



EU-JAPAN DIGITAL WEEK 2025



31 MARCH – 7 APRIL, 2025



TOKYO, JAPAN

THE EU-JAPAN DIGITAL WEEK IS ORGANISED AS PART OF THE EU-JAPAN DIGITAL PARTNERSHIP

Japan's 'consensual' variety of digital capitalism and its global relevance

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Outline

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 2. Digital Empires
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2. Information banks
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 3. Health information
3. Data Free Flow with Trust
 1. Evolution
 2. Two levels of regulation
 3. The Tokyo Effect
4. Conclusion



1.1. The Brussels Effect

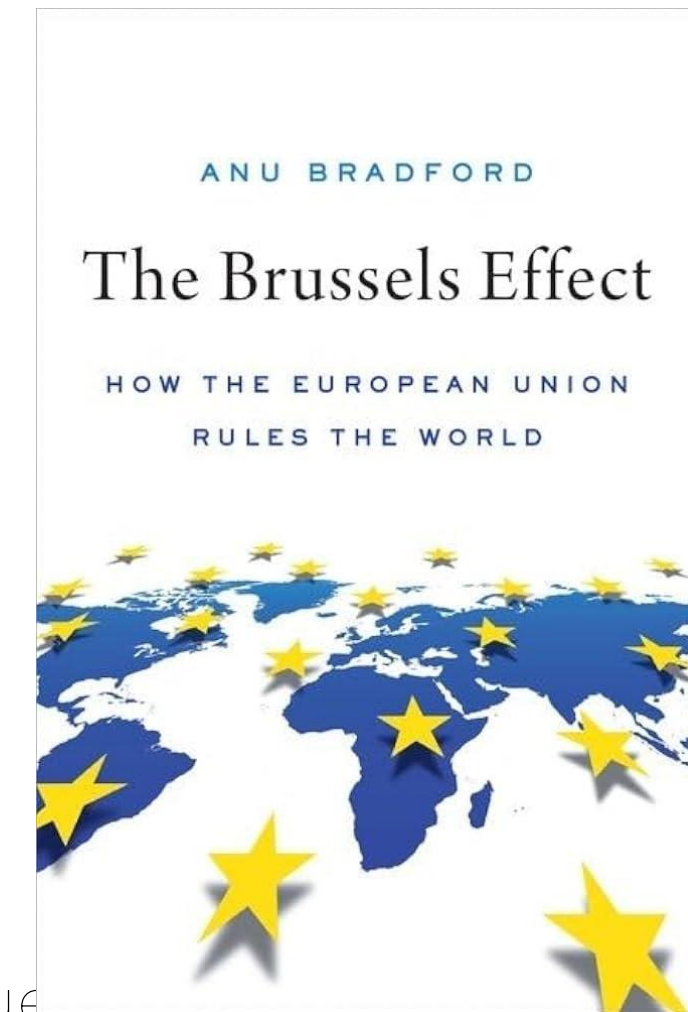
THE BRUSSELS EFFECT

(article from 2012)

Anu Bradford

ABSTRACT—This Article examines the unprecedented and deeply underestimated global power that the EU is exercising through its legal institutions and standards, and how it successfully exports that influence to the rest of the world. Without the need to use international institutions or

- General idea: “if you want to have access to the EU market, adopt our regulation”
- Example: GDPR (General Data Protection Regulation) influences data protection worldwide, countries aim for “adequacy”



(book from 2020)

