



## Japan and COVID-19

On June 30 and July 2, Chief Cabinet Secretary Suga Yoshihide stated that, “In a worst case scenario, we may enact another state of emergency.” But even if we avoid that worst case scenario, what will become of the Japanese economy and society? How quickly can Japan address the lagging digitalization in administration, health and education and the national digital divide? Mizuno Tetsu delves into the impact on Japan of the spread of COVID-19.

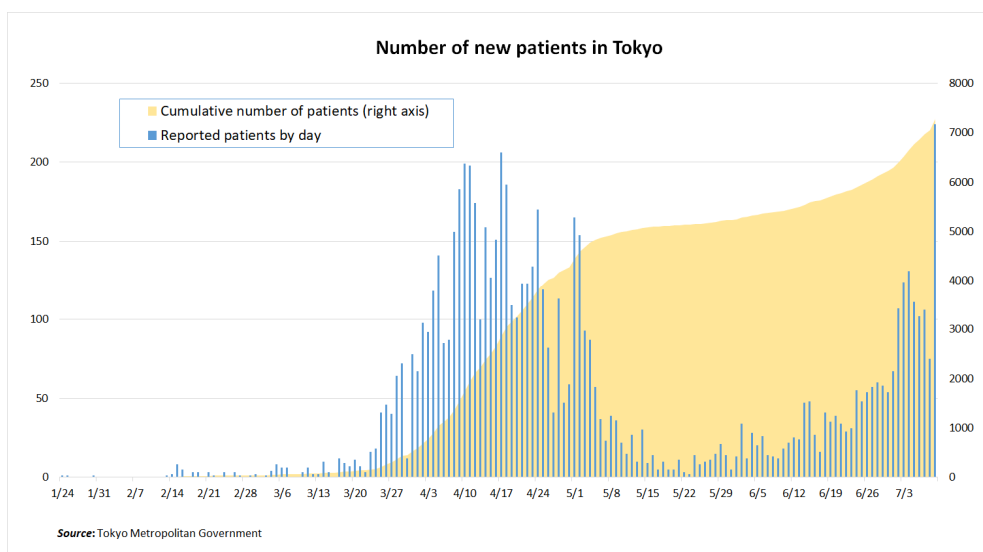
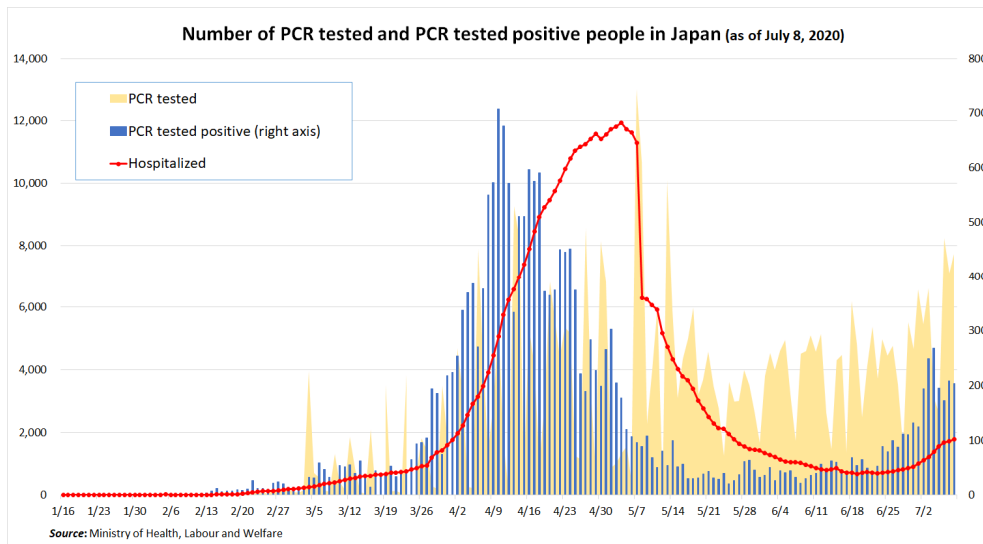
**Mizuno Tetsu, freelance writer**

On July 2, it was decided to cancel the Gion Festival, one of many representative Japanese festivals. The Gion Festival’s origins lie in Emperor Kanmu holding a festival in 869 to pray for the frequent disasters and diseases of the time to disappear, and it has decorated Kyoto summers for 1,150 years. Each year, over 400,000 people throng to the *yoiyama*, the climax of the month-long festival held over the month of July. The Gion Festival Yamahoko Association announced the cancellation of Gion Festival events, saying that “excluding those that are sick would be a case of getting our priorities backwards, as the festival aims to drive off disease.” When lifting the state of emergency on May 25 among increasing COVID-19 infections, there was also a request from the government to postpone festivals where tourists from all over the country would gather through the end of July, and the decision to cancel the Gion Festival was a difficult one.



