

# “My Number” Act and Government CIO in Japan

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## Abstract

This ongoing study pays attention to the relationship between “My Number” Act and government CIO in Japan. The Japanese Government plans to introduce “My Number” which intends to be used the taxation and the social security. In order to introduce “My Number”, in April 2011, the Japanese Government announced the summary for that number, and in June 2011, the scheme was announced. Based on those plans, a bill for introduction to the number is submitted to the ordinary session of the Diet of 2012. With confusion of divided parliament and the consumption tax increase bill deliberations, the committee where the bill for “My Number” introduction is going to deliberate did not begin. However, in August 2012, the consumption tax increase bill became passed and the bill about “My Number” came to have a possibility of the establishment because unique number for citizens was required for introducing Value Added Tax(VAT) credit for mitigating regressive tax burdens. Through the deliberations of the ruling and opposition parties for the enactment of “My Number” bill, the need of the appointment of the government CIO as the person in charge of the information management was emphasized by the Liberal Democratic Party side. Then government CIO -Koichi Endo, the advisor at Ricoh Japan- will be appointed. In this study it refers the scheme and the bill for introducing “My Number” and examines tasks of government CIO in Japan. The role of the government CIO is not limited to only the management of “My Number”. Furthermore the government CIO is to take responsibility for the way of the information system of the whole government widely.

*Keywords:* Government CIO, “My Number” Act, E-government

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## 1. Introduction

The aim of this study is to examine the role of the government CIO in Japan. In this study it pays attention to the relationship between “My Number” Act and government CIO.

After the regime change at 2009 general election, the Japanese Government has planned to introduce a unique ID number which intends to be used the taxation and the social security. In order to introduce such a number(this number called “My Number” in Japanese), in April 2011, the Japanese Government announced the summary -“Youkou” in Japanese word- for that number, and in June 2011 the scheme -

“Taikou” in Japanese word- was announced. Based on those plans, a bill for introduction to the number is submitted to the ordinary session of the Diet of 2012.

With confusion of divided parliament and the consumption tax increase bill deliberations, the committee where the bill for “My Number” introduction is going to deliberate did not begin. However, in August 2012, the consumption tax increase bill became passed and the bill about “My Number” came to have a possibility of the establishment because unique number which identifies each citizen was required for introducing Value Added Tax(VAT) credit for mitigating regressive tax

burdens.

Through the deliberations of the ruling and opposition parties for the enactment of “My Number” bill, the need of the appointment of the government CIO as the person in charge of the information management was emphasized by the Liberal Democratic Party side(LDP is the opposition party). Until then, Japanese government did not appoint government CIO, but each ministries and government offices appointed departmental CIO. Then government CIO -Koichi Endo, the advisor at Ricoh Japan- will be appointed to supervise whole ministries and government offices.

In this study it refers the scheme and the bill for introducing “My Number” and examines tasks of government CIO in Japan. Based on the examination, it concludes that the role of the government CIO is not limited to only the management of “My Number”., but the government CIO is to take responsibility for the way of the information system of the whole government widely.

This study is structured as follows: In the second chapter, the context of introducing “My Number” is discussed. In chapter 3, the outline of the “My Number” scheme and bill are given and chapter 4 shows the definition of a CIO. Based on those analysis it examines the relationship between “My Number” Act and government CIO. In chapter 5 the role of the government CIO in Japan is given. Then chapter 6 is concluding remarks.

## **2. Context of Introducing “My Number”**

The context of introducing “My Number” is discussed in this chapter.

Up to the present, the introduction of the number

system to be used in administrative affairs has been discussed for many years in Japan.

One of the beginnings of the argument was a ‘Green card’ system introduced in the 1980s. This card system was introduced to prevent to make a type of tax free savings accounts which are opened under fictitious names. However, the outflows of the fund to the overseas are concerned about and there was not the thing that the bill is put into enforcement although it was approved at the Diet.

In the late 1990s, the construction of the nationwide resident-registry network was discussed. Although there was the negation out of the concern to an invasion of privacy, the revised Basic Resident Registration Act is passed in 1998 and nationwide resident-registry network was introduced. The system which adds a unique number to inhabitants came to operate. About this resident's cord, a limit is imposed on the use range by points of view of the personal information protection. For this experience, the Japanese government came to hesitate about the introduction of such a number system.

