world is now right in the middle of a turning point in many aspects such as economy, geopolitics, and advanced technologies. Above all, Japan is confronting a pressing issue to focus on maintaining and expanding its sovereign power, while bracing for the environment to continue with uncertainties and risks.

Most of the solutions to get out of the 30-year-long stagnation are already on the table. For Japan to have a substantial presence in the international community as “a country not only valuable, but indispensable, to the common good of the world,” we must redefine Japan’s “purpose” or what Japan should strive for, and make it announced to the world.

In other words, Japan—a front-runner in taking on newly emerging issues—needs a society where everyone is happy and with peace of mind over the future, supported by sustainable economic growth. In this regard, we call it “a Society Co-created by its *Seikatsusha*,” where each *Seikatsusha* becomes actively involved with achieving it, believing that our country has a unique power to make it through.

The Japanese term *Seikatsusha* means all individuals, who have multifaceted roles as consumers, workers, members of families, and participants in communities. The term also encompasses all active stakeholders in Japan, including organizations run by individuals of the society. The main objective of the Society Co-created by its *Seikatsusha* is to drive the society toward a desired direction, with the *Seikatsusha*’s purpose synchronized with that of the nation, and by allowing *Seikatsusha* as active players to make selections at will.

—Japan’s country image to strive for
in the Society Co-created by its *Seikatsusha*—

With sustainable economic growth, all *Seikatsusha* realize happiness, more well-being, and future confidence. To be more specific, Japan achieves world’s leading position from the perspectives of economic growth, inclusiveness, and sustainability, by embodying images as follows.

- Children and young people live with peace of mind, freely developing their personality and independence.

- The society supports all individuals to make efforts to strengthen their power of value creation for life, and to select opportunities by their own choice.
- There are enterprises of various size, business sector, and structure, with clear purposes connected to the power of value creation and competitiveness.
- Each *Seikatsusha* actively uses opportunities to participate in policymaking of the government and public sector well trusted by *Seikatsusha*.

The Society Co-created by its *Seikatsusha* will be realized, when unfavorable reality nobody wants to see becomes visualized, and a sense of crisis for the future like “clinging to the status quo will only result in the downfall” is shared among the public.

The clock is ticking. Let’s present a commitment to take a step forward from now, toward a single direction of the Society Co-created by its *Seikatsusha*.

1. *Seikatsusha*’s commitment to strive for the Society Co-created by its *Seikatsusha*

(1) Accelerate mobility of people and diversity

- In the age of drastically changing economic/social structure, smooth human mobility to growth/high value added sector is indispensable. So is acceleration of mobility of people in the society as a whole.
- From an aspect of supporting each *Seikatsusha*—a player in the community—to continue an effort for life to enhance his/her human value as well as to select an appropriate workplace, it is essential to optimize all social system, including education, labor market, and social security, to be in line with the age of diversity.

(2) Create various innovations with “Mutual Assistance Capitalism”

- Facing the critical fiscal conditions, we cannot keep depending on the government’s public assistance for solving increasingly complex and expanding social challenges. Instead, our future growth will originate from continuously solving social issues using a power of the private sector or, in other words, from generating innovation and growth from “mutual assistance” not depending on the power of the government and public finance.
- Thus, companies lead open collaborations with NPOs, NGOs, universities, research institutions, and communities, gain sympathy of social stakeholders, and invigorate ambitions of younger generations. Through these collaborations, the companies reform the organizations and business management of their own.
- Furthermore, supply chains for value co-creation are to be publicly open to the

world. Japan must attract human resource abroad with diverse nationality, profile, and cultural background, thereby evolving and promoting diversity.

(3) Distribution as investment to human value

- Going forward, distribution should be looked at from a perspective of investment to an individual's personal growth and potential, such as for social participation, skill enhancement, and supporting a motivation to study.
- For meeting the needs of social support and help that are accurate, swift, and efficient, we address the issue of making the most of digital value, which was highlighted by the coronavirus pandemic. More use of the My Number System for social security and taxation is one of the examples.