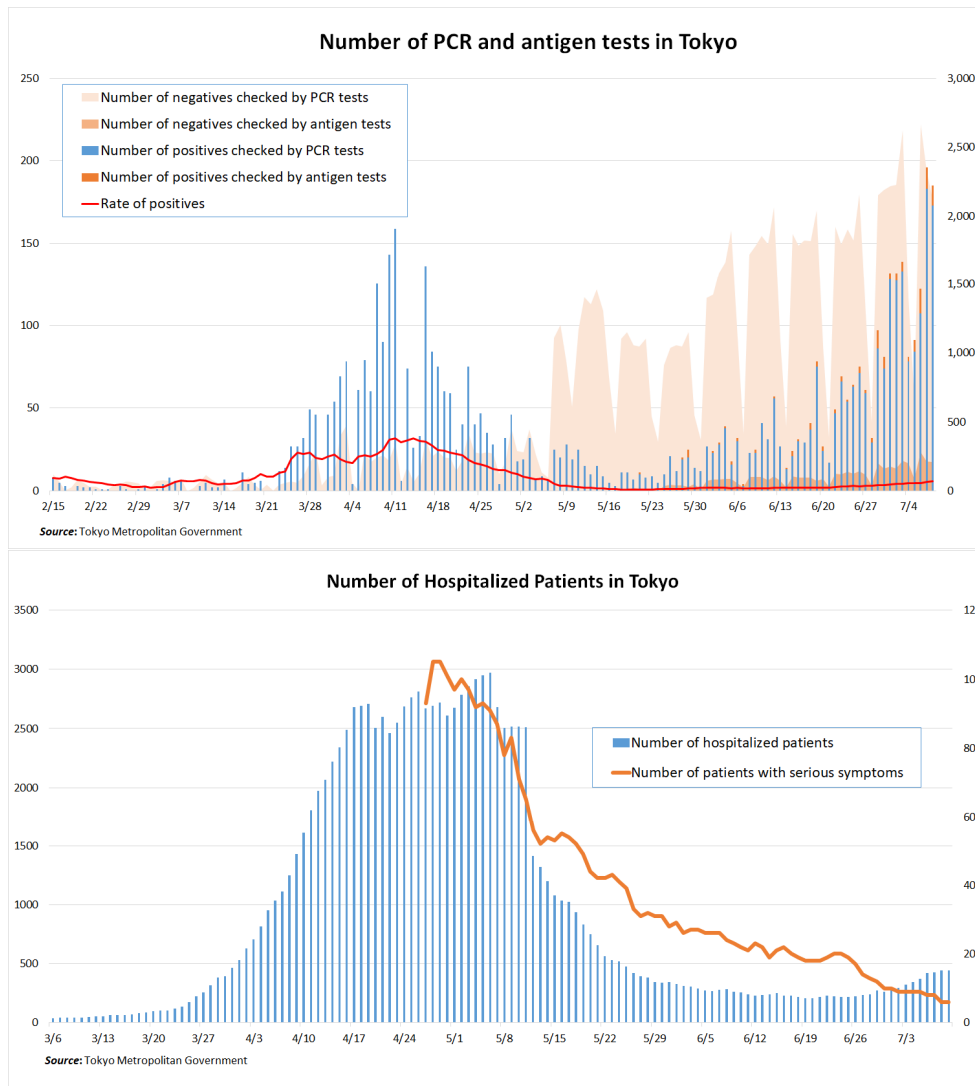
The Gion Festival and its crowd-pulling Yamahoko Junko float procession has been canceled this year owing to the coronavirus situation.

On the same day, Tokyo was rattled. After six consecutive days with more than 50 cases of infection, the number of people infected with COVID-19 greatly increased to 107, having reached 67 the day before. People’s uncertainties have increased, as a trend of increasing infections is being seen again since the lifting of the state of emergency, which began on April 7, for 39 prefectures on May 14 and for the remaining 8 prefectures on May 25.



At a press conference on the previous day, July 1, Tokyo Governor Koike Yuriko presented current knowledge while also making ample references to the condition of medical care, saying, “We were not able to trace paths of infections in March, but we are now tracing cases linked to post-infection. Sixty-seven is a large number, but the background behind these infections is different. The most important aspect is the state of hospitals. We have secured 1,000 beds. There are plenty of hotels to be used for stay-in recuperation. There are 280 people hospitalized, but only 10 are seriously ill. Most have a mild case.” 3,000 to 4,000 beds will be secured in stages, responding to the state of increasing infections. At its peak up until this point, 2,974 people were hospitalized. Tokyo has already requested medical institutions to secure 3,000 beds.

The criteria for the phased relaxation of voluntary refraining of activities in Tokyo under the state of emergency that started on April 7 and for another request for restraint established parameters based on the number of infected persons, centered around the number of new infections, the ratio of cases where contact with infected persons is unclear, and the rate of the increase in positive cases. However, this was newly changed to a system to prepare for a second wave, mainly monitoring the state of infections and the system for the provision of medical treatments.



