

The Rise of E-Business in Japan's Changing Economy and the Role of the Japan Association of New Economy (JANE)

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The contents of this presentation are based on my (Jun Makita) personal views, and are in no way representative of the views of JANE.

My Experience 1

- Present

- ✓ Staff of the Japan Association of New Economy (JANE):
mainly engaged in policy-related matters (Feb. 2014~)
- ✓ Researcher of political science at the Faculty of Humanities
and Social Sciences, Tsukuba University (Apr. 2014~)

My Experience 2

● Past

- ✓ Worked as a secretary to the Minister of Internal Affairs and Communications (2013) and as a policy secretary to a member of the Diet (2002–2012).
- ✓ Doctor of Policy Studies, National Graduate Institute for Policy Studies, Tokyo (2012)

About JANE - Overview

Establishment

Feb. 22, 2010: Inauguration of Japan e-business Association (JeBA)
Jun. 1, 2012: Renamed as **Japan Association of New Economy (JANE)**

Number of Members

543 companies (as of Jan. 2015)

About JANE - Board Members and Executives

Board Members

Representative Director

Hiroshi Mikitani (Rakuten Inc.)

Directors

Susumu Fujita (CyberAgent, Inc.)

Yasufumi Kanemaru (Future Architect, Inc.)

Masatoshi Kumagai (GMO Internet, Inc.)

Auditor

Atsuki Ishida (FreeBit Co., Ltd.)

