

ICA Country Report

Japan's e-Government (2006)

1 Introduction

The Government of Japan has been steadily expanding the range of on-line services available to its citizens and businesses.

This effort began with IT Basic Law and policies along with the e-Japan Strategy which focused on building infrastructure to accelerate the on-line availability of the administrative procedures.

Now we are moving to the next phase. Under the new direction, "New IT Reform Strategy" decided in January 2006, we are moving forward with the fundamental transformation of our IT-enabled operations and services to meet citizens' expectations and achieve a network society where anyone can enjoy the benefits of IT at any time and any place.

The emphasis of the e-Government strategy for the future is on customer-oriented public services as well as optimization of business processes and systems.

2 Current Framework

(1) Legal Context and Strategies

The rapid progress of information and communication technologies started 1990s has brought about the global change of industrial and social structure. The Government of Japan had made efforts to establish IT infrastructures in line with "Basic Policy for the Promotion of Advanced Information and Communication Society" adopted in 1995. In terms of national leadership for applying IT, however, rather fell behind other nations in taking initiatives toward IT.

Under such a situation, the momentum to transform Japan into a globally advanced IT nation was mounted through changing legal framework allowing on-line commercial and administrative transactions as well as establishing a large-capacity network such as broadband enabling always-on connections without considering charges. To address this issue, "Basic Law to formulate an Advanced Telecommunications Network Society (so called the IT Basic Law)" was enacted in 2000 aimed to build the world's most sophisticated information and telecommunications network, which would make citizens possible to access internet easily at low rates.

The IT Basic Law established IT Strategic Headquarters, headed by the Prime Minister, as the supreme decision-making body, which adopted "e-Japan Strategy" in 2001 and "e-Japan Strategy II" in 2003. They were the medium term national strategies with a goal to become the world's most advanced IT nation by 2005.

In line with these strategies, the IT Strategic Headquarters also decided upon each year's action plan as "e-Japan Priority Policy Program".

Since the realization of e-Government was an important factor for "e-Japan Strategies" and "e-Japan Priority Policy Program," the Chief Information Officer (CIO) Council¹ formulated "Program for Building e-Government" in 2003 to bring the initiatives into shape in the next three years from 2003 to 2005.

¹ The CIO Council, set up in September 2002, composed of all the Ministry CIOs. A Ministry CIO is usually the Director-General of Secretariat of respective Ministries or its equivalent.

In the last 5 years, under “the e-Japan Strategy”, we have built the world’s most advanced IT infrastructure, including rapid expansion of broadband and the framework for partnership between the public and the private sectors

On the other hand, we were not able to meet the citizens’ expectation for providing better public services by leveraging IT technology.

To respond such challenges, an updated 5-year plan, “New IT Reform Strategy” was adopted in January 2006 by IT Strategic Headquarters, envisaging a collaborative IT society that anyone can proactively take part in and get benefits from.

This new strategy points out challenges of the e-Government administration as follows;

- (i) The e-Government services have not been penetrated into citizens and business due to the lack of customer-friendliness,
- (ii) Both citizens and business haven’t felt the convenience and better quality of services,
- (iii) Although measures are being taken to optimize business processes and systems² including reviews of legacy systems, the implementation structures in each ministry are not always adequate, and additional measures for the optimization of whole government are needed.

