

## **Messages by members of the Independent Investigation Commission on the Japanese Government's Response to COVID-19**

### **Yoshimitsu Kobayashi, chairman of the commission**

#### **What did the novel coronavirus bring to Japan?**

For more than 30 years, Japan was trapped in its own successful experience of the past – when it was once called “Japan as Number One” – and continued to avoid major transformations while placing emphasis on cost-cutting efforts in old-fashioned ways until it fell into the state of the “boiling frog” in which the nation became content with comfortably lukewarm conditions. Japan’s economy has lagged far behind the rest of the world, as symbolized by the fact that the combined aggregate market value of companies listed on the Tokyo Stock Exchange (some ¥620 trillion as of September 2020) has been topped by that of the five digital platform companies collectively called GAFAM (Google, Apple, Facebook, Amazon.com and Microsoft (around ¥730 trillion). The novel coronavirus crisis was indeed a troubling calamity, but it may also have played the role of the snake that prompted the “boiling frog” Japan to jump out of the pot. By exposing the vulnerability of Japan’s socio-economic systems as represented by the delay in digitalization, the crisis highlighted the need for three major transformations that Japan must pursue to build a new society for the post-pandemic era.

#### **Three trends for transformation**

First is the promotion of digital transformation. The novel coronavirus and the change in people’s behavior to combat the disease have irreversibly pushed forward the social implementation of digital technology such as online-based medical services and remote education and related deregulation. Greater use of advanced technologies such as virtual reality and avatars has propelled a hybridization with the real economy. I believe that this hybrid economy can be expressed by the complex number of  $z(\text{economy}) = a + bi$  (real matters composed of atoms) +  $bi$  (the internet sphere of bits, the basic unit of computing and digital communication). A new age will come when people’s ability to find added value in artificial intelligence and cyberspace to develop new services and products will be tested. In addition to actively exploring advanced fields to be gained through digital transformation, a portfolio transformation to review conventional social/business values will be required to achieve a real transformation of society.

Next is the trend away from unipolar concentration toward decentralization. The COVID-19 crisis exposed the risks of supply chains and overpopulated cities built through a process of concentration based on economic rationality, paving the way for

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autonomous decentralization in which both people and goods will be covered by cooperation over wide areas. In order to accelerate such autonomous decentralization through the promotion of teleworking and online administrative procedures and medical services, related deregulation efforts must be pushed forward in an integrated manner.

The third trend is that the importance of sustainability (or realization of a sustainable society) has become even more highlighted. As COVID-19 damaged such social infrastructure as medical and distribution services, the value of long-term sustainability in terms of people's health and business continuity increased. The fact that greenhouse gas emissions did not significantly decline despite economic lockdowns made it clear that the fight against climate change dependent on emission-reduction targets would not be sustainable without innovation. I have long believed that the value of either a nation or a corporation is the aggregate of three elements: 1) Realization of economic wealth; 2) Pioneering of the future through innovation; and 3) Contribution to and realization of sustainability. For the nation and corporations to achieve sustainable transformation and growth, the public and private sectors need to work together to resolve social problems as represented by the SDGs (Sustainable Development Goals).

It is important for us all to devise and implement various policy measures, including the response to the novel coronavirus, in view of the above-mentioned three major trends for transformation.

### **Relationship between politics and science – Policy planning for the future through integration of arts and sciences**

The difficult battle against the new virus is still ongoing, and in the absence of a fixed scientific answer, policy measures will be drafted and implemented on the assumption of compatibility between infectious disease control and the economy. Policies must be drafted based on objective scientific data – by avoiding idealism without substance or ambiguities – and be carefully explained in a transparent manner to seek people's understanding. Policy measures need to be reviewed in an open process so that lessons learned will be utilized in planning for subsequent policy programs. Politicians, bureaucrats and experts must overcome their respective positions and interests, and operate a cycle of policy planning, execution and review. It is also essential to irreversibly promote the above-mentioned three trends for transformation highlighted by the COVID-19 crisis.