The background behind this is the enhancement of the testing system and the securing of a system for the provision of medical treatment. From the end of March, the PCR test implementation system went from about 220 tests per day to about 3,100 per day, and, through utilizing antibody tests, the goal of strengthening the system to 10,000 tests per day has become possible.

However, on the following day, it became clear that there were 107 new cases, as mentioned earlier.

On this day, Tokyo Governor Koike stated that, “Preparations to strengthen the medical treatment system are necessary as infections continue to spread, and I am aware that we are in a phase that requires caution,” and she requested citizens to refrain from going out to “night towns” (places that are busiest in the evenings), where infections were spreading in particular. Seventy to eighty percent of infections were young people in their 30’s or younger, and it was confirmed that they were infected at restaurants where guests were entertained. Infections in the “night towns” has continued and these areas have been issued requests from the Tokyo government, etc., and one result has been that related individuals have actively undergone PCR testing. However, if these infections spread to older people, the situation will become more serious. Governor Koike strongly pleaded for caution with these “night towns.”



Tokyo Governor Koike Yuriko visits Prime Minister Abe Shinzo on July 6, 2020. The two leaders confirmed that they would work together in response to the spread of COVID-19 in order to safely hold the Tokyo Olympics and Paralympics next year. PHOTO: CABINET PUBLIC RELATIONS OFFICE

In regard to this, Nishimura Yasutoshi, Minister in charge of Economic Revitalization, stated that, “We are in an extremely tense situation where we ought to be cautious. I share the same understanding of the situation as Governor Koike and Deputy Chairman of the Expert Meeting, Omi Shigeru. I wish to make a call for more PCR testing to prevent secondary infections and to prevent the spread of infection to elderly people and those with underlying conditions.”

Even after lifting the state of emergency, it is not possible to lower the risk of infection to zero. The government’s basic approach is to gradually increase socio-economic activity while controlling the risk of infection.

In regards to the 107 infected people, Chief Cabinet Secretary Suga Yoshihide stated that, “If the speed of infection increases again, we may enact a state of emergency, but even in that case, we will make a comprehensive decision and respond as we did in April based on the number of infections, the speed of infections, the proportion of patients where the path of infection is unclear, the state of the medical system, and more,” stating that the government will continue to work on the compatibility of preventing the spread of infections with socio-economic activity.

Governor Koike also stated that, “It depends entirely on how we prevent the spread of infections. I believe that the Tokyo government ought to be aiming for compatibility between prevention of the spread of infections and socio-economic activity.”

Minister Nishimura said that we are in a stage that requires caution but does not warrant a state of emergency and that the government is prepared to eliminate small waves of the virus one by one, stating that, “No one wants to have another state of emergency and no one wants to temporarily close businesses. If we don’t take proper measures to prevent infection and aren’t thorough by closing shops if there is something unusual, not going in to work and not going out when feeling under the weather, etc., the same thing will happen again. I want each person to make an effort.” He emphasized that cooperation is important to keep further small waves from accumulating and becoming a large wave.

What will happen to Japan as it aims for compatibility between preventing the spread of infections and socio-economic activities? It is said that if another state of emergency is enacted temporarily, we will experience another economic loss exceeding several trillion yen.

### **Was Japan Successful?**

The WHO stated that Japan was successful.

While the unprecedented crisis has thrown the world into chaos, behind the scenes of how infections in Japan have been kept relatively low up until now, there are lifestyle habits and concepts about hygiene that, as a result, are connected to preventative measures, and it is possible that these have offered some kind of an advantage. During seasons when influenza and pollen are dispersed through the air, Japanese people wear masks, they don't speak in loud voices on trains, they greet each other by bowing their heads, shoes are taken off when entering a house, they wash their hands and gargle often thanks to abundant water, and, additionally, they take baths every day. Paying close attention to food is also a characteristic of Japanese people, with some people being so health-conscious that they could be called "health nerds," with the health food market and markets related to everything from jogging to fitness said to know nothing of a recession.

However, when viewed by doubting eyes from abroad, you can say that, while tracing infection paths and stopping clusters was prioritized, the fact that not prioritizing the expansion of the testing system and focusing on preventing the collapse of the medical system has contributed to the numbers seen.

Nevertheless, after more than a month has passed since the state of emergency was lifted on April 7, and while hospital beds have been secured and the testing system has been adjusted, we are facing the dangers of another increase in numbers of infected persons and the future is unclear.

Day after day, we are exposed to news of COVID-19 infections, and every person is fed up with living their lives while worrying about numbers of infections. It appears as though we have become numb to human lives reported as numbers and graphs.