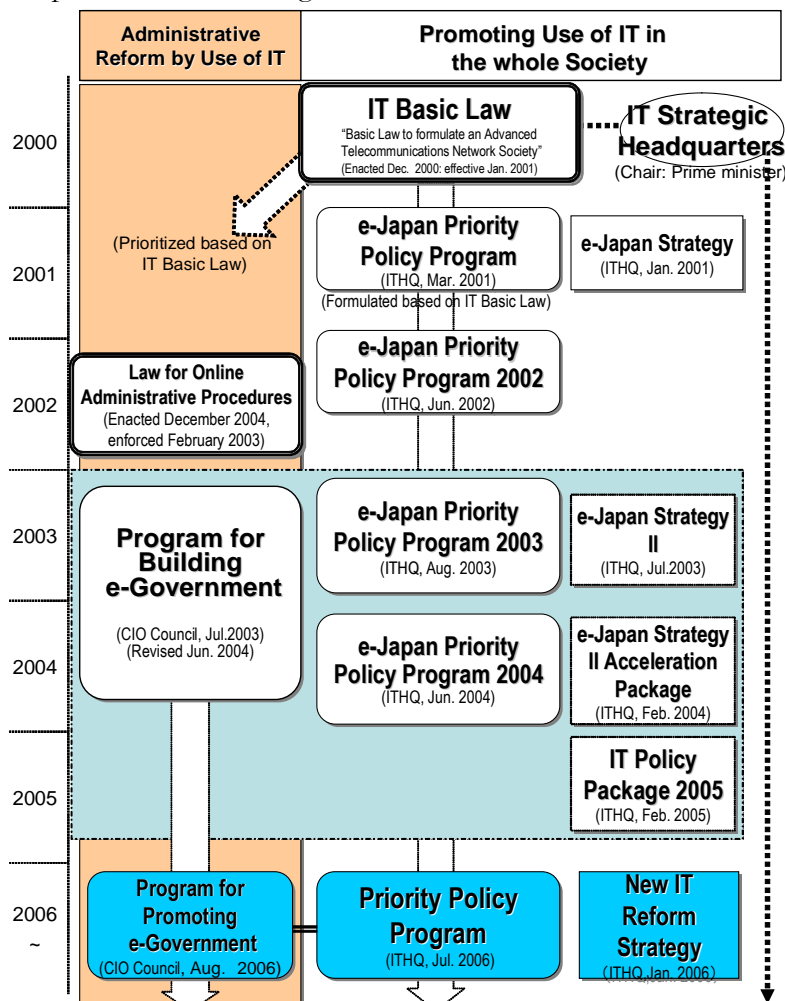


Figure.2(1) Scheme for e-Government Policies in Japan

² As for optimization of business processes and systems, please refer to 3 (1).

(2) Mechanism for Promoting e-Government

Under IT Strategic Headquarters, CIO Council was set, consisting of all the Ministry CIOs, as a major organ to take collaborative initiatives across government. Under the CIO Council, Assistant CIOs³ Council, were placed.

Under the newly decided 5-year plan, “New IT Reform Strategy”, Government Project Management Office and Program Management Office have been set up to support the IT initiatives with the strategic view for cross-organization and efficiency .

With the new management system, continuous improvements are to be made in the Plan-Do-Check-Action cycle.

(a) Government Program Management Office (GPMO)

GPMO was established in April 2006 to take initiatives on optimization of common business processes and systems among ministries (Some systems belonging to an individual ministry are included. Same as follows.), which could reinforce the cross-organizational management function.

(b) Program Management Office (PMO) in each Ministry

Program Management Office (PMO) was set up in each Ministry to control overall works, headed by Ministry CIO, for planning, developing, operating and evaluating projects with getting advice and support from Assistants CIO.

(3) Evaluation System

Under IT Strategic Headquarters’ leadership, the e-Government Evaluation Committee was established in June, 2006. The role of the Committee, consisting of external IT experts, is to thoroughly assess and evaluate business processes and systems optimizations carried out by each ministry with analyzing costs and benefits, and provide necessary advice and recommendations for system planning, development, operation and evaluation as well as evaluate each ministry’s PMO activities.