What becomes even more important will be forecast-based policy making (FBPM), in addition to evidence-based policy making (EBPM). In the response to the novel coronavirus, the government implemented massive-scale fiscal measures – reaching ¥60 trillion on a “freshwater” basis and ¥230 trillion on a project basis. In addition to infectious diseases crises, natural disasters caused by extreme weather are feared to strike Japan with greater frequency in the years ahead. The nation's fiscal health

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will collapse if the government keeps resorting to fiscal measures of similar scale to respond to each disaster. We need to forecast the social situation 10 years or 20 years ahead, look into effective responses and implement the necessary measures to prepare for disasters. There will be a range in forecasts based on scientific data, and assessments must be made to reflect elements of social science such as politics and the economy. To do that, there needs to be a policy-making team integrating arts and sciences. I hope that this project to examine the government's response to COVID-19, for which experts from a variety of fields were gathered, will set a good example.

### **Finally**

Yoichi Funabashi, chairman of the Asia Pacific Initiative, who launched this investigation commission, also served as program director of an independent commission to investigate the Fukushima nuclear power plant accident in 2011, analyzing the accident in its various aspects and examining the measures taken in response to the disaster. He quickly set up an independent commission over the COVID-19 crisis and published this report. I would like to pay my respects to his posture of trying to analyze both the positive and negative aspects of the response and keep accurate records of the facts for future generations.

In addition to the hard work by members of the commission Hiroko Ota, Hiroshi Kasanuki and Shuya Nomura, members of the working team comprising people with expertise in legal, medical and a wide variety of other fields energetically held interviews with a large number of people involved in the COVID-19 response. This report was compiled in a short period of time as they engaged in research and discussions without break, and I would like to extend my gratitude to them all as chair of the commission. The knowledge and enthusiasm of all the people involved in this project, and their devotion to Japan's future, convinced me that the nation still has a lot of potential. The solidarity of this investigation team on the crisis and their altruism should be a driving force in overcoming the irrational to build a new world. I may be getting somewhat emotional, but this might indeed be the real "Japan model."

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## **Hiroko Ota, commission member**

### **The crisis must not be wasted**

The novel coronavirus forced us to experience a number of things for the first time. In terms of economic impact, the troubling virus that could be transmitted via asymptomatic carriers cut off people's contacts with others, and demand plummeted particularly in the service sectors. Supply chains across national borders were disrupted. For the first time, we experienced the simultaneous onslaught of a shock in both demand and supply.

How the crisis will evolve is still unclear. What is important to note, however, is that the novel coronavirus did not cause all of the problems that currently confront us. Structural problems that existed before the crisis, such as the delay in digitalization and the increase of people in non-regular employment, were amplified by the crisis and came to the surface.

Therefore, even though we are still in the middle of a crisis, it is quite important to observe sufficiently what is taking place and scrutinize the crisis response measures that have been taken. Examining the response will not only enable us to learn about policy effects and use them in future measures. By doing so, we can have a deeper look into what lies behind the problems currently occurring and clarify what needs to be done to resolve them.

Japan has failed to learn from the lessons of its past experience in a number of instances. Many of the appropriate recommendations made in summing up the response to the 2009 new-type influenza pandemic have since been ignored, and the same issues have been repeated in the latest crisis. Also, in 2009, as part of measures to support households in the financial crisis following the collapse of Lehman Brothers, the government distributed a uniform ¥12,000 cash handout to everyone in the nation – including high-income earners – because it was unable to cut off payments based on people's income. A decade on, the government once again failed to focus its financial support on people who really needed the aid, distributing a uniform ¥100,000 to everyone.

It is not because the Japanese are forgetful that the nation fails to learn from its past experience. Even when a solution is known, its implementation is hampered by the conflict of interests between government ministries or the difficulty of coordinating between the interested parties. Such structural problems lead people to avoid fundamental reforms in favor of makeshift measures.