Japanese media have continued to point out that "information from the government is lacking" and the "government's response has been slow" and "foreign media don't hide their doubts about the government's responses or even surprise at the unexpected better results," but whatever the words of praise or criticism, nothing can resolve the anxiety of the people. The economy is damaged the longer COVID-19 infections drag on. When will the second wave hit? When will we be able to get our hands on an effective vaccine? Can I protect myself from this invisible virus? How much longer can I tolerate this? No matter what we are told, there is no meaning if measures are meant to preserve systems and government in a world where thousands of people share these anxieties and this sense of danger.

Scientific evidence, clear policies, an effective vaccine, and international cooperation will be strongly sought after moving forward. For example, Germany has shown a value of the effective reproduction number ( $RT$ ) = 0.75 as an indicator of compatibility between prevention of the spread of infections and socio-economic activity. This keeps the reduction in GDP and spread of infections to a minimum. A long period of time is required to return to life as it was before COVID-19 occurred. For the time being, we must accept matters, think, and act on the premise of a coexistence with COVID-19. Facing this unprecedented emergency, the global society is searching for this coexistence, and this demands cooperation.

Ten years after the Rio de Janeiro Earth Summit of 1992, the World Summit on Sustainable Development (Johannesburg Summit 2002) was held to search for compatibility between economic development and environmental measures, and ways to deal with these contradictory issues were discussed. Then Prime Minister Koizumi Junichiro touched on the serious pollution problems Japan experienced through the process of growth and how they were overcome, describing concepts for support based on these experiences. The reality of these experiences showed that the environment and the economy are compatible. Of course, environmental problems and COVID-19 are different issues, but they are similar in that the world must confront them and they are not issues to easily coexist with. In collaboration with the world, we must bring various experiences and knowledge to the table when working towards the post-coronavirus world.

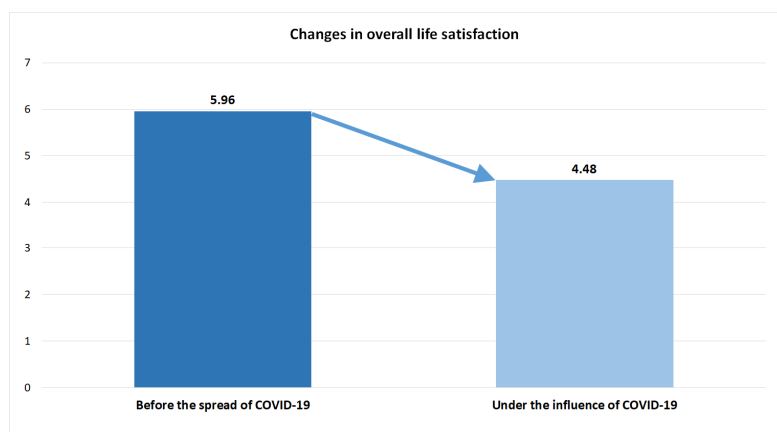
One thing that humanity experienced with the Spanish Flu was that even if the first wave was small, the second wave will be big. Additionally, after the Spanish Flu pandemic, the virus was not eradicated from the world. Humanity will exist with the virus, now in the present, in the past, and in the future. The problem is we must continue to think positively about how to move forward while confronting this troublesome companion.

### Changes in Lifestyle Awareness

After the state of emergency was lifted on May 25, the number of infections began to increase by the beginning of June. Requests for people to voluntarily refrain from going out and for businesses to close were relaxed, and the number of people commuting to work and heading in to town continues to increase. While some people said that they had built up stress from being patient, that they had only been able to do the absolute minimum shopping without getting their hair cut, and that they couldn't stand spending any more time at home, still others said that it was scary that the number of people on trains and in town was increasing, that young people not wearing masks were naïve, and that they wanted to work from home indefinitely. Even if the WHO claims that Japan is an example of success and even if the government lifts the state of emergency, there aren't many people who can optimistically accept this as meaning that Japan is now safe.