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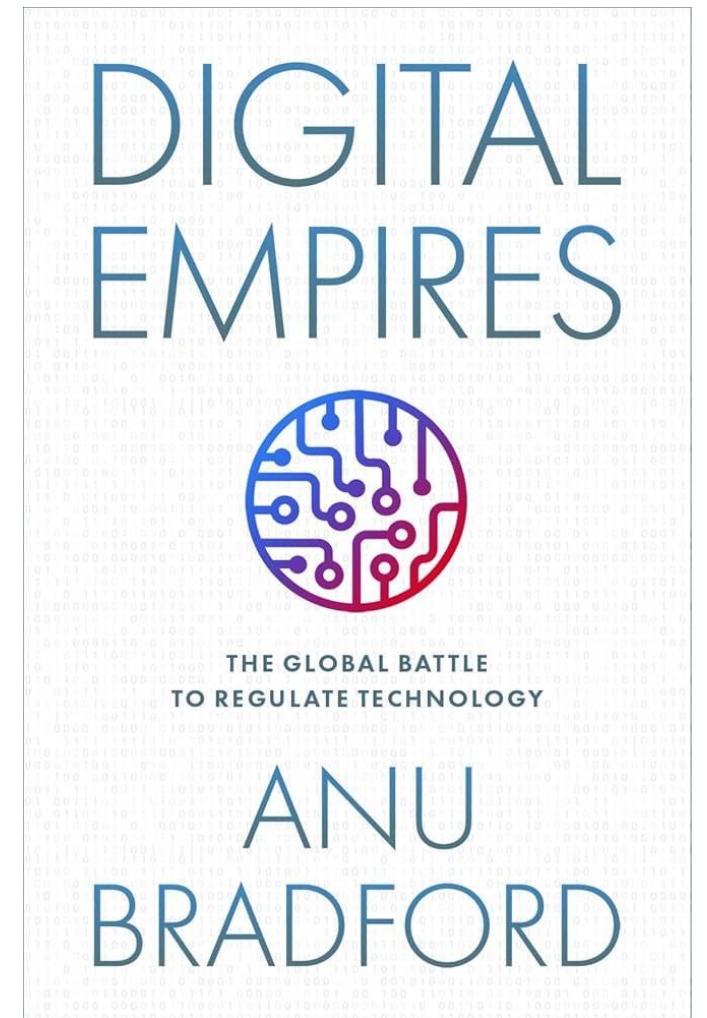
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1.2. Digital Empires

- Bradford came to recognize a more complex picture
- She finds regulatory models, representative of different varieties of digital capitalism:
 - US: market-driven paradigm
 - EU: rights-driven paradigm
 - China: state-driven paradigm
- “[T]he US and the EU would jointly lead the coalition of technodemocracies to challenge digital authoritarian norms and values embraced by China and its ideological allies.”



(book from
2023)

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1.2. Digital Empires



However: the EU regulatory model is in crisis!



The, Digital Services Act (which is supposed to combat disinformation and hate speech), is currently criticized for curtailing free speech by the current US government

In face of economic stagnation, fighting human rights abuses in EU supply chains loses priority.

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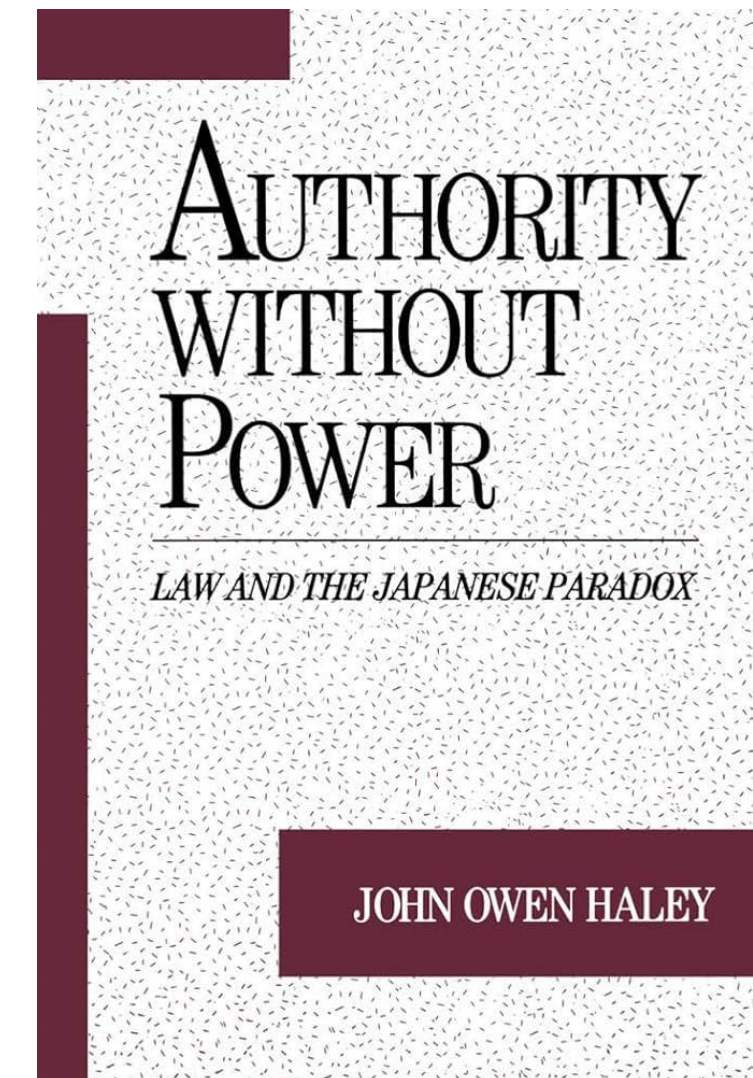
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1.3. Japan's consensus-driven regulation

