



INSIGHT: NORTHEAST ASIA

Japan's push to expand 'passport' for a digital society raises concerns over privacy, practicality

THE TAKEAWAY

On March 9, the Supreme Court of Japan ruled that the 'My Number Card' personal identification system introduced in 2016 for Japanese citizens and foreign residents is constitutional, solidifying its role in the country's social infrastructure. While the government continues expanding the system's scope to promote national digitalization, concerns over its growing presence and privacy implications persist.

IN BRIEF

In 2016, Japan introduced the 12-digit Individual Number Card, or 'My Number Card,' and its supporting system to streamline access to government programs for all citizens and foreign residents. Initially designed to make obtaining official documents easier, the government now wants to expand its use. Prime Minister Kishida Fumio views the card as a necessary 'passport' for a digital society, claiming it will improve administrative efficiency and public convenience while creating a "[fairer and more just society](#)." The government also plans to include [health insurance](#) and other "[equivalent operations](#)," such as vehicle registration and government benefits, through a bill under discussion in the ongoing

ordinary session of the National Diet (Japan's national legislature) from February to June.

As the cards and supporting system store highly sensitive data, there has been a public backlash over potential risks of identity theft and privacy rights. In 2013, the National Diet established an act that would allow the government to consolidate tax, social security, and disaster relief information from all residents in Japan. Even before the government officially launched the card, eight simultaneous lawsuits pertaining to the My Number Card personal identification system were filed in District Courts throughout Japan. Plaintiffs demanded the suspension of the system, arguing that it violated their right to privacy and information. All District Courts and High Courts subsequently dismissed the claims because the risks of the system "could not be confirmed."

On March 9, the Supreme Court of Japan ruled that the My Number Card system was constitutional, ending an eight-year debate between concerned residents and the government. This first Supreme Court unified ruling, on three of eight lawsuits from 2015, strengthened the controversial system within Japan's social infrastructure.

Despite several ongoing lawsuits, the Japanese government has been promoting the expanded use of the My Number Card, including through [monetary incentives](#). According to [Digital Minister Kono Taro](#), 95,059,820 people (approximately 75% of the population) applied for the card as of March 13.

IMPLICATIONS

A critical debate within the My Number Card controversy is its expanded use in the health-care sector. In October 2022, Digital Minister Kono announced that the government would fully integrate Japan's health insurance with the My Number Card system to eliminate redundancies and streamline medical processes. Although the integration process began in 2021, its implementation at medical practices has proven difficult.

As of February, only [50 per cent of medical practices](#) had implemented the reader system that accepts the My Number Card for health insurance purposes. On February 22, some 270 medical practitioners [sued](#) the government, asking the Tokyo District Court to clarify the legality of the government mandate to implement the system. The plaintiffs argued that the government's attempt to force medical institutions to accept the card without the National Diet amending the Health Insurance Act was unconstitutional. They also highlighted the challenges faced by many small medical practitioners who must pay for installing and maintaining the card's reader system.

While concerns over privacy and implementation remain, the expanded use of the card could advance Japan's uneven digital environment, where excessive paperwork, *hanko* (personal seal), and faxes remain [commonplace](#). Integrating health insurance into the My Number Card has also allowed Japan to introduce a [centralized electronic prescription service](#) and telemedicine, reducing prescription errors and simplifying medical procedures. However, another issue in the adoption of the My Number Card has been raised by observers: the high digital hurdle for Japan's older generations who face problems applying for and using the card.

Japan has struggled for decades with digital transformation and, in recent years, has slowly declined in global [digital competitiveness](#). The COVID-19 pandemic exposed many digital gaps in Japan's response capabilities, prompting the government to push for the national implementation of the My Number Card system.

WHAT'S NEXT

1. National Diet debate on bill expanding the scope of My Number Card

The approval of the cabinet bill to enable the use of the My Number Card for "equivalent operations" in the ongoing Diet session could allow the government to significantly improve administrative processes for expanding the card's use in multiple sectors. But public and practitioner opposition could trigger further opposition and lawsuits if the government inadequately addresses concerns over privacy, information security, and the rising implementation costs.

2. Addressing cyber threats and increasing support for rural areas

In addressing existing concerns, the government will likely increase measures to protect the My Number Card system against potential cyber-attacks. Rural areas, and other places where digital infrastructure and skills are lacking, will be looking for government support in the adoption and integration of the system.

3. Full integration of health insurance and the My Number Card

The full integration is expected to be completed in the fall of 2024. But securing buy-in from medical practitioners and reducing the financial and systematic burdens on medical practices will be necessary to successfully integrate the system.

Produced by CAST's Northeast Asia team:
Dr. Scott Harrison (Senior Program Manager) scott.harrison@asiapacific.ca; Momo Sakudo (Analyst); Tae Yeon Eom (Analyst); Sue Jeong (Analyst).