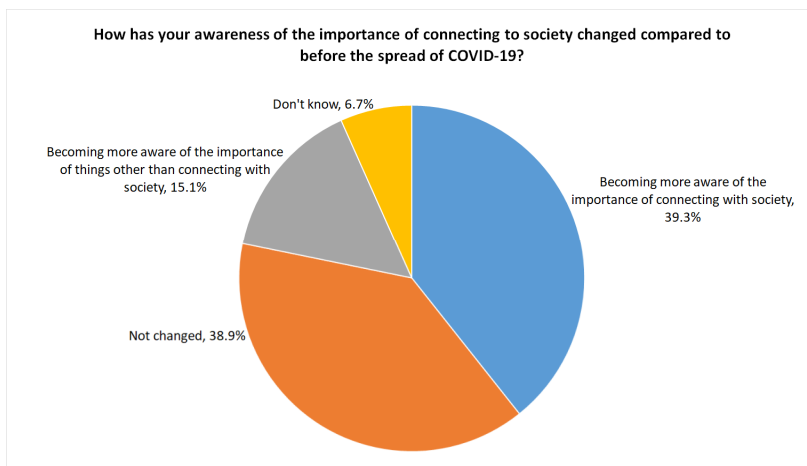
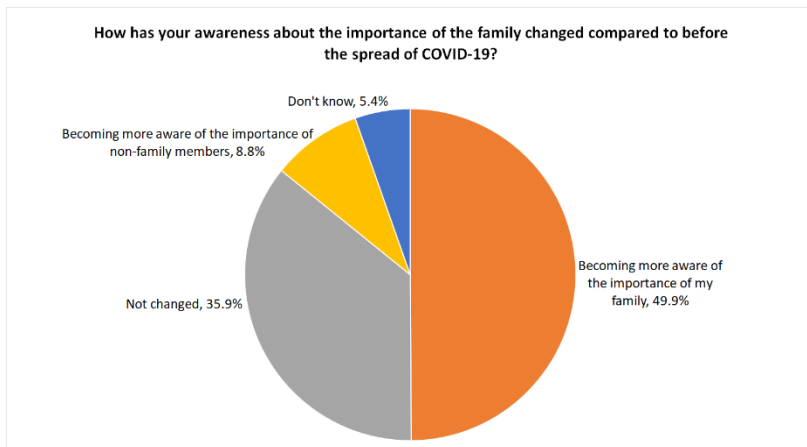
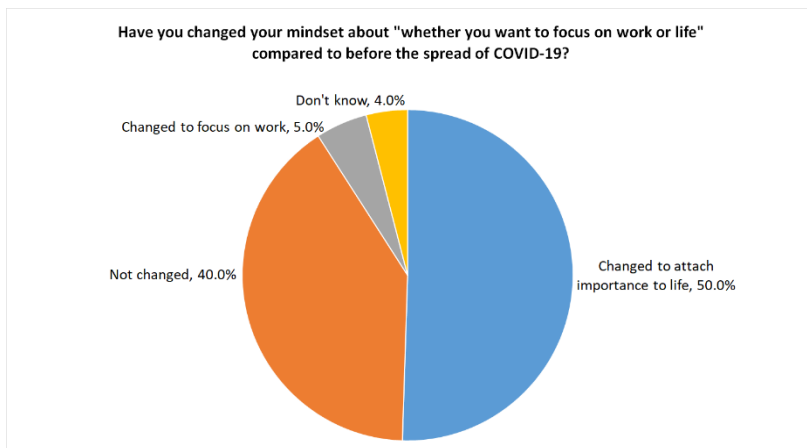
The online Survey on Changes in Lifestyle Awareness and Behavior Due to the Influence of COVID-19 (sample size: 10,218) by the Cabinet Office, conducted from the day the state of emergency was lifted until June 5, speaks volumes about the effects of COVID-19.

On a 10-point scale evaluating lifestyle satisfaction before and after the spread of COVID-19, the average number dropped from 5.96 before COVID-19 to 4.48. When we look deeper, the number for housewives with elementary school-aged children significantly dropped from 6.61 to 4.26, and the number for women, 60 and older, dropped from 6.51 to 4.42.



Enjoyment and interest in life dropped from 6.33 to 4.38, and connection with society dropped from 6.07 to 4.32. All of these show anxiety and discontent through the burden of housework, requests for people to voluntarily refrain from going out, limited shopping, and restrictions even on having enjoyable conversations with friends.