- John O. Haley: "Authority without Power: Law and the Japanese Paradox" (1990)
- Japan's consensus-driven regulatory model builds on compliance without formal enforcement
- Relies on
 - informal negotiation
 - administrative guidance
 - social norms.
- In Bradford's perspective: fourth Digital Empire, characterized by soft regulation and consensus
- Combines market and rights-driven elements, deeply rooted in Japanese legal tradition

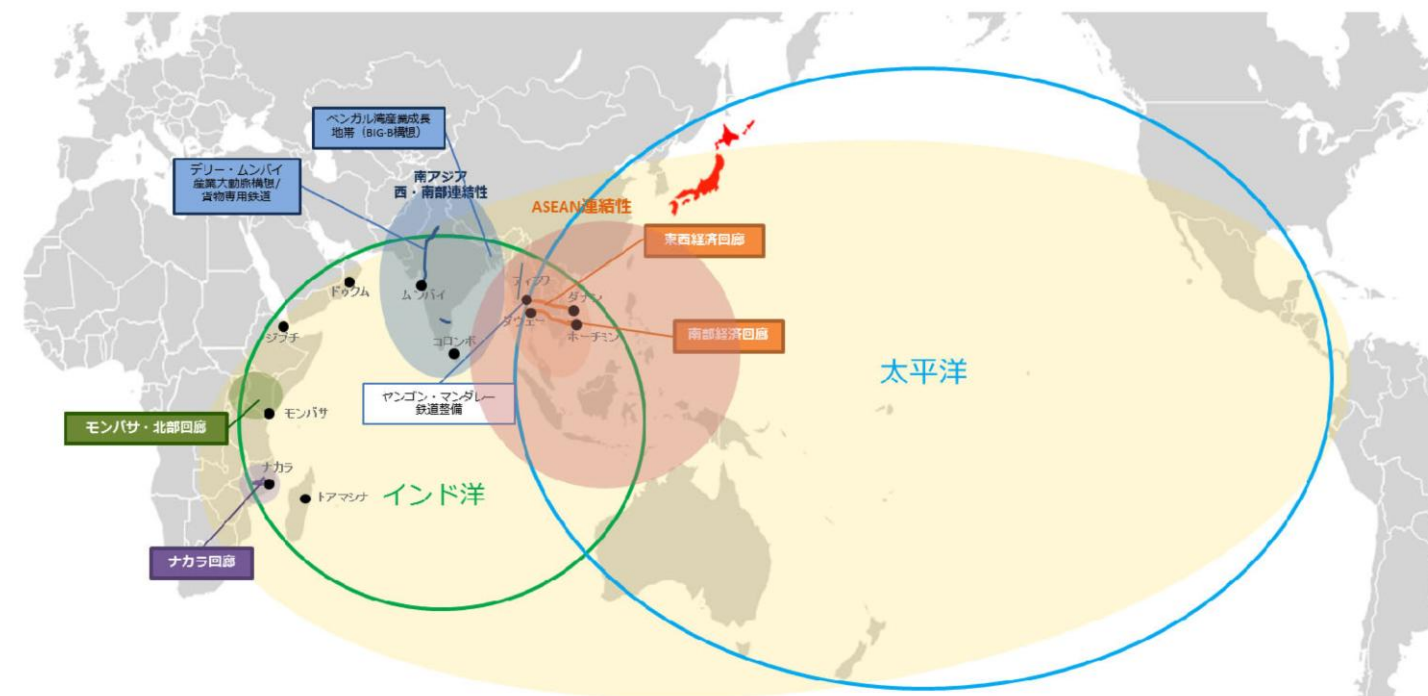


1.3. Japan's consensus-driven regulation

- Increasing geopolitical competition (US-China)
- Japan is driving a strategic shift, steering policy focus from the Asia-Pacific to the Indo-Pacific.
- “Like-minded countries”: not necessarily value-sharing
- Here, consensus building mechanisms similar to the traditional Japanese model become relevant