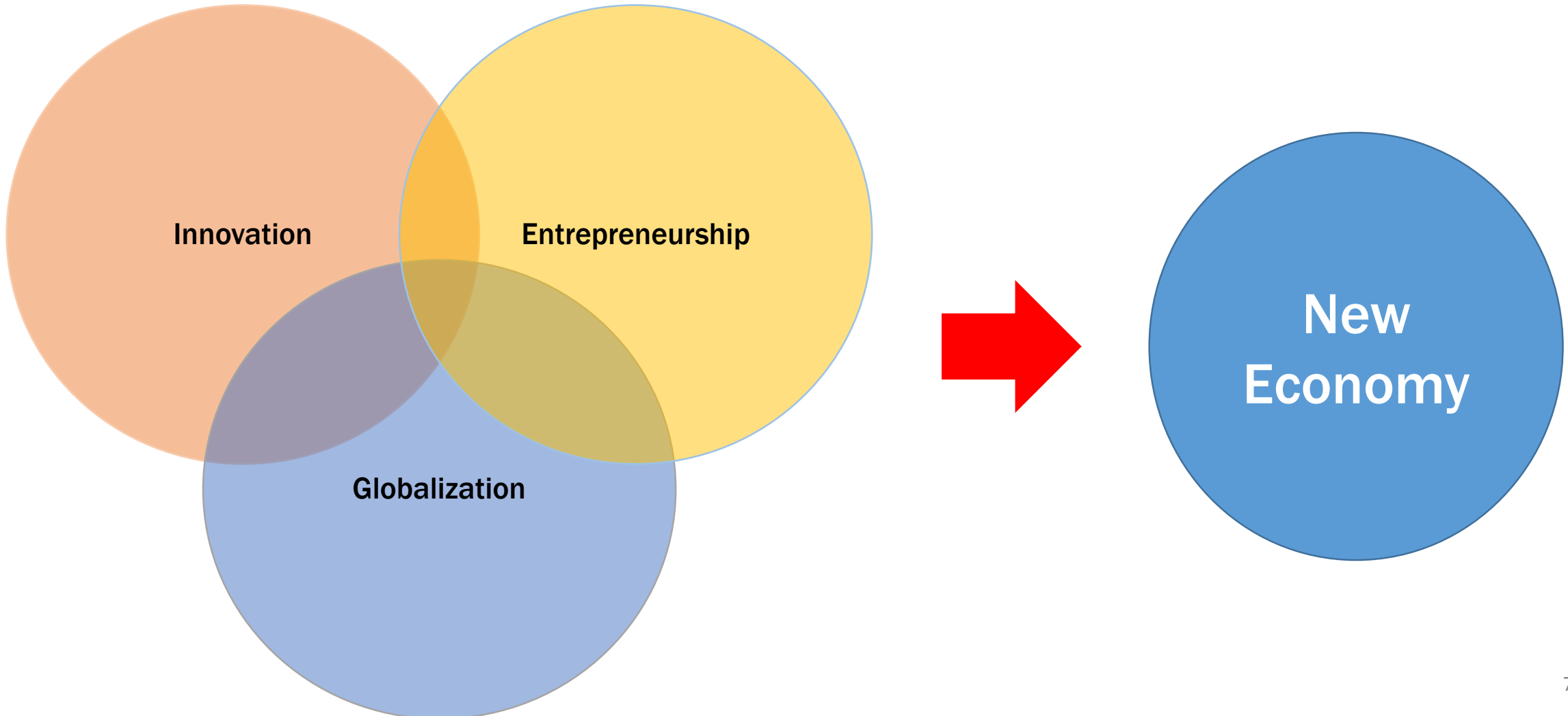
Executive Members

24 CEOs from Member Companies

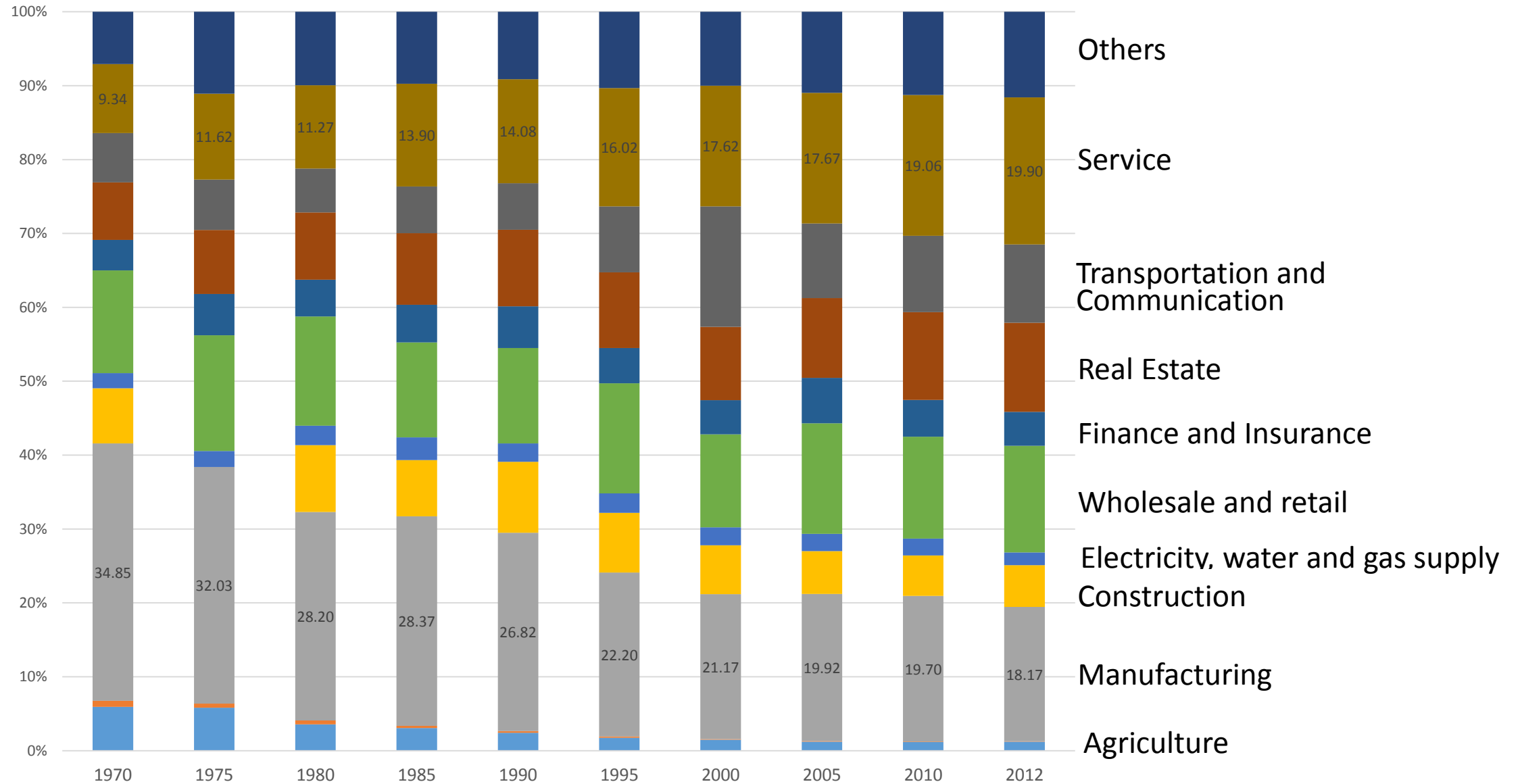


About JANE - Concept