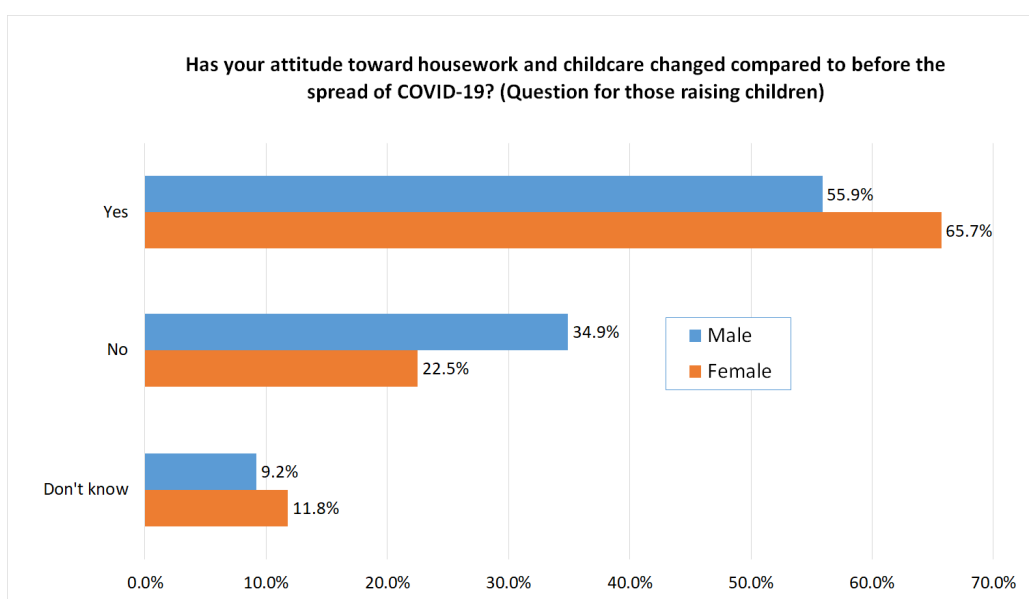
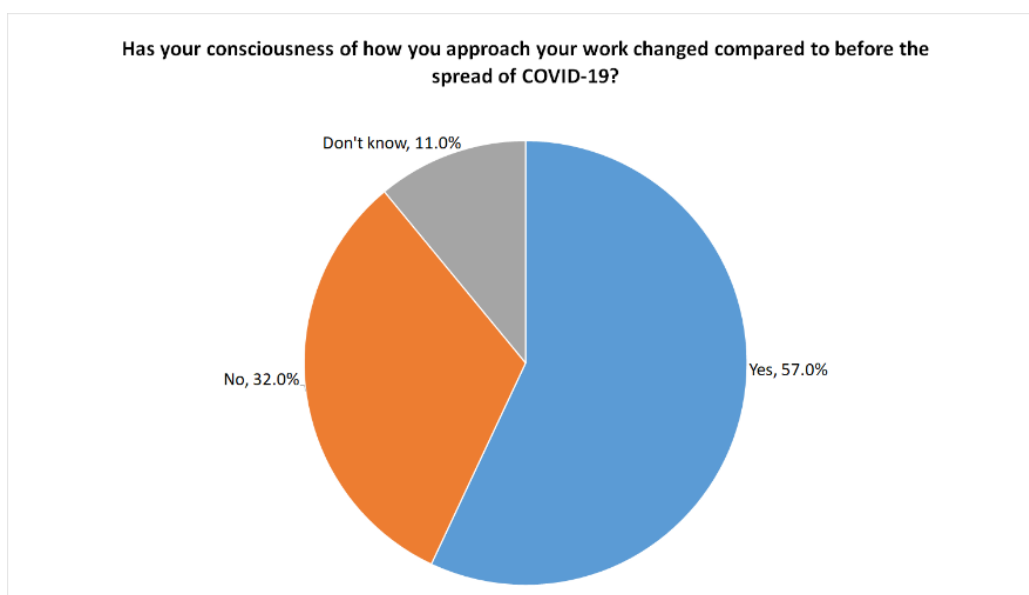
The speed at which things have returned to normal is a source of anxiety for people who have returned to work. This reveals a characteristic of Japanese people that, when seen in a good light, shows that Japanese people are serious, and when seen in a bad light, shows that Japanese people prioritize work without considering their families. A man in his 50's who commutes to his company in Tokyo using JR trains said that, "Before I knew it, the morning trains were packed. My commutes are simply horrible. I go back home in the middle of the night so it is better." A man who commutes to central Tokyo by transferring on the subway said that, "As a result of off-peak commuting being promoted as a COVID-19 measure, there are many passengers on trains at all times between 8 and 10 am. I get angry when I see people who continue to talk without wearing a mask, and I immediately stand up if a person without a mask sits down beside me." He may just be a cog in the machine, but the source of his anger is his confidence that because he has responsibility, he cannot be replaced. At the same time, there are some who disagree with this constraint. One young researcher says that, "Surely there is a sense of freedom from tense behaviors. We ought to be careful about an attitude of seeing enjoyment in this sense of freedom as evil." There are different ways of thinking and of accepting things.