“Free and Open Indo-Pacific” Strategy

Source:
Foreign Ministry of
Japan, Whitebook
2018



2.1. Evolution of information banks

TedX talk by lead
developer Shibasaki
Ryōsuke (University of
Tokyo) 2012



2.1. Evolution of information banks

- Concept developed since the late 2000s, certification scheme introduced in 2018
- Allow users to 'deposit' personal data securely, intermediaries share aggregated data responsibly
- Originally it was very permissive, now based on fine-grained explicit consent
- Aligning with GDPR principles – de facto manifestation of the Brussels Effect

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67. Both sides intend to deepen at expert level their understanding on the function of data intermediaries (as in the EU Data Governance Act) and the Japanese certification scheme for “information banks” and market-driven initiatives such as Jdex.

May 2022

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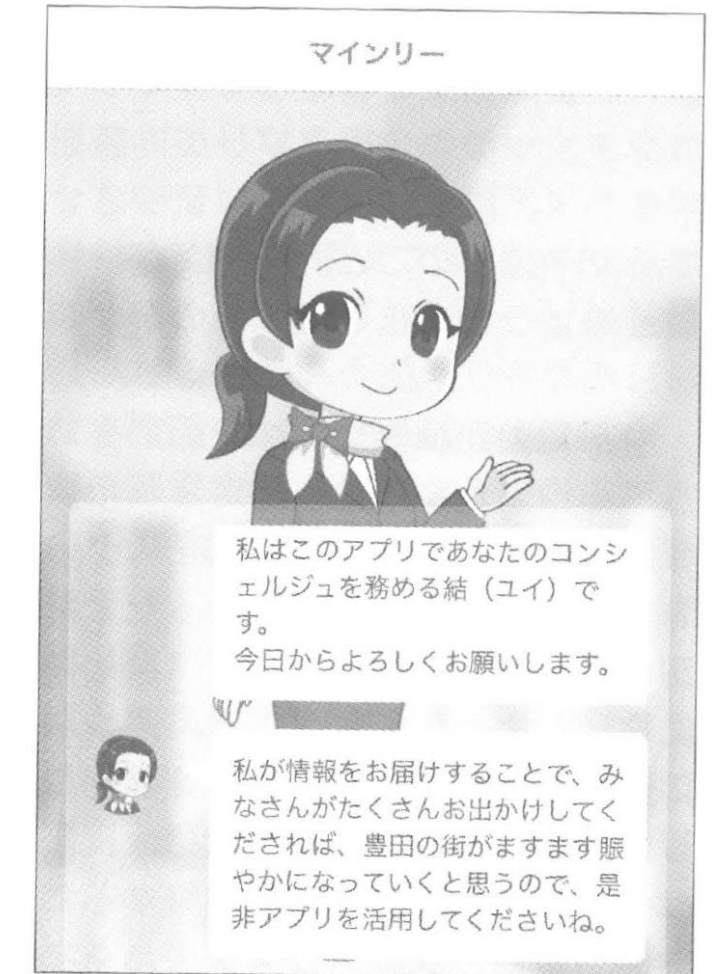
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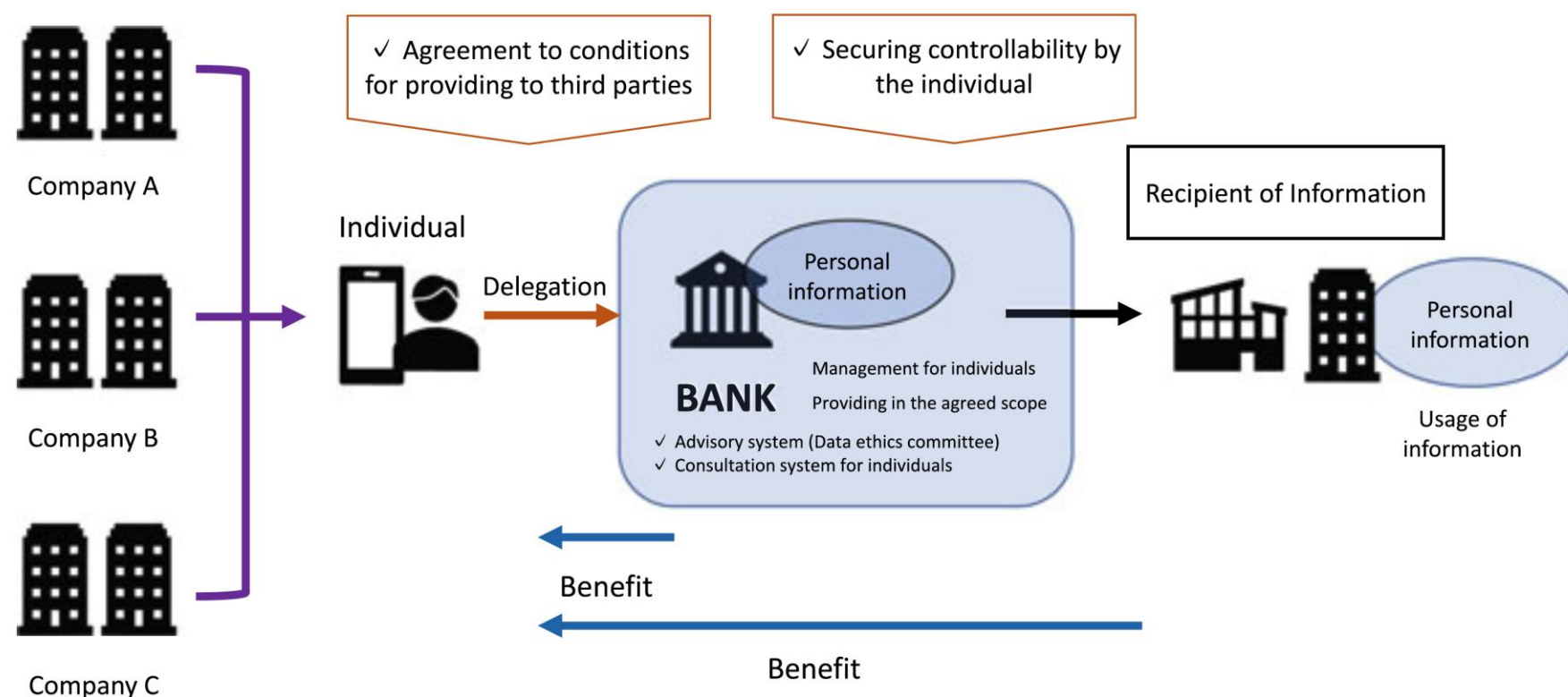