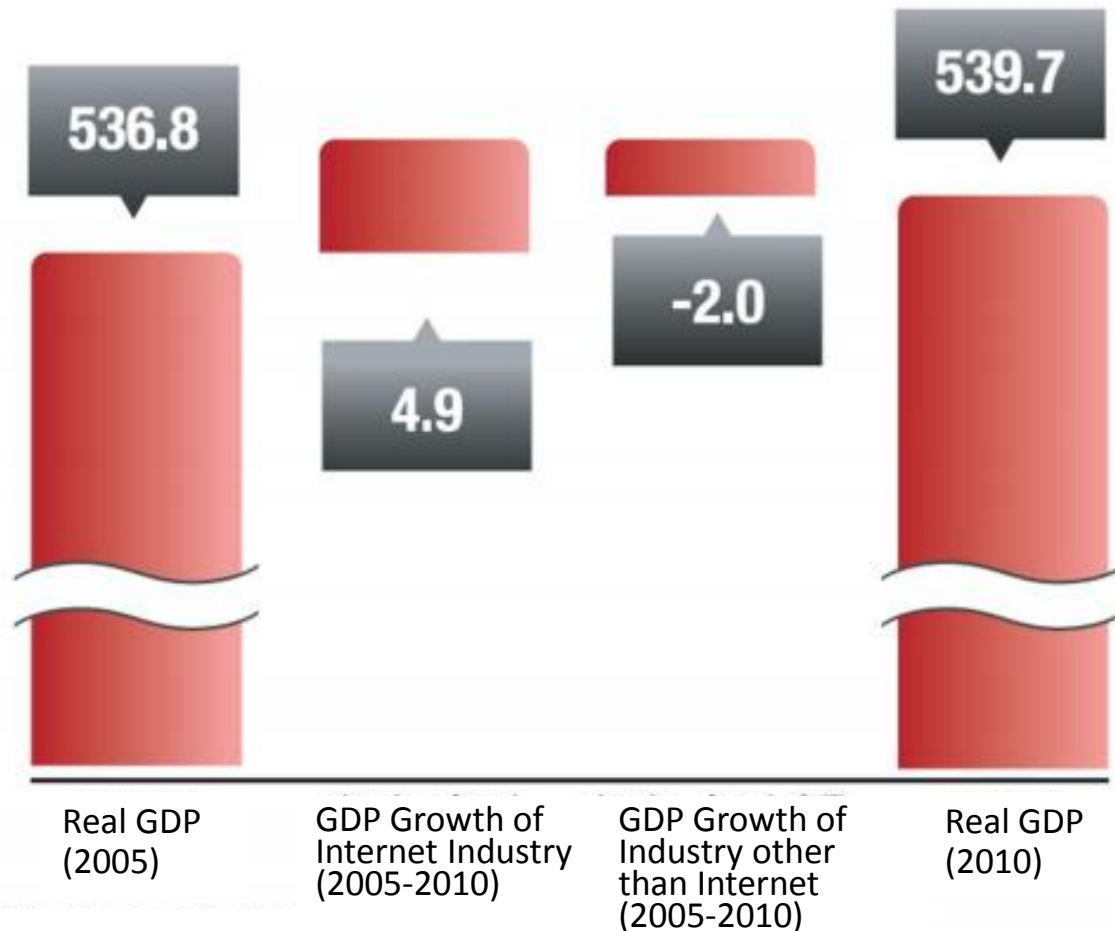
JANE promotes the New Economy with 3 pillars—Innovation, Entrepreneurship, and Globalization—for the industrial competitiveness of Japan.