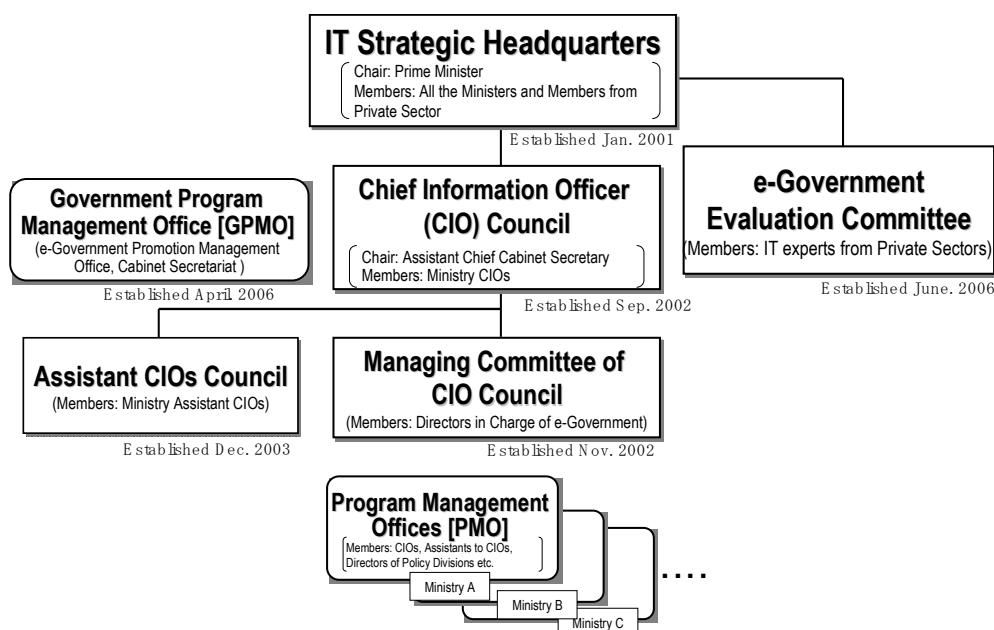


Figure.2(2) Apparatus for Promoting e-Government

³ Assistant CIOs were appointed from outside experts as technical advisors to CIO by December 2003 in each Ministry and Agency. Their mission is to support their Ministry CIO in business analysis, formulating an Optimization Plan.

3 Whole of Government

(1) Renovation of Business Processes and Systems

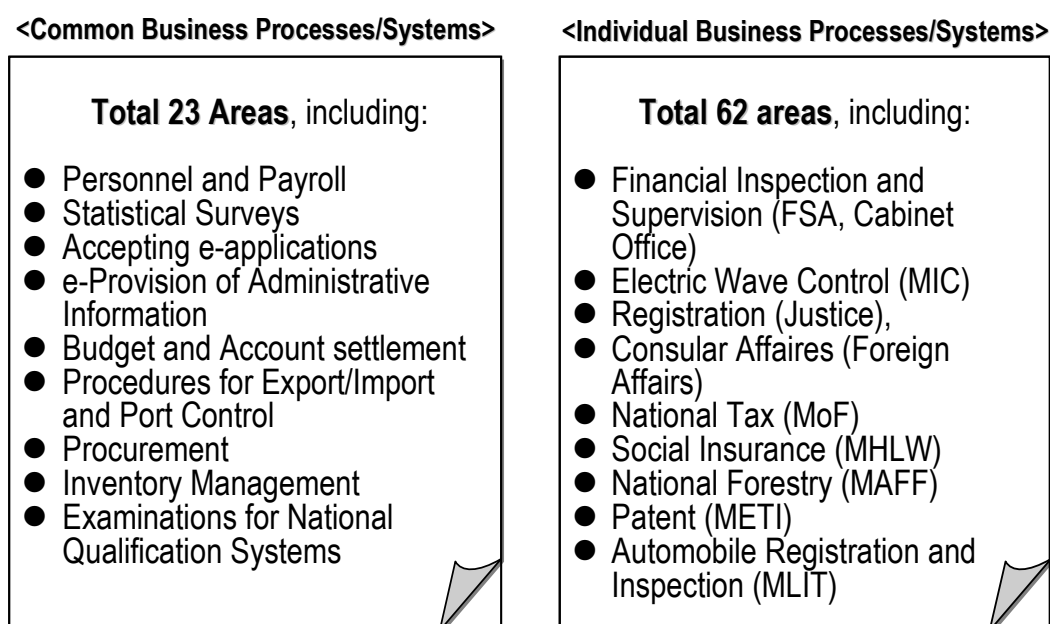
i . Background

The Government had promoted computerization since the age of mainframes, but considerable autonomy rested with respective ministries or their bureaus. The common and fundamental systems to all or some ministries were also developed and introduced in individual ministries with scarce inter-operability.