The pension payment record problem happened in 2007. The problem was called "pension which disappeared" and become an object of public concern. Thereafter, the need of the social security number introduction became considered in the Japanese government.

At the general election of 2009, the Democratic Party of Japan(DPJ) pledged to carry out social security reform and won the election. After the regime change, the Japanese government announced the summary and the scheme for number system introduction which intends to be used the taxation and the social security. Those plans were announced in

2011 and a bill for introduction to the number was submitted to the ordinary session of the Diet of 2012.

All procedure of the social security and the taxation do not complete in the public administration. For example, the private entity such as monetary facilities involves in those series of procedures. Precisely, the development of the of a common number system in the social security and taxation are the actions that are placed as a part of the e-government policy in Japan so that "the new information and communication technology strategies" that was announced by the Japanese government's IT Strategy Headquarters in May 2010 made mention of constructing such a number system.

One of the objectives of e-government development is to attain the integration of administrative procedures by using ICT (Kernaghan[1]). In this integration, the available common number system occupies the important position and it is necessary to introduce an available number in various fields as much as possible. For a judgment a person who can receive public service or not, such a number system has been used by public administration (Higgs [2]).

The Japanese Government has pushed forward various electronic government policies (Yonemaru [3]). In line of those policies, the Japanese Government plans to introduce "My Number" that is another name of common number, which intends to be used the taxation and the social security.

### **3 Outline of the "My Number" scheme and bill**

Before submitting the bill for introduction to the number system, the Japanese Government announced the summary and the scheme for number system which intends to be used the taxation and the social

security. The summary is "Youkou" and the scheme is "Taikou" in Japanese word. "Youkou" told the basic concept and "Taikou" stated the outline of the bill for the number system. Then the outline of the "My Number" scheme and bill are given in this chapter.

In the scheme, it presented three necessary element for a number system ([4], pp.12-14).

The first element is a numbering technology. The second element consists of an information coordination structure. The third component consists of identity confirmation system.

The scheme stated that the Ministry of Internal Affairs and Communications takes the responsibility for the numbering technology ([4], p.26). Specifically, it declared that the local joint public corporate body that is based on a designation information processing organization which was prescribed in the Basic Resident Registration Act generates the number ([4], p.41).

In that scheme, it seemed that it intends to construct an "information coordination base" and assumes the cooperation between information possession organizations through it ([4], pp.42-43).

In order to confirm identity it was elaborated a plan to adopt a method using an IC chip embedded card. Four basic information -a personal full name, the date of birth, sex, address- and photograph of the face are listed in the face of the card. As for this card, it is assumed that a current Basic Resident Register card is improved ([4], p.14).

The use range of this number system consists of the fields of such as the pension, the welfare, the nursing care insurance, taxation, and at the time of the disaster ([4], pp.27-33). The information cooperation in those fields was aimed by using common number system.

Based on the scheme, the current Noda Cabinet submitted a bill for the number system in February 2012. We can confirm the bill in the web site of the House of Representatives [5]. Since the submission, symposiums for promotion of the understanding to a number system have been held in each place of the whole country.

With confusion of divided parliament and the consumption tax increase bill deliberations, the committee where the bill for “My Number” introduction is going to deliberate did not begin. However, in August 2012, the consumption tax increase bill became passed and the bill about “My Number” came to have a possibility of the establishment because unique number for citizens was required for introducing Value Added Tax(VAT) credit for mitigating regressive tax burdens. At the time of writing this article, to the end of the session of the Diet, the possibility of the establishment becomes low because of the opposition of the ruling and opposition parties. As such, the whereabouts of the enactment of the bill change repeatedly.

The main constitution of the “My Number” bill is as follows. The bill is constructed eight chapters. Chapter 1 declares a basic rule for the number system. Chapter 2 prescribes about a personal number. Chapter 3 is the provision about protection of the specific personal information. Chapter 4 is about personal number information protection Committee. Chapter 5 shows a corporate body number. Chapter 6 describes a personal number card. There are miscellaneous provisions in chapter 7 and penal regulations in chapter 8.