(4) Shift to a government that is purpose-driven, agile, and reliable

- The role of a government is to support—not disturb— *Seikatsusha* like companies to create diverse innovations. Thus, a focus is on development of environment such as providing public goods including infrastructure for using advanced technologies and regulatory reform, in order to implement innovations.
- The government must strive for more agile, flexible policymaking and implementation, by using data as well as evidence-based assessment and monitoring, in line with characteristics of innovations and governance of private companies.

2. Decisions to be made now for desired future

- Prices of semiconductors and food/energy are rising worldwide, due to disruptions of global value chains hit by the coronavirus pandemic and a series of supply constraints caused by the war in Ukraine. Japan that lived with deflation for such a long time is also suffering from cost-push inflation, accelerated by the weaker yen.
- Recent consumer prices are not rising as fast as corporate goods prices, but the declining real wage, induced by the rising consumer prices, should be eliminated for the purpose of maintaining prosperous life of the public. This is the time to promote human mobility, industrial reorganization and replacement of the old businesses with the new ones, educational reform, and investment for human resources such as reskilling, as well as to enhance Japanese economy's power of value creation. This should result in higher productivity and a transformation of Japan's economic structure to the one with stably increasing income per capita.
- An external labor market full of diverse human resource is essential to realize high-quality employment and frictionless, flexible labor transfer. We request the

Meeting on a Social Security System Oriented to All Generations to quickly start discussions on integrated reform of taxation, social security, and labor market, for drawing up a timetable toward a target without delay.

- The government must listen to the private sector—voices of business managers, above all—at the phase of strategy setting and implementation in order to make growth strategy more effective. “A grand design and action plan of the new capitalism” should have a long-term public-private commitment, and go through a far strengthened and exhaustive PDCA cycle in a rapid and appropriate manner.
- Government meetings and councils in charge of strategy setting should seek, in an urgent manner, presentation of agenda by private sector members, EBPM-based and verifiable data publication, and establishment of monitoring scheme based on evaluation /analysis of policy effects.
- Use of nuclear power plants with confirmed safety inspection is indispensable, to achieve carbon neutral and ensure stable supply of energy. As the international community aims to strike a balance between safety and higher utilization of nuclear power plants, Japan should follow suit with preparation for striking such balance.
- Labor shortage is becoming more serious again toward restart of economic and social activities in the post-pandemic phase. First, we must raise productivity of Japanese economy by making the most of digital technologies and data. Second, we must overhaul our regulatory and institutional structures introduced in the analogue era in a drastic and swift manner. This is for maximization of the well-being of the public through wise spending and based on limited fiscal source.
- To enable startups to compete in the global scene for a remarkable success, we must press ahead with fundamental regulatory reform, such as a review of regular depreciation of goodwill—a barrier to M&As—and regulations on working hours.

3. Business leaders and Doyukai to lead a movement for a Society Co-created by its *Seikatsusha*

(1) “*Kai yori hajimeyo*”¹: Business leader’s commitment

- A company becomes sustainable only when it creates values required by the society now and in the future, makes earnings, and wins market appreciation. All business leaders must strengthen their power of value creation, reflecting this principle of capitalism.
- They must also seek market evaluation on their approach to address long-term

¹ Translator’s comment: Old Chinese proverb meaning “A journey of a thousand miles begins with a single step.”

issues, such as innovation and solutions to social challenges. In this regard, they need engagement with the markets.

(2) Update to Keizai Doyukai 3.0

- Keizai Doyukai endeavors to discover contacts with multi-stakeholders and agendas shared with them as a group of business leaders in action, with a focus on collaboration there.
- In particular, Doyukai pursues enhancement of *Seikatsusha* platform function such as of the Future Selection Forum, as well as its communication capability. Its objectives are to establish channels of dialogue and network such as with NPOs/NGOs—expert in resolving social issues—, startups, next generations who play an active role in the future, and leaders in the local public/private sectors. Doyukai's action starts with ramp-up of cooperation and collaboration with Keizai Doyukai in each region, as an effort to make Doyukai and multi-stakeholders become a communication hub.

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