In view of this situation, the Government embarked on taking Enterprise Architecture (EA) approach for reviewing and renovating business processes and systems through formulating and carrying out “Optimization Plans” which contains challenges and future goals in the use of IT.

The unique feature of Optimization Plans must include the estimation of time and costs reduction effects by the transition to open systems, using not system's own lines but common lines such as WANs and LANs in ministries, outsourcing business processes, and shifting from negotiated contract to a competitive bidding etc.. The goal of this initiative is to achieve a concise and highly budget-efficient public administration.

As target of the optimization, 85 areas (of which 23 are common, and 62 are individual, business processes and systems) were selected. Ministries in charge were chosen for each area to formulate an optimization plan with eliminating duplication of operational processes and promoting outsourcing, etc.



Figures.3(1) i
Examples of 85 Areas of Business Processes and Systems Targeted for Optimizations

An Assistant CIO, recruited from outside expertise, works as a chief consultant to draft a plan and implement it in each ministry.

All draft of optimization plan needs to be deliberated by the Assistant CIOs Council for scrutiny and advice from the point of view of technical and cross-governmental solutions. Multilayered checking of optimization plans with cross-organizational perspectives is embedded in the decision-making process.

Optimization process itself needs to be improved continuously through the cycle of PDCA (Plan –

Do – Check – Act). To implement and evaluate optimization in a common overall approach, the “Optimization Policy of Business Processes and Systems (Guideline)” was formulated in March 2005. The progress of each optimization is examined by PMO including Assistant CIOs based on this guideline. Also the e-Government Evaluation Committee is to monitor the progress and assessment of optimization.

ii . Common Business Processes and Systems to All Ministries (23 areas)

Though the systems of 23 areas out of 85 chosen as a target of the optimization were common or similar to all ministries, they had been developed and introduced separately by individual ministries with scarce inter-operability. Through formulating and carrying out “Optimization Plans” for those 23 areas, systems will be unified and integrated to achieve cost efficiency.

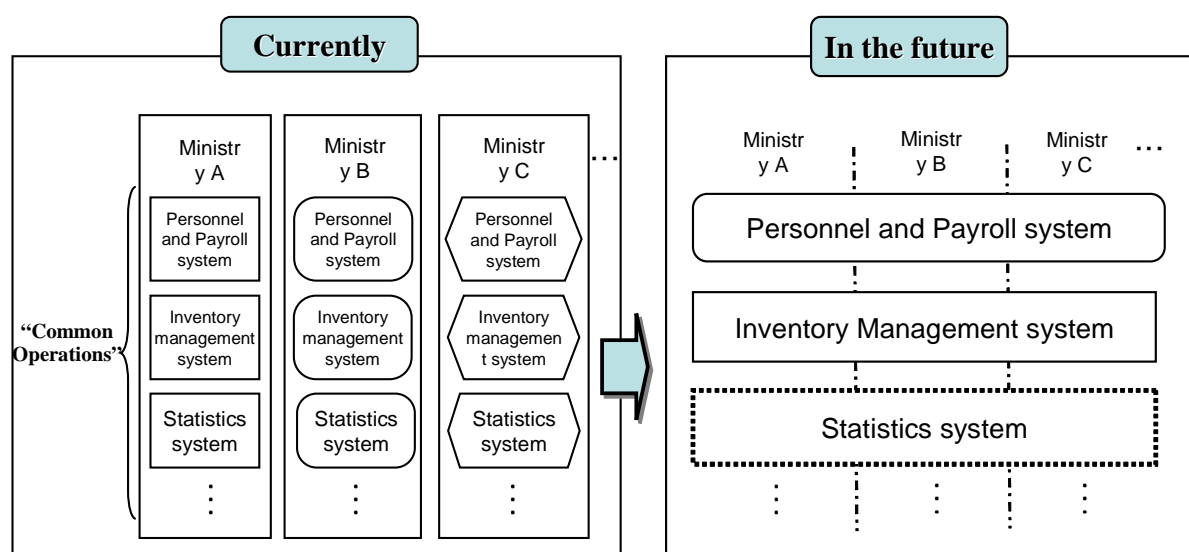


Figure.3(1) ii. Image of optimizing Business Processes/Systems

Under initiatives toward optimization, the government are aiming to save budget and downsize by integrating systems and business processes, sharing systems and outsourcing through general competitive bidding.⁴