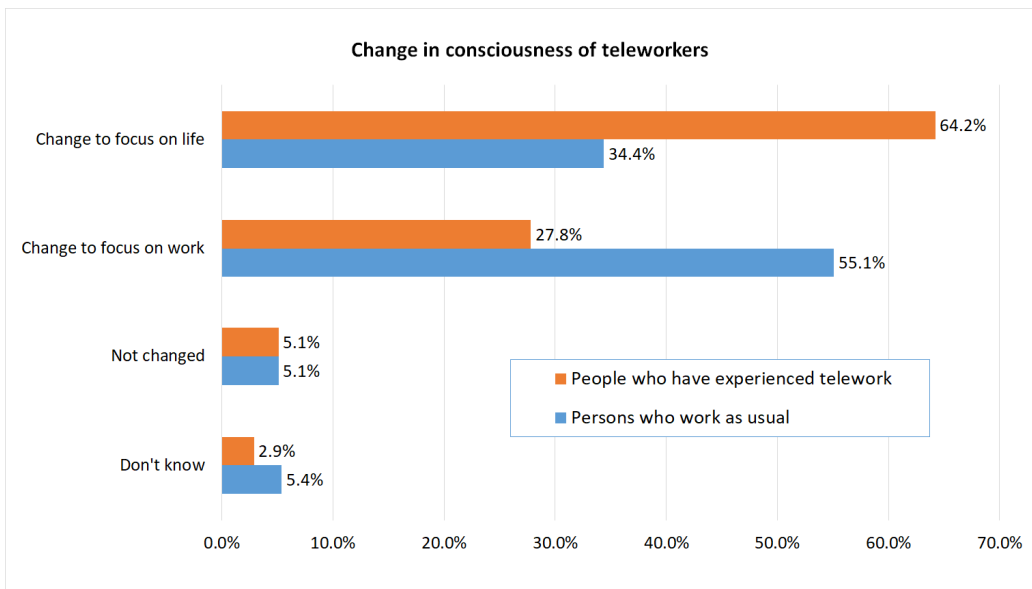
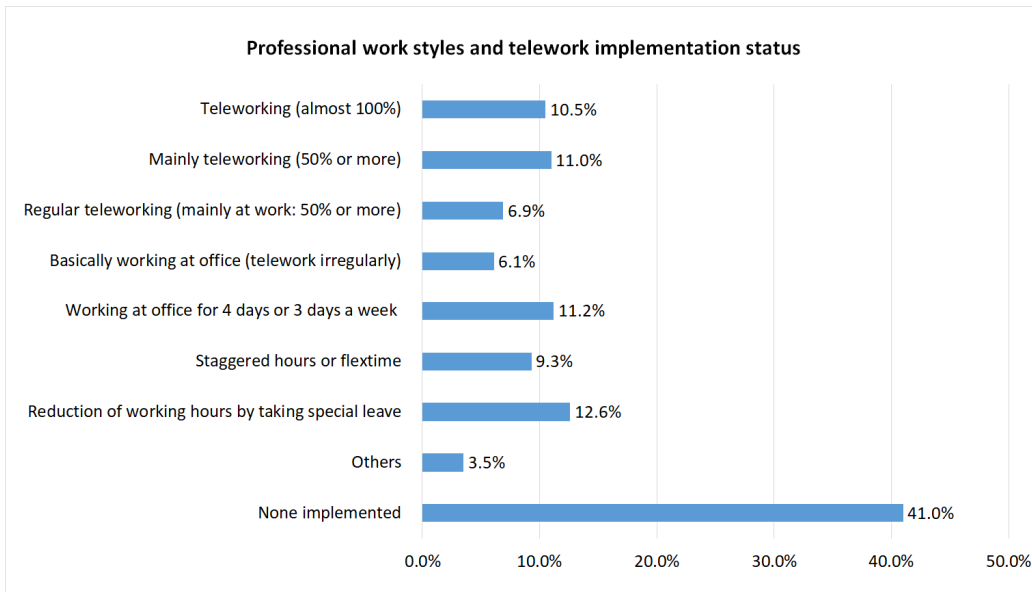
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**Table: Have you taken on any new challenges owing to the influence of COVID-19? (Multiple answers)**

	10s	20s	30s	40s	50s	60s	70s and above
Authentic hobbies (arts, cooking, etc.)	30.8%	25.4%	15.2%	12.4%	11.4%	11.6%	9.2%
Education and learning (new fields, technologies, languages, etc.)	29.4%	23.3%	11.3%	8.3%	6.2%	4.6%	4.1%
Online transmission and exchange	28.8%	20.9%	14.2%	10.4%	8.9%	7.4%	5.7%
Business-related study (qualification acquisition, skill improvement, job change information collection, etc.)	11.5%	17.2%	12.1%	9.5%	5.5%	2.7%	0.7%
Business (entrepreneurship, side business, new product development, etc.)	6.3%	9.4%	7.3%	4.5%	2.5%	1.3%	0.4%
Be involved in daily life (what I couldn't do until now)	24.9%	27.4%	30.8%	29.0%	28.1%	29.1%	27.3%
I have not tried or worked on anything.	19.7%	24.9%	33.6%	39.7%	46.6%	50.8%	54.5%
Don't know	10.1%	8.0%	9.7%	11.8%	9.4%	7.5%	7.8%







You can also see changes in awareness for these types of workers in the online survey. When asked whether they wanted to put more emphasis on their work or personal life, 50% of respondents answered, “personal life,” with 55.9% of men raising children responding that their awareness had changed in relation to dealing with housework and child raising, as time spent at home has increased for both children and parents due to COVID-19. Of the 34.5% of people who had experienced teleworking due to COVID-19, 64.2% responded that their awareness evolved towards an emphasis on their personal lives. Additionally, 24.6% said they had greater interest in moving to rural areas, with 46.3% responding that they desired a change of vocation or a side job. Off-peak commuting and telework, which had not advanced despite the government working to promote it, took off due to COVID-19, and awareness has clearly evolved. For example, we can perhaps see the potential for change in the long-standing issues in Japan of a heavy concentration of people in Tokyo and depopulation in rural areas, as well as a stagnant labor market.

## Non-Digital Japanese Society

As COVID-19 infections spread, it has become clear that the digitalization of Japan is lagging, even though this was given as a major policy.

