

# Online Platforms to Catalyze Inclusive Growth in Japan

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# What have online platforms done ?

- Moving economic and social interactions online
  - Access to **internet** = access to **society and economy**
- Role of **individual citizen** has changed
  - Not just a consumer
  - Seller of goods
  - Seller of services (labor)
- Role of platforms
  - Matching / Exchange
    - Seller (store, individual) – buyer (individual, store)
  - Buyer/Seller
    - Provide good/services/information in exchange for information

# What is necessary for inclusive growth

- Online platforms provide both **opportunity** for inclusive growth and **danger** of leaving part of society behind
- Individuals can directly sell goods and services
- Access to internet essential
- **Challenges** for individuals
  - Asymmetric information
  - Lack of bargaining power (inferior bargaining position)

# What can we do ?

- **Consumers and bargaining position:** “Guidelines Concerning **Abuse of a Superior Bargaining Position** in Transactions between Digital Platform Operators and Consumers that Provide **Personal Information**, etc.” Dec 2019
- **Freelance workers:** “Report of the Study Group on Human Resource and Competition Policy” Feb 2018, “Results of Fact-finding Survey on Freelancers” May 2020, “Guidelines for Securing **Fair Business Environment** for Freelancers” early 2021
- **New entrants (Start-ups):** “Guidelines to Application of the Antimonopoly Act Concerning Review of Business Combination” 2019, “Survey on Business Practices of **Start-ups**” Nov 2020, “Guideline for Open Innovation with Start-ups” early 2021
- **Online platforms:** “Improvement of **Trading Environment** surrounding Digital Platforms (study group interim report)” Dec 2018, “Fundamental Principles for Improvement of Rules Corresponding to the Rise of Digital Platform Businesses”, Dec 2018
- **Online advertising:** “Report Regarding **Digital Advertising**” early 2021

# Principle of **inclusive** growth & online platforms

- Surveys and guidelines
  - New technologies and relationships
  - **Fact finding and mutual understanding**
- **Cooperation** among government agencies (regulators)
  - Online platforms' effects **cross traditional boundaries**
  - Combination of ex-ante and ex-post intervention necessary
- **International cooperation**
  - Online platforms are global
  - Effects common across countries