We are working on optimizing business and systems based on an optimization plan of each area. Since the systems of 23 areas common to all ministries are to be shared with ministries, GPMO is taking initiatives to coordinate among ministries related to these common business processes and systems.

iv . Expected Achievements by optimization

By carrying out 76 areas of the optimization plans including National Tax Return and Payment, Registrations etc. decided by March 2006, the total above-mentioned savings would be about 122.9 billion yen (about US\$1.1 billion)⁵ per year by the reduction of operational costs and about 5.9 million labour days

⁴ For example, as for the optimization for “Accepting e-Applications”, the estimated saving by rationalizing operations and maintenances would be about 320 million yen (about US\$ 2.8 million) in total and about 700 labour days (about 5,600 hours) per year. (US\$1= ¥ 115, 1 labour day = 8hours)

⁵ US\$1= ¥ 115

(about 47.5 million hours)⁶ per year by business processes.

To ensure the effects of the optimization as soon as possible, all ministries optimize business processes and systems along with the Guideline and constantly review the business processes and systems based on the progress and results of optimization. Systems are to be built and updated only in case (1) they contribute to administrative and financial reform, (2) they are based on an appropriate framework including an optimization plan, and (3) they expand users' convenience.

(2) The Government Portal Site, "e-Gov"

In line with "the Optimization Plan for Accepting e-Applications", adopted in August 2005, the on-line application systems of individual ministries were integrated into the "e-Gov". The integrated system has been operated at "e-Gov" since April 2006 enabling to accept multiple applications at single portal. Some systems which are not integrated yet are scheduled to be consolidated into "e-Gov" by the end of FY 2006.