Change in Value-added by Industry in Japan, as A% of GDP



Growth of Internet Industry



- ✓ Growth of real GDP (2005–2010) is 2.9 trillion yen.
- ✓ GDP growth of Internet industry (2005–2010) is 4.9 trillion yen, and that of other industry is -2.0 trillion yen.

→ National GDP growth (2005–2010)
= Growth of Internet Industry in the same period.

Obstacles for IT Service Industry

- Principle of “Face-to-Face Communication” and “Paper-Based Documents”
 - ✓ When getting a certificate of residence, we have to go to the local government office and apply using a paper application form.
 - ✓ When drawing up a real estate contract, we have to go to a real estate agent’s shop and listen to an explanation of “important matters” from the person in charge.

Contributions of Our Organization (JANE)

- ✓ Representing the new economy (Internet, e-business companies), which has not necessarily had a connection with the Government/Diet.
- ✓ Gathering opinions of new economy companies, coordinating and converting them into policy proposals, and conveying those proposals to policymakers.

Difference between JANE and Keidanren - 1

● Member Companies

- ✓ Keidanren – traditional large-scale and heavy industry, represented by manufacturers (Toyota, Honda, Hitachi, Toshiba...)
- ✓ JANE – new-economy industry, represented by IT service companies (Rakuten, Cisco, CyberArgent, FutureArchitect, GMO...)

Difference between JANE and Keidanren - 2

- Approach to Government/Diet
 - ✓ Keidanren – has an existing connection, so is able to convey its requests to the Government/Diet based on shared presumptions
 - ✓ JANE – has not had a connection until now, thus the only way is to convey its requests based on logic and scientific data

Difference between JANE and Keidanren - 3

● Basic Policy Stance

✓ Keidanren – removing regulations that hinder free economic activities

→ relatively few regulations in the field of traditional industry

→ Keidanren has negotiated with the Government/Diet and won a desirable environment for business

✓ JANE – basic stance is the same as Keidanren's, however,

→ there are a lot of obstacles in the new economy field

because of differences between the laws/regulations and the actual new businesses