2.2. Case study: Chubu Electric's MINLY

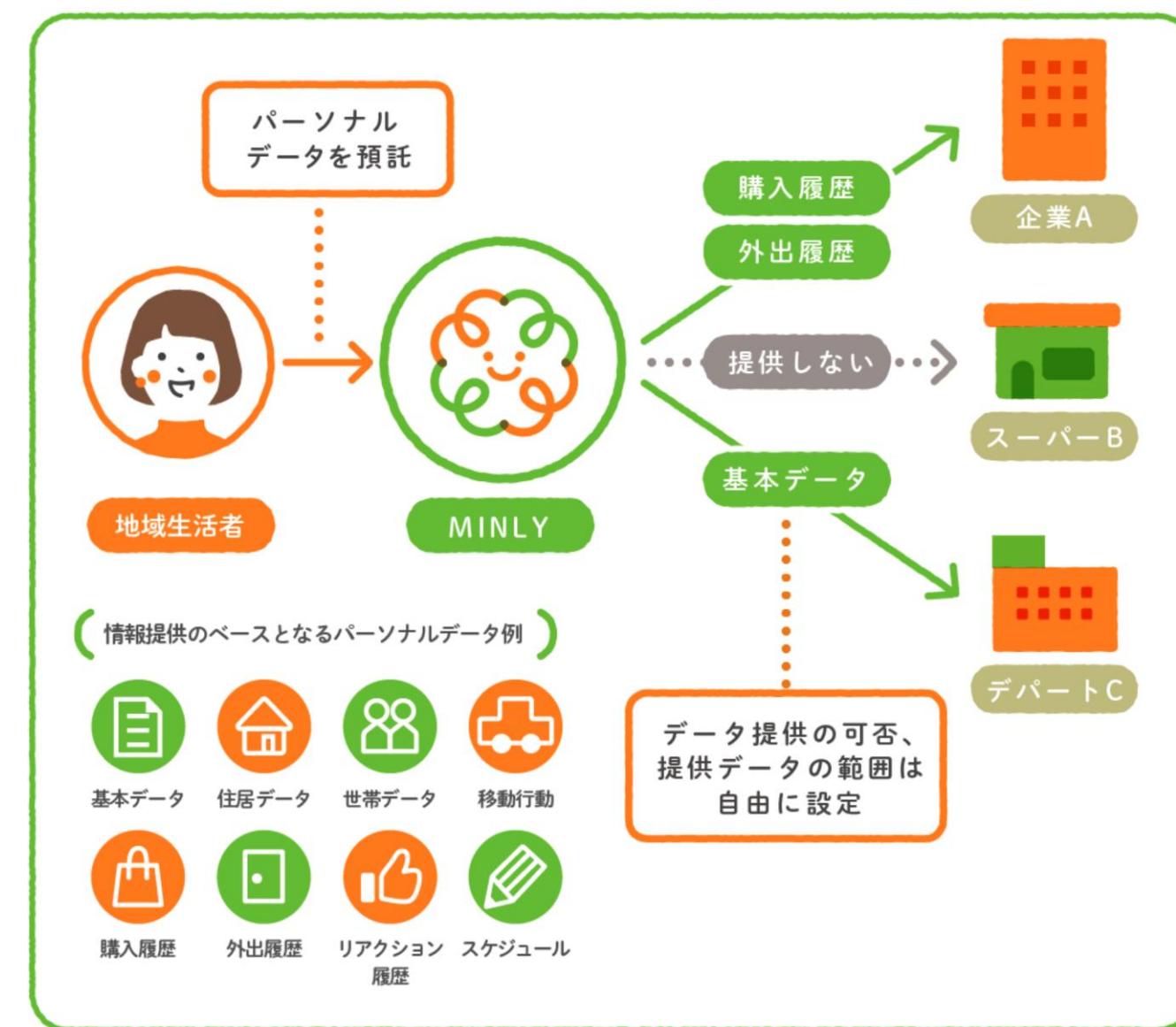
- Launched in Toyota city (Aichi prefecture), a leading smart-city in Japan
- Transparent information usage with informed user consent
- Users share personal interests, habits, and shopping data for tailored benefits



2.2. Case study: Chubu Electric's MINLY



Official scheme



MINLY

2.3. Health information

- Initially restricted, later expanded (including due to COVID-19 experiences)
- Is certification worth it?
- Non-certified information banks may allow more flexible and efficient data handling
- Recently: setup of health information banks in “special health zones”
- Forecast: it will take much time for market mechanisms to be effective



3.1. Evolution of DFFT

- 2019, WEF (Davos): PM Abe calls for balancing free flow of data with trust.
- 2019, G20 (Osaka): failed to gain momentum, Indonesia, India and South Africa opted out
- 2021, G7 (Cornwall): Official commitment
- 2023, G7 (Hiroshima)
 - Establishment of the Institutional Arrangement for Partnership (IAP) under the OECD umbrella to drive multilateral data governance.
 - Guest attendance of Indonesia (ASEAN presidency) and India (G20 presidency)