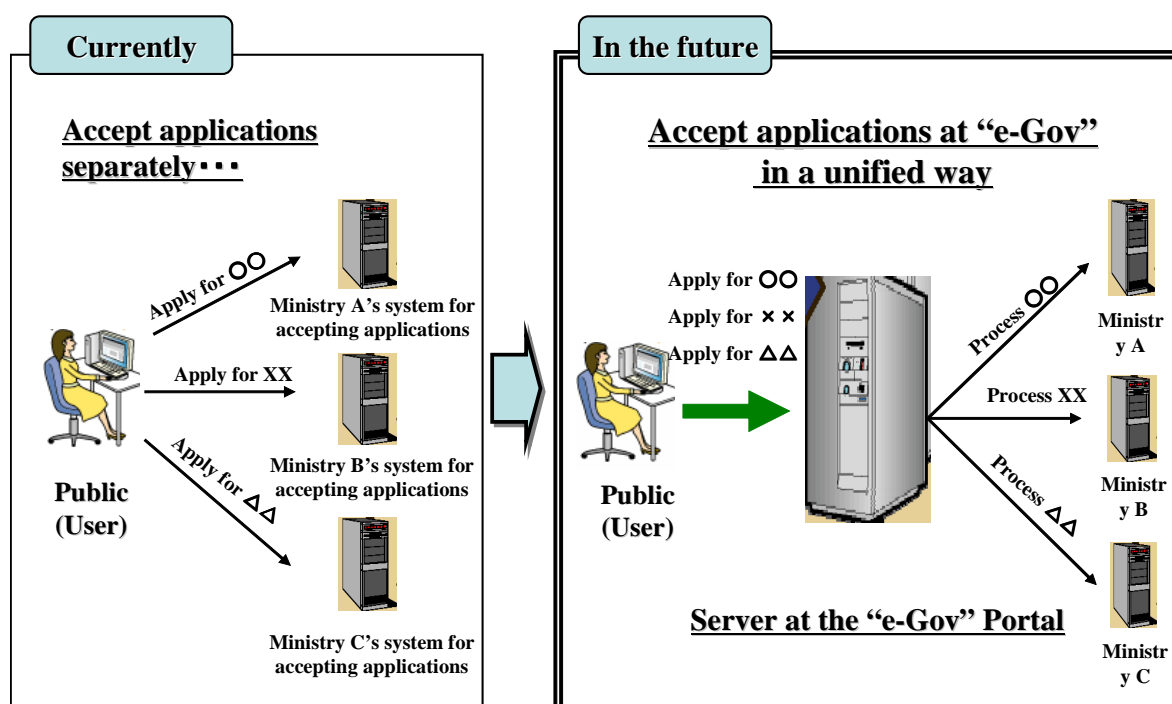


Figure.3(2) Accepting e-Applications at "e-Gov"

(3) Expansion of System Consolidation

To create concise and efficient government, besides optimization of the targeted business processes and systems, we need to work on consolidating and centralizing systems or promoting interoperability as a whole government.

The government is making a study on consolidation and interoperability of common systems to ministries, taking cost-benefit analysis into consideration, to achieve overall optimization of whole government businesses and systems, which is to reach a conclusion as early as possible in the FY 2007.

4 On-line Public Service with Higher-Quality

⁶ 1 labour day = 8hours

(1) Accelerating Usage of On-line Applications

Almost all the administrative procedures (96%) at national level are available on-line as of March 2005, including National Tax Return and Payment, and the environment for on-line transaction has been completed. However, citizens and businesses don't use it much, and the share of on-line application remains very low with around 10% for the reason why e-application systems were not user-oriented.

In order to solve this situation, Japanese government started new initiatives. In the "New IT Reform Strategy", the new target of at least 50% on-line usage rate was set, which is to be achieved by 2010. To achieve this target and encourage people to get on-line, "Action plans for Promoting On-line Use" for 175 procedures⁷ most commonly used (e.g. company registration, national taxes, and social security) were settled in order to reduce users' burdens and promote using on-line applications. Active and steady initiatives are being taken based on these action plans. The initiatives included in action plans are, for example, to reduce attached documents, shorten the processing period, reduce fee and simplify identity verification. Action plans are reviewed periodically and revised if necessary.

In addition, as described above, e-Application system in each ministry were integrated into single gateway at "e-Gov" by optimization. Japanese government continue to deliver integrated on-line services through e-Gov by joining up procedures where multiple steps are required to complete, and promote one-stop services such as Export/Import and Port Control and Automobile Registration.

(2) Enhancement of "e-Gov"

The Government portal site, "e-Gov",⁸ has been improved based on an optimization plan. Access number to the e-Gov in FY 2005 was over 27 million, increasing steadily.

Following services, etc. are now available at "e-Gov" ;

- ✓ Customer-oriented interface following citizens' life events or categorizing service areas,
- ✓ List of public comment information of all ministries at single point;
- ✓ Single window for citizens to send their opinions to all ministries.
- ✓ Common and consistent interface across ministries including design, terms and categories of ministries' homepage.
- ✓ Expansion of web links of public sector including the Diet and local governments.
- ✓ Easy Search of up-to-date text of laws in force for free.
- ✓ Easy Search by free keyword of all the government websites.

⁷ They have a large number of applications, about 781 million, and account for around 94% of applications at total.