That Difference between JANE and Keidanren

⇒ Sometimes the two organizations' stances differ

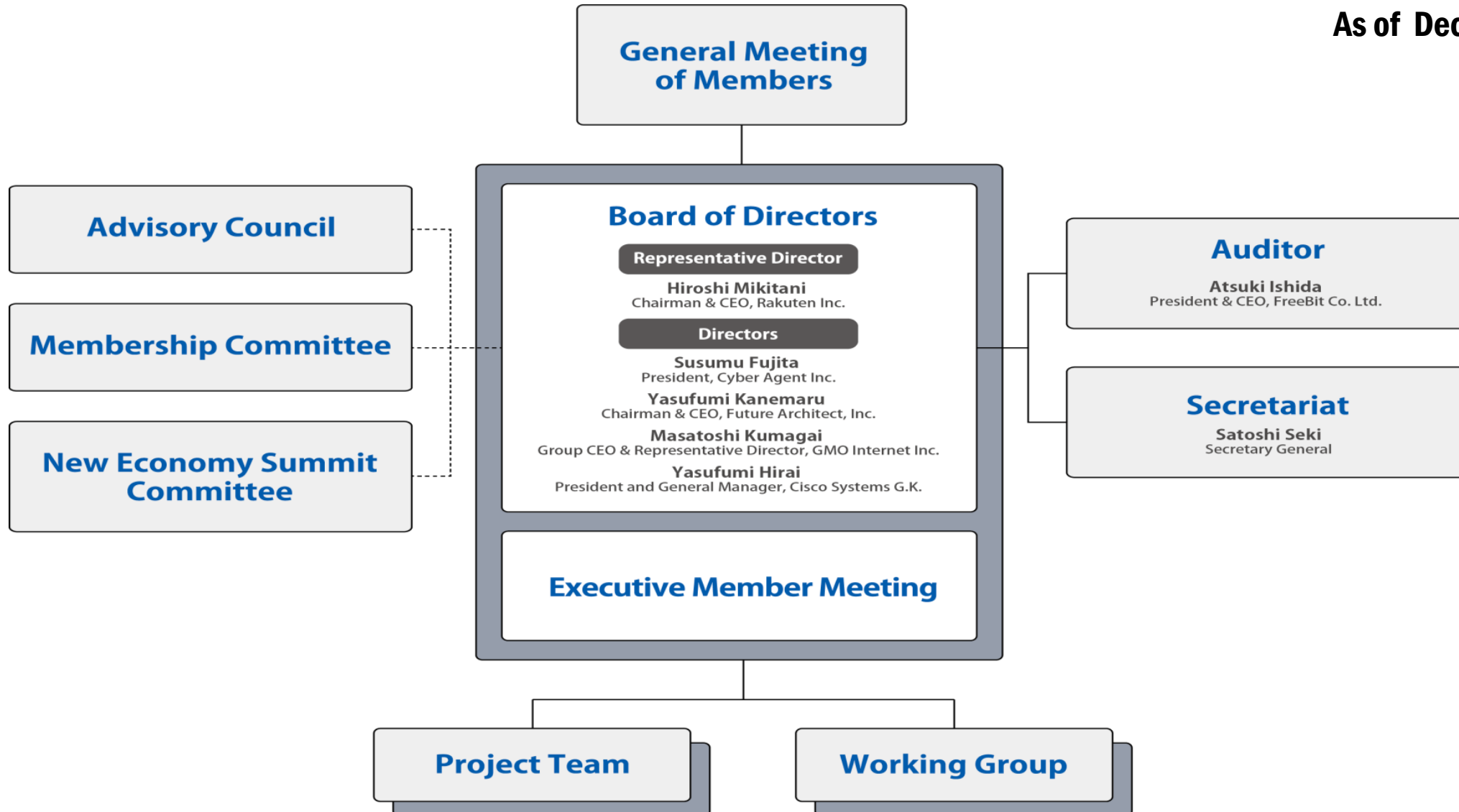
● e.g.,

- ✓ Special Taxation Measures (Sozei-Tokubetsu-Sochi) as a financial resource for corporate tax reduction
- ✓ Issue of demand and supply of electric power (ruling system by the 10 big companies denies efficiency through IT)

About JANE - Organization

Organizational Chart

As of Dec. 2014



Information about JANE - Main Activities

JANE's main activities are developing policy proposals, providing information to members, and hosting educational events.

Participation in Government-Related Meetings	<ul style="list-style-type: none">• Policy Dialogue with Leader of LDP, Minister of IT Policy, Minister of Economic and Financial Policy, Deputy Chief Cabinet Secretary, and other key politicians.• Member of Government's Council for Industrial Competitiveness, Council for Regulatory Reform, Meeting for Entrepreneurship Education, and other key government meetings.• Presentation at Government's IT Strategic Headquarters on personal data issues, LDP's IT Strategic Meeting, and other key governments and party meetings.
Foreign Affairs	<ul style="list-style-type: none">• Breakfast meeting with President Ilves of Estonia• Breakfast meeting with Prince Guillaume and delegation of Luxembourg, etc.
Study Meetings	“Programming in Education,” “Internet of Things (IOT),” “Internet Security,” etc.
WGs and PTs	5 Working Groups and 14 Project Teams
Events	New Economy Summit in April 2013 & 2014, Innovation Award in July 2014, etc.

Information about JANE: Policy Affairs (1)

**7 themes and 14 priority issues.
JANE organizes working groups and submits policy proposals.**

Advance Japan's Innovative Power	1. Promoting IT Innovation
	2. Energy Reform
	3. Promoting Entrepreneurship
Advance Japan's Operational Power	4. Realizing New Labor Environment for the Knowledge Economy
	5. Improving Corporate Governance
Actualize a Low-Cost Nation	6. Tax Reform
	7. Promoting Private-Sector Use of "My Number"

Information about JANE: Policy Affairs (2)

**Advance Japan's
Education Power**

8. Education Reform

9. Developing Innovative Human Resources

**Advance Japan's
Branding and Overseas
Deployment Power**

10. Promoting "Cool Japan"

11. Corresponding to International Economic Partnership

**Expand Consumption
for Economic
Revitalization**

12. Promoting "Life-Assist Point"

13. Promoting Tourism-Oriented Country

**Promote Reformation
of Political and
Administrative Process**

14. Reducing the Disparity in the Value of One Vote