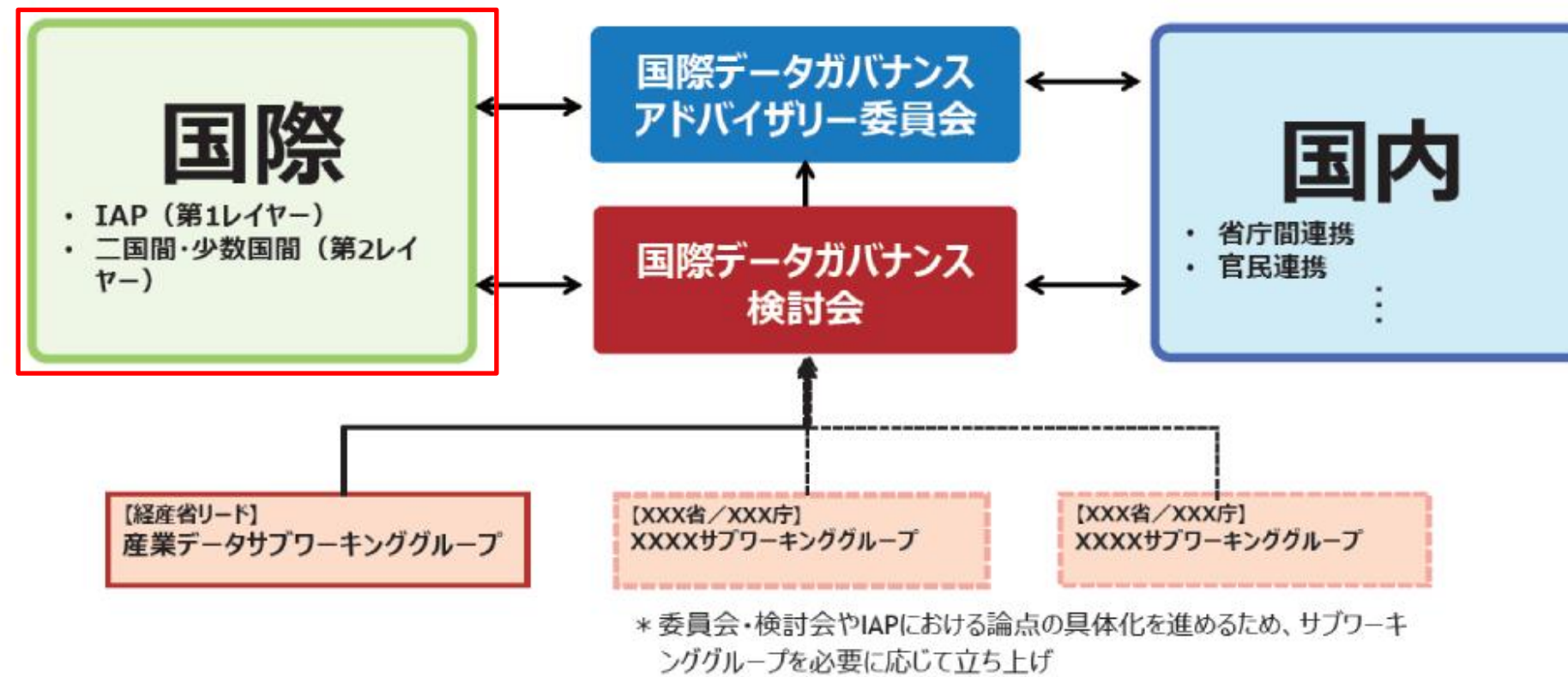


3.2. Two layers

Efforts toward the development of an **integrated domestic and international data ecosystem**

Relevant
for us

図表2 国内外一体のデータエコシステム構築に向けた取り組み



(出典)図表1・2 いずれもデジタル庁の資料を基に経団連事務局作成

3.2. Two layers

- Two layers
 - Layer 1: IAP (in the **OECD**, institutional trust-building)
 - Layer 2: Bilateral or minilateral **discussions among like-minded countries** (processual trust-building)
- L. 1: The center of coordination is in the G7 / OECD
- L. 2: Other countries in the Indo-Pacific (ASEAN, India, ..) are integrated pragmatically (**countering China's influence**)
- Strategy to **limit data sovereignty**, openly challenging such movements in ASEAN countries and India



3.3. The Tokyo Effect

- Definition of the Tokyo Effect: “Japan should lead rule-making by advocating a resilient and open trade and investment framework incorporating economic security.” (Business association Keidanren, in December 2024)
 - Strengthens supply chain resilience with strategic priorities (semiconductors, rare earths...).
 - Mitigates economic coercion through diversified, high-standard trade agreements (similar to CPTPP).
- DFFT is key for this.
- Japan becomes a fourth digital empire, navigating between the US, the EU, and China.
- The natural territory for this effect to unfold is the Indo-Pacific, where the distinction between democracy and autocracy (that Bradford cherishes) is not fruitful, and like-mindedness on specific issues is important.

4. Conclusion

- Japan's consensual digital capitalism offers a credible global alternative to dominant regulatory models
- The information bank certification scheme yields critical regulatory insights, in particular because of its early shortcomings
- DFFT underpins Japan's global role as mediator in an increasingly multipolar digital order
- Economic security serves as lever to access and stabilize Indo-Pacific markets
- From a European angle: the Tokyo Effect offers regulatory traction as the Brussels Effect is under pressure
- Japan's model warrants deeper integration into global digital governance debates



THANK YOU FOR YOUR ATTENTION!



The EU-Japan Digital Week is an initiative under the EU-Japan Digital Partnership and is supported by the following projects and organisations