In that sense, a review of the government's COVID-19 response by the private sector – the mission of this investigation commission – is quite significant. From its position of independence from policymakers, the commission compiled the report through deep analysis and examination of what happened in Japan over the roughly half-

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year period from January 2020. As the report shows, Japan indeed went through a great deal over the past six months. We must not waste our experience of the crisis.

Japan's economy exhibits surprising flexibility and resilience when the whole nation shares a sense of crisis – as in the reconstruction from our defeat in World War II and in the oil crisis of the 1970s. However, the nation has not been able to share such a sense of crisis since the 1990s amid slowly-progressing globalization and the aging of its population. COVID-19 posed one of the greatest crises the nation has experienced, and most of its people were exposed to the issues confronting Japan. We must not waste this crisis but brace ourselves for solving the structural problems that have long been left unaddressed. This report should be the important first step in that endeavor.

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## **Hiroshi Kasanuki, commission member**

### **The responsibility and challenges of “science for society” amid the novel coronavirus crisis**

Infectious disease control under the COVID-19 pandemic concerns the national security of Japan. The so-called “Japan model” achieved certain results. But citizens were left uncertain without a clear prospect of what lies ahead as tests and medical examinations for the unknown virus were restricted, individual cases were traced in the countermeasures against infection clusters, the government urged people to change their behavior – avoid the “Three Cs” and voluntarily stay home – and the mass media continued to report on the crisis. Elderly people were terrified of being infected, and social and economic activities atrophied. I suspect that a major reason behind that was the lack of clarity and transparency in the government’s command post and policy-making process, which led to public distrust in politics.

The incidence rate and mortality of the novel coronavirus were generally lower in East Asia-Pacific countries than in Western nations, and Japan, despite its rapidly aging population, had a low fatality rate from COVID-19. The citizens should be able to create a “new lifestyle” independently and autonomously if they are provided with adequate information from the government and understand the policy-making process.

The characteristics of the novel coronavirus concern the highly specialized medical realm. It is in a state of trans-science, where government authorities may ask a question of science but science cannot give an answer. The World Conference on Science in 1999 proclaimed “science in society and science for society.” What is at stake is the social responsibility of experts.

### **The good and bad of the expert meeting**

In the response to COVID-19, people expected a lot from the experts. At the Expert Meeting on the Novel Coronavirus Disease Control, experts in public health, epidemiology, and clinical and basic medicine analyzed, assessed and made judgments on real-time information about the situation from around the world, summarized the points of discussion on the rationality of infection control measures, and submitted their opinions to the Prime Minister’s Office. The expert panel held a total of 17 meetings. The meeting played a major role, but minutes of their discussion, which clarify the diversity of values and choices, were not kept, and the division of their role and responsibility with the government was blurred as they publicly released policy recommendations and held their own press conferences. As a consequence, trust in the Prime Minister’s Office was weakened, and the distortion in their relationship fueled people’s anxiety and distrust of politics.

## **Concern over the subcommittee**

In July, the expert panel was reorganized into the Novel Coronavirus Disease Control Subcommittee, which comprised experts in medicine, economics and other fields as well as non-experts such as politicians and members of the media. Two subcommittees concerning medical/public health issues and social functions, which were created to promote measures against new influenza, have been merged together. But I cannot help feeling concerned whether its independence, neutrality and transparency can be guaranteed without the minutes of their discussion, as well as over the fact that the subcommittee is headed by the same person who also chairs the superior organizations – the Advisory Council on Countermeasures Against Novel Influenza and Other Diseases and the Advisory Committee on the Basic Action Policy. Minutes of discussion are taken for the advisory committee, but meetings of the committee have not been held since May. The Health, Labor and Welfare Ministry has an advisory board on infectious disease control, but it has no minutes of discussions.