For example, digitalization has not yet properly reached education, everyday shopping, administrative procedures and services, or workplaces. Even here, rapid digitalization is advancing due to the fears of COVID-19 infection, but first of all, Japan is a cash-based society, documents must be stamped and passed around for perusal, official certificates from the city hall are necessary for transactional procedures and even trivial applications, sending certain things by mail is not allowed and one must deliver them in person, fax is preferred over email, and then there is a mentality of fear of fraud for credit card payments and email—the list goes on and on. However, at the same time, many Japanese citizens have no interest in politics, they find new governmental services to be bothersome, and there is a trend of not trying to understand.

There is a physical problem, as well. While schools were asked to close and the state of emergency was enacted, there were homes without Wi-Fi, and for those with it, they didn't have any security measures, and even still, there was a lack of software for distance learning. In the past, the digital divide has been discussed in Japan, but it may be that Japan itself has fallen into a digital divide.

## The Economic Mood

In the Assessment of the current state of the Japanese economy in the Monthly Economic Report announced by the Cabinet Office in June of 2020, it was stated that, “The Japanese economy is still in an extremely severe situation due to the Novel Coronavirus, but it almost stopped deteriorating.”

The following are the points that were made.

- Private consumption is showing movements of picking up recently as the state of emergency was lifted
- Business investment is in a weak tone recently
- Exports are decreasing rapidly, due to the influence of the infectious disease
- Industrial production is decreasing, due to the influence of the infectious disease
- Corporate profits are decreasing rapidly, due to the influence of the infectious disease. Firms' judgments show signs of improvement, although some severe aspects remain
- Employment situation is showing weakness, due to the influence of the infectious disease
- Consumer prices are flat

Considering the current state in June, it was commented that, “Concerning short-term prospects, the economy is expected to move toward picking up from an extremely severe situation, supported by the effects of the policies while the socio-economic activities will be resumed gradually with taking measures to prevent the spread of infectious diseases. However, attention should be given to the trend of domestic and overseas infections, and the effects of fluctuations in the financial and capital markets.”

Additionally, it was indicated that, due to the effects of COVID-19, there was a rapid decrease in exports, a 99.9% decrease in visitors from overseas in May, a further fall in the trade balance deficit in April, and a similar fall in the deficit on the balance on services.

In this situation, the Government will (1) increase socio-economic activities step-by-step, while continuing to implement measures to prevent the spread of the Novel Coronavirus, (2) implement the

“Emergency Economic Measures to cope with the Novel Coronavirus” (Cabinet Decision on April 20), (3) decide the “Basic Policies for Economic and Fiscal Management and Reform 2020 (Basic Policy)” by the middle of July and (4) the Bank of Japan enhances monetary easing with a view to doing its utmost to support financing mainly of firms and maintaining stability in financial markets.

### **Council on Economic and Fiscal Policy**

On June 30 and July 2, Chief Cabinet Secretary Suga Yoshihide stated that, “In a worst case scenario, we may enact another state of emergency,” but even if we avoid another state of emergency, what will become of the Japanese economy?

On June 22, 2020, Prime Minister Abe held the ninth meeting of the Council on Economic and Fiscal Policy in 2020. At the meeting, Prime Minister Abe mentioned about the promotion of digital government and Basic Policy.

He said, “[...] we can no longer spare any time in building a digital government from the perspective of the people, by digitizing the administrative services of both the national and local governments. Furthermore, advancing the digitization of healthcare and nursing care is of extreme importance in preparing for possible crises in the future, such as the second wave of infections.”

Additionally, Prime Minister Abe said, “[...] we discussed the planning of the Basic Policy. With this year’s Basic Policy, we intend to incorporate a blueprint of societal transformation for addressing the social issues that have been revealed by the recent spread of infections and realizing the high-quality economy and society that we aim to create through building a new normal for everyday life.”

This is a statement that takes into consideration the discussions had with the Council on Economic and Fiscal Policy. At these meetings, a Digital New Deal was discussed that utilizes digitalization from the public’s viewpoint in local governments, healthcare, and nursing care and takes these areas online because of COVID-19. This includes an acceleration of the digitalization in healthcare and nursing care, utilizing online consultations, electronic prescriptions, and other medical data focused on the second wave of infections.

For Nakanishi Hiroaki, Chairman of Keidanren and a private member of the Council, the Digital New Deal is a new challenge that goes way beyond the use of ICT for conventional rationalization. He points out that, while the responsibility of rural areas is great, as a national project, it is necessary for the country to have a considerable incentive, to properly establish a concept for the overall system, and to take an approach that applies this to other areas.

Many improvements and benefits await on the other side of the digitalization that is taking on COVID-19 as an opportunity for change.

We will have to put our excitement for the Gion Festival on hold until July of 2021, but we hope that by then, we will begin to see the effects of the compatibility between preventing the spread of infections and socio-economic activities. Disease, be gone!

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