⁸ URL : <http://www.e-gov.go.jp>

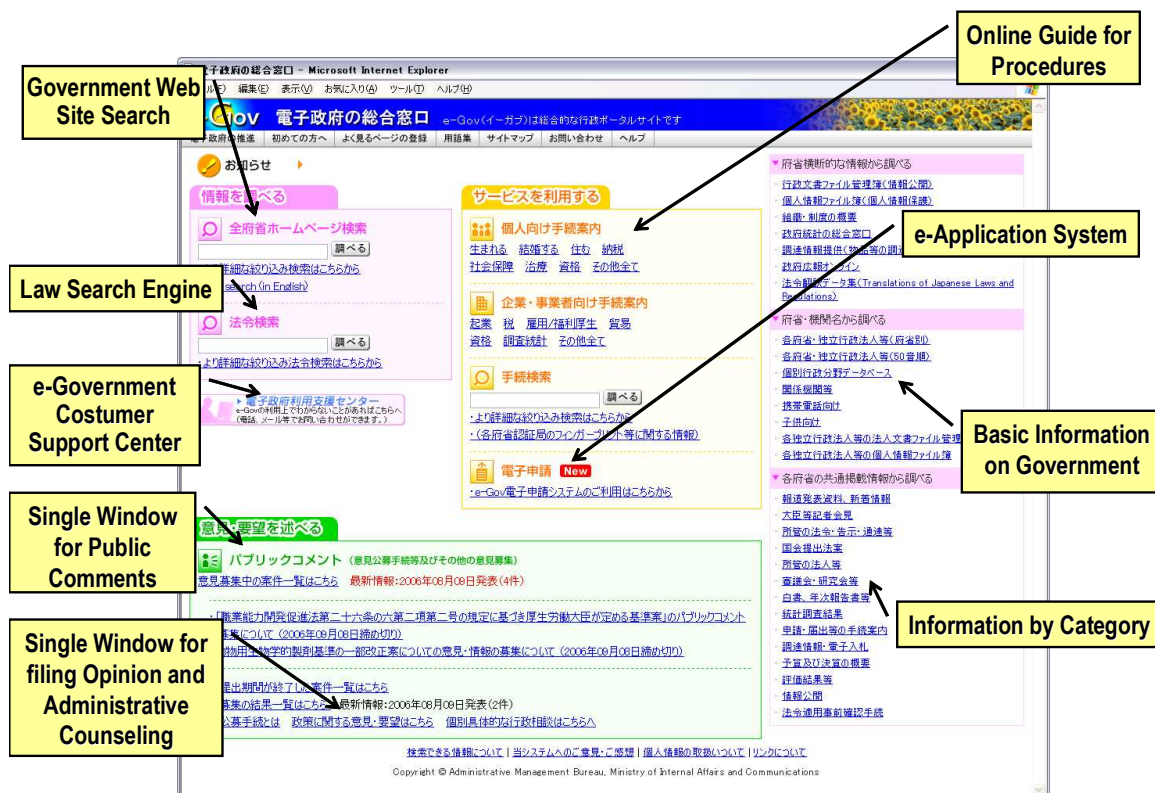


Figure.4(2) Government Portal Site “e-Gov”

The “e-Government Customer Support Centre” was established to deal with various inquiries on how to use “e-Gov”. Inquiries are received through “e-Gov” as well as telephones and faxes.

5 Others

(1) Development of IT human resource

The government is formulating “IT Human Resource Development Policy (tentative name)” which sets out improvement of in-house training including active use of private sector, and facilitation of personnel exchange between PMO.

Ministries are to formulate a plan for developing human resources in line with the Policy within FY 2007 to cultivate human resources with high literacy in ministries.

(2) Formulation of “Basic Policy for Procurement for Information Systems (tentative name)”

Under the Ministry of Internal Affairs and Communication’s leadership, “Basic Policy for Procurement for Information Systems (tentative name)” is being decided by CIO Council within 2006 to improve government procurement for information systems. The policy would include expansion of opportunities for companies with high technology to participate in competitive biddings and division or segregation of procurement. Ministries are to push forward strategic procurement on information systems based on the policy.

(3) Optimization of business processes and systems in incorporated administrative agencies

Ministries responsible for incorporated administrative agencies⁹ (e.g. National Statistics Centre, National Archives of Japan, Japan Science and Technology Agency etc.) are to formulate optimization plans as early as possible within FY 2007 and require their implementation to the agencies. Through carrying out this initiative, incorporated administrative agencies could realize cost-reduction and streamlining.

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⁹The Incorporated Administrative Agencies are organizations introduced based on the view to separate the planning and the execution sections of the policy as the part of administrative reforms, which take charge of execution.