## **The responsibility of the Prime Minister's Office in a democratic state**

Citizens place the response to a crisis in the hands of the politicians. The Prime Minister's Office (the response headquarters) respects the diverse views of experts and tries to achieve both infectious disease control and measures to sustain the economy and jobs by establishing the state's governance on policy decisions through comprehensive evaluation, adjustments and political judgments (including the interdisciplinary evaluation and value judgments), command execution and crisis communication. What is most important is transparency in the policy process and accountability. Only when this is achieved will citizens be able to regain their trust in politics and return to life in safety and with a sense of security.

## **The challenges for experts in the COVID-19 crisis**

Experts should recognize the uncertainty of science in the face of a pandemic, analyze facts of the past, examine current information and facts, evaluate them based on evidence, and predict and infer what could happen in the near future and reflect that in assessing the current situation. That way they will have a better view of the present, the ways of medicine in the era of “with coronavirus,” and the situation in Japan and the world.

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## **Shuya Nomura, commission member**

### **It's time to put an end to the bad practices of Japan's society**

COVID-19 has brought about not only bodily harm to the people but dysfunction to social and economic activities. And just like in human health, the seriousness of the damage will depend on how much “immunity” society is equipped with. Having witnessed the “clogged” PCR test system, the delay in distribution of fixed-amount cash handouts, the low rate of teleworking, and the poor system of remote education at schools, many people were stunned to realize that Japan is so far behind other countries and have lost confidence. Why have we lagged so far behind the rest of the world?

Behind Japan's reality today are various bad practices that have had harmful effects on society. One of them is vertical division in the bureaucracy and excessive regulations, which are linked in a complicated manner with the inseparable ties between government ministries and vested interests bred through the “amakudari” (literally, “descent from heaven,” government bureaucrats landing post-retirement jobs in related industries and organizations) practice. It has frequently been pointed out that each of the ministries, shielded by their respective administrative powers, only take care of their own sphere of influence and resist intervention by others to protect their own powers. This has led to a situation in which nobody attends to the risks that lie in the gap between those powers, while some bodies like the public health centers are given a heavy workload that overwhelms their capacity. Since the ministries are not organized on a function-by-function basis, implementation of one project requires mutual adjustments among multiple bureaucratic bodies.

The second problem is ambiguities in the division of roles between national and local governments. Even as the government officially advocated decentralization of administrative powers, the interests of the central bureaucracy, which seeks to hold on to its powers, and regional/local governments that do not want to take on more responsibility have converged in unnatural ways. Such a lack of clarity, in addition to the vague setup under the Act on Special Measures for Pandemic Influenza and New Infectious Diseases Preparedness and Response, paved the way for collision of policies between national and local governments in their response to COVID-19, in which some local authorities merely waited for instructions from the central government or neglected to implement them.

The third bad practice is excessively fundamentalistic discussions on national security and crisis management in this country. The long-held belief that advanced nations take an extremely cautious approach to restricting basic human rights was smashed as those countries enforced lockdowns on their cities and citizens. The excessively rigorous protection of personal information in Japan is reflected in the specifications of the contact-tracing app introduced for controlling COVID-19 infections. Why does Japan lack an environment in which people flexibly discuss exceptional measures to prepare for a crisis? There, we observe the influence of an education and politics of contrition in a

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nation defeated in war and the postwar democracy. The strong sense of contrition that we must never again wage a war has morphed over the years into a taboo against the very act of discussing preparedness for war. It was the same train of thought that bred an environment in which people hesitated to talk frankly about preparing against a nuclear power plant accident. The goal of ensuring safety was somehow taken over by the safety myth.

The fight against COVID-19 is still ongoing. Therefore, it is all the more important for us to regularly examine our response and prepare for the next big wave. In that process, we must not only discuss improving response measures, but also highlight the true causes that hamper the response – by exposing the various bad practices that are deeply rooted in Japan's society – and explore fundamental solutions to those problems. I hope that this report will trigger discussions in that direction.

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