This bill shows the large frames of the number system and does not mention the details as the scheme

that was shown in in June 2011.

#### 4 Definition of a CIO.

In this chapter, it shows the definition of a CIO.

It was said that Synnott[6] denominated “CIO” in 1980s. Synnott’s definition is as follow:

Senior executive responsible for establishing corporate information policy, standards, and management control over all corporate information resources ([6], p.66).

Synnott also told that:

Because information is a necessary and important ingredient in corporate and business planning, decision support systems, and control activities, the CIO will necessarily be involved in these activities with senior managers throughout the firm ([6], p.67).

The environment surrounding an organization has changed since Synnott defined CIO. Therefore, based on a definition by Synnott, Obi[7] defined that CIO is not only the executive who supervises the strategic drafting and its execution as for the information management and the unification of the information system, but also the leader of the change.

“Clinger-Cohen Act” enacted in U.S.A. in 1996 prescribed duties of the public administration CIO. Those duties are called “Clinger-Cohen Core Competencies“. Clinger-Cohen Core Competencies and their associated learning objectives are updated every two years. In Japan, with reference to those competencies, Ministry of Economy, Trade and

Industry devised similar core competence. The fundamentals of those competencies are to realize the operational reforms and to lead the optimization of the organization by using ICT. The public administration CIO is intended to supervise those efforts.

Based on the Obi's definition and Clinger-Cohen Core Competencies, government CIO is not only the executive who supervises the operational reforms and leads the optimization of the organization, but also a leader of the change.

## **5 Relationship between “My Number” Act and government CIO**

In this chapter it examines the relationship between “My Number” Act and government CIO. Based on the examination, the role of the government CIO in Japan is given in this chapter.

As above mentioned, CIO is a chief executive of the information management. CIO is superior to other government offices with the aspect of the information management. However, in the “My Number” bill, two independent strong existence comes up. One is the Ministry of Internal Affairs and Communications; another is personal number information protection committee which is planned to be organized. In particular, that committee is an independent organization put under the cabinet office. When government CIO intervenes in that committee too much, the independency of the committee is threatened. It becomes the challenge how to coordinate the relations of the committee with government CIO.

As for the number system, the use in various fields is planned. It is demanded that the government CIO supervises the system development from the

viewpoint of information management for each field. Otherwise each ministries and government offices push forward system development separately, and the information cooperation becomes difficult. Moreover, the relationship between government CIO and each departmental CIO need examination.

There is the indication that a number system promotes innovation at public administration (Lips et al.[8], Kaliontzoglou et. al.[9]). As for the Obi's definition, CIO is a leader of the change. The word “change” includes innovation. In practice, Obi[7] pointed out that CIO's “I” includes not only an “Information”, but also “Integration” and “Innovation”. New service may be born by some services integrating and CIO may lead this integration and make to cause innovations. “My Number” bill simply determines the large frames of the number system. Then CIO has the role to elaborate a plan in a utilization scene to cause innovation.

It seems that government CIO takes responsibility for the procurement of the information system that is constructed for the number system. When it prescribes the details of the procurement, because the details of the information system are not shown by the law, government CIO will play a leading role to prescribe the details. In addition, it needs time for the introduction of the number system. The CIO works out a plan of the system investment, and must make the plan consistent with the whole government investment plan.

## **6 Concluding remarks**

All things considered, the role of the government CIO in Japan is not limited to only the management of “My Number”, but is to take responsibility for the

way of the information system of the whole government widely and to lead the innovation. In practice, it was confirmed by IT Strategy Headquarters' decision[10] that government CIO is to take responsibility for the way of the information system of the whole government.

The enactment of bill is not certain. Even if a bill is passed, the correction of the bill may be made by another regime change of Japanese government. In addition, the appointment of the government CIO may be reconsidered.

In Japan, the need of the introduction of the number system has been pointed out, and causing innovation by the introduction was expected (Enami[11]). Even if this introduction ends in failure, the another introduction may be planned.

The establishment of the law to prescribe about a role of the CIO seems to be planned.

It is thought that the environment over a number system and the government CIO in Japan will change in future as above mentioned. In the dynamism of such a change, there remains to be seen how to define the role of the government CIO